



NOTICE OF COUNCIL MEETING

In accordance with Section 254C of the *Local Government Regulation 2012* this notice is to advise that the Trustee Council and Ordinary Council Meetings for the month of **JANUARY 2026** will be held online by Microsoft (TEAMS) as follows:

Wednesday, 28 January 2026

- Trustee Meeting (9.00am to 10.30am)
- Ordinary Meeting (10.30am to 5.00pm)

Microsoft (TEAMS) Meeting ID: 422 905 299 745 60 | Passcode: CK3GL9aU

The attendance of each Councillor is requested.

Agenda papers for this meeting are attached and will soon be available on Council's website (except for any Closed Business papers) and can be accessed by clicking on the link below:

<https://tsirc.qld.gov.au/about-us/meetings/>

Please note that this meeting is live streamed on Council's YouTube Channel and a recording following the meeting will be available at the following location:

<https://www.youtube.com/@IslandCouncil/streams>

James William
Chief Executive Officer
23 January 2026





ORDINARY MEETING

28 JANUARY 2026

AGENDA

Time: 10.30am to 5.00pm

Venue: *Microsoft (TEAMS) Meeting ID: 422 905 299 745 60 | Passcode: CK3GL9aU*

ORDER OF BUSINESS

10.30am	<p>A. WELCOME & QUORUM CONFIRMATION ACKNOWLEDGEMENTS OPENING PRAYER OBSERVANCES</p> <p>B. APOLOGIES</p> <p>C. CONFLICT OF INTEREST DECLARATIONS</p> <p>D. LIVE STREAM. <u>This meeting is live streamed on Council's YouTube Channel.</u></p> <p>1. CONFIRMATION OF MINUTES (10 DECEMBER 2025)</p> <p>1.1. Action Items Update</p> <p>2. MAYORAL REPORTS</p> <p>2.1. Mayoral Monthly Report</p> <p>3. CHIEF EXECUTIVE OFFICER REPORTS</p> <p>3.1. CEO Monthly Report (January 2026)</p> <p>OFFICER REPORTS FOR DECISION</p> <p>4. BUILDING SERVICES DIRECTORATE</p> <p>Nil.</p> <p>5. COMMUNITY SERVICES DIRECTORATE</p> <p>Nil.</p> <p>6. CORPORATE SERVICES DIRECTORATE</p> <p>6.1 Community Grants Program Allocation (December 2025)</p> <p>6.2 Funding Acquisition Report (December 2025)</p> <p>7. ENGINEERING SERVICES DIRECTORATE</p> <p>Nil.</p> <p>8. FINANCIAL SERVICES DIRECTORATE</p> <p>8.1 Financial Dashboard Report (December 2025)</p> <p>8.2 2024-25 Financial Statements</p> <p>8.3 2025-26 Budget Review 1</p> <p>8.4 Councillor Superannuation</p> <p>8.5 Submission to the Commonwealth Local Government Funding and Fiscal Sustainability Inquiry</p>
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9. RESOLUTION TO CLOSE THE MEETING TO THE PUBLIC

10. CHIEF EXECUTIVE OFFICER

- 10.1** *[Standing Agenda Item]* **Update on Current Legal Matters before Council**
(verbal update)

11. BUILDING SERVICES DIRECTORATE

- 11.1 Contractual Matter – Tender Evaluation and Award of Contract for the Approved Contractors List**

[Reason for this matter to be discussed in Closed Business: This matter contains information on 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".]

12. COMMUNITY SERVICES DIRECTORATE

Nil.

13. CORPORATE SERVICES DIRECTORATE

Nil.

14. ENGINEERING SERVICES DIRECTORATE

- 14.1 Capital Works – Information Report**

[Reason for this matter to be discussed in Closed Business: This matter contains information on 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".]

15. FINANCIAL SERVICES DIRECTORATE

- 15.1 Contractual Matter – Sole Supplier Register & Expenditure**

[Reason for this matter to be discussed in Closed Business: In accordance with section 254J of the Local Government Regulation 2012, it is recommended that this matter be considered by Council in Closed Business as it pertains to negotiations relating to a commercial matter involving Council for which a public discussion would be likely to prejudice the interests of the local government.]

- 15.2 Contractual Matter – Large Procurement Contracts Awarded Under Delegation**

[Reason for this matter to be discussed in Closed Business: In accordance with section 254J of the Local Government Regulation 2012, it is recommended that this matter be considered by Council in Closed Business as it pertains to negotiations relating to a commercial matter involving Council for which a public discussion would be likely to prejudice the interests of the local government.]

16. RESOLUTION TO RETURN THE MEETING TO OPEN DISCUSSION

17. CONSIDERATION OF MATTERS DISCUSSED IN CLOSED SESSION

18. ITEMS ARISING

19. INFORMATION REPORTS

- 19.1 BUILDING SERVICES (December 2025)**
19.2 COMMUNITY SERVICES (December 2025)
19.3 CORPORATE SERVICES (December 2025)
19.4 ENGINEERING SERVICES (Engineering Operations)
19.5 ENGINEERING SERVICES - Water & Wastewater (December 2025)

20. NEXT MEETING – 18 February 2026 (VC)

21. CLOSE OF MEETING & PRAYER

5.00pm



ORDINARY MEETING

28 JANUARY 2026

Agenda Item

1

DIRECTORATE: Corporate Services

AUTHOR: Executive Director Corporate Services

CONFIRMATION OF MINUTES – ORDINARY COUNCIL MEETING (10 DECEMBER 2025)

OFFICER RECOMMENDATION:

Council confirms the Minutes of the Ordinary Council Meeting held on 10 December 2025.

EXECUTIVE SUMMARY:

Section 254F(4) of the *Local Government Regulations 2012* requires that at each local government meeting, the minutes of the previous meeting must be confirmed by the councillors or committee members present.

Interested Parties/Consultation:

N/A

Background / Previous Council Consideration:

Council held its monthly Ordinary Council meeting online on 10 December 2025.

Section 254(6) of the *Local Government Regulation 2012* requires that a copy of the minutes of each local government must be made publicly available by 5pm on the tenth day after the meeting is held. To meet these compliance requirements, a copy of the draft Minutes of this meeting have been posted on the Council website.

Following endorsement by Council, the confirmed Minutes will be uploaded onto the Council website.

COMPLIANCE / CONSIDERATIONS:

Statutory:	Section 254F(4) of the <i>Local Government Regulation 2012</i>
Budgetary:	N/A
Policy:	N/A
Legal:	N/A
Risk:	Council breach of its Statutory requirements above.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 3– A Proactive & Responsible Council ➤ 3.1 Provide good governance & leadership
Malungu Yangu Wakay (The Masig Statement):	<i>In keeping with Article 4 of the United Nations Declaration on the Rights of Indigenous Peoples, in exercising our right to self-determination, we have the right to autonomy or self-government in matters relating to our internal and local affairs, as well as ways and means for financing their autonomous functions.</i>
Standing Committee Consultation:	N/A
Timelines:	Standard Procedure at each Monthly Council Meeting

Other Comments:

Nil.

Recommended:

Vicki Bishop
Executive Director Corporate Services

Approved:

James William
Chief Executive Officer

ATTACHMENTS:

Draft Minutes of the Ordinary Council Meeting held on 10 December 2025.



ORDINARY MEETING 10 DECEMBER 2025

MINUTES

Time: 10.30am to 5.00pm

Venue: Microsoft (TEAMS) Meeting ID: 466 069 832 218 | Passcode: vR3gj2k2

PRESENT:

Mayor

Division 1 – Boigu
Division 2 – Dauan
Division 3 – Saibai
Division 4 – Mabuiag
Division 5 – Badu / **Deputy Mayor**
Division 8 – Kirirri (Hammond Island)
Division 9 – Iama
Division 10 – Warraber
Division 11 – Poruma
Division 12 – Masig
Division 13 – Ugar
Division 14 – Erub
Division 15 – Mer

Cr Phillemon Mosby
Cr Dimas Toby
Cr Torenzo Elisala
Cr Chelsea Aniba
Cr Keith Fell – *left meeting at lunch break*
Cr Ranetta Wosomo – *left meeting at lunch break*
Cr Seriako Dorante
Cr Aggie Hankin
Cr Kabay Tamu
Cr Francis Pearson
Cr Ted Mosby
Cr Rocky Stephen
Cr Nixon Mye
Cr Bob Kaigey

APOLOGIES:

Division 6 – Kubin
Division 7 – Wug (St. Pauls), Mua Island

Cr Iona Manas – *Sad News/Sorry Business*
Cr John Levi – *prior travel commitments*

OFFICERS:

Chief Executive Officer

Executive Director Building Services
Executive Director Community Services
Executive Director Corporate Services
Executive Director Engineering Services
Manager Governance & Risk
Consultant
Executive Assistant to the CEO
TSIRC Secretariat

Mr James William
Mr Wayne Green
Mr Dawson Sailor
Ms Vicki Bishop
Mr David Baldwin
Ms Kim Kerwin
Mr Anthony Ottaway – *for Agenda Item 15.1 only*
Ms Amy Orr
Mr Darryl Brooks

A. WELCOME & QUORUM CONFIRMATION | ACKNOWLEDGEMENTS | OPENING PRAYER | OBSERVANCES

At 10.15am, the Mayor welcomed Councillors, Executives and staff and members of the public to the Ordinary Council meeting for the month of December 2025, noting that a quorum of members was present.

The Mayor welcomed attendees and made the following acknowledgements:

- Traditional Custodians of land and sea throughout the length and breadth of Zenadth Kes and the communities and constituents that Council serves; and
- The Traditional Custodians of Gimuy Country and surrounding areas of Cairns which host elements of the TSIRC footprint.

The Mayor conveyed to those members of the Torres Strait Islander community locally and throughout the homelands and on the Australian mainland who may currently be experiencing Sorry Business, the collective thoughts, prayers and well wishes of the Council during this time.

The Mayor thanked Councillors for their participation, engagement and leadership throughout the year.

The Mayor's final acknowledgement was to Papa God for His awesome wisdom, knowledge, understanding and favour upon our lives, as well as His direction in guiding Council's decision-making capacities throughout the year.

B. NOTING OF APOLOGIES

#C24-28/2025-12/B

The following apologies were noted and accepted by Council:

Division	Councillor/Reason	Mover/Seconder
Div. 6 – Kubin	Cr Iona Manas – <i>Sad News/Sorry Business</i>	CR DORANTE / CR KAIGEY
Division 7 – Wug (St. Pauls), Mua Island	Cr John Levi – <i>prior travel commitments</i>	CR ELISALA / CR PEARSON

C. CONFLICT OF INTEREST (COI) DECLARATIONS

The Mayor invited Councillors to advise if they had any COI declarations to disclose in relation to items listed on the agenda.

- **Cr Francis Pearson** reminded Council that he had declared a COI in relation to a funding application to be considered under Agenda Item 6.1 (Community Grants Program Allocation – November 2025) and will leave the meeting when that application is being considered.

No other declarations were made by Councillors.

The Mayor also invited Councillors to declare if they are involved in any current legal matters that they are required to advise the Mayor as soon as possible. No such declarations were made by Councillors.

Action Required:

Councillors to provide CEO with written notice of any COI matters prior to each Council meeting.

D. LIVE STREAM

The Mayor advised Council that this meeting is being LIVE STREAMED on Council's YouTube Channel and welcomed members of the general public who may be

viewing proceedings. The Mayor added that this livestreaming service offers transparency and allows members of the general public and organisational partners in the region TSIRC footprint to be informed of Council's deliberations and decisions which impact on the region.

1. CONFIRMATION OF MINUTES (19 NOVEMBER 2025)

#C24-28/2025-12/1

CR ANIBA / CR WOSOMO

Council confirms the Minutes of the Ordinary Council Meeting held on 19 November 2025.

CARRIED UNANIMOUSLY

1.1. Action Items Update

The Chief Executive Officer (Mr James William) spoke to this item. The update was noted by Council. *Items noted as 'completed' during this update will be removed from future reports.*

2. MAYORAL REPORTS

2.1. Mayoral Monthly Report

The Mayor spoke to his report. The report was noted by Council.

3. CHIEF EXECUTIVE OFFICER REPORTS

3.1. CEO Monthly Report (November 2025)

The Chief Executive Officer (Mr James William) spoke to his report, and made two additional verbal updates as follows:

- the Executive Leadership Team met with Mr Scott Mason to explore evolving the business of Council effectively into the future to meet the aspirations currently being prioritised by Council (such as TAP and regional governance matters) and these discussions helped form the material for the TSIRC presentation to the TSRA in November 2025. A copy of the TSIRC material presented will be circulated to Councillors; and
- the Mayor and the Chief Executive Officer presented to the Department of Climate Change, Energy and Water on 9 December 2025 advocating a proposal for a Torres Strait Regional Climate Forum in Cairns which can be attended by Pacific regional interest groups.

#C24-28/2025-12/3.1

CR ANIBA / CR WOSOMO

Council notes the Chief Executive Officer Report for November 2025.

CARRIED UNANIMOUSLY

Action Required:

Standing Agenda Item in Closed Business in future Council meetings: CEO to report on any legal matters before Council.

3.2. TSIRC Meeting Schedule for 2026

#C24-28/2025-12/3.2

CR MYE / CR FELL

In accordance with Section 257(1) of the *Local Government Regulations 2012*, Council:

1. Rescinds para (a)(i) of Council Decision #C24-28/2025-7/3.2 and agrees that the annual Council Workshops normally held in May and November be convened over a 5-day period (Monday to Friday);
2. Endorses the following schedule of Trustee Council meetings, Ordinary Council meetings and Council Workshops for 2026:
 - Wednesday, 28 January 2026 (VC)
 - Wednesday, 18 February 2026 (VC)
 - Tuesday & Wednesday, 24-25 March 2026 (f2f - Warraber)
 - Wednesday, 22 April 2026 (VC)
 - Monday to Friday, 11-15 May 2026 (Council Workshop to be held on Badu)
 - Wednesday, 20 May 2026 (VC)
 - Wednesday, 24 June 2026 (VC)
 - Tuesday & Wednesday, 21-22 July 2026 (f2f – Mabuiag)
 - Wednesday, 19 August 2026 (VC)
 - Tuesday & Wednesday, 22-23 September 2026 (f2f - Mer)
 - Monday to Friday, 12-16 October 2026 [Council Workshop to be held in Cairns]
 - Wednesday, 28 October 2026 (VC)
 - Tuesday & Wednesday, 17-18 November 2026 (Kirirri)
 - Wednesday, 16 December 2026 (VC); and
3. In accordance with Section 254B of the *Local Government Regulations 2012*, Council agrees that the schedule of Trustee and Ordinary Council Meetings for 2026 be published in the *Torres News* and on the Council website.

CARRIED UNANIMOUSLY

➤ *The Mayor suspended deliberations from 12.00nn to 1.00pm for lunch.*

4. BUILDING SERVICES DIRECTORATE

Nil.

5. COMMUNITY SERVICES DIRECTORATE

5.1. Torres Strait Treaty – Suspension of Traditional Visits Over Christmas/New Year Period 2025-26

#C24-28/2025-12/5.1

CR ANIBA / CR T. MOSBY

Council:

- (a) Resolves that traditional inhabitant visits between Papua New Guinea and Australia under the *Torres Strait Treaty* will be suspended from close of business on Tuesday, 23 December 2025 to Sunday 4 January 2026 (border reopens on Monday 5 January 2026); and
- (b) Agrees that Councillors (as authorising officers) will adhere to the suspension dates and to ensure that this suspension period is clearly communicated throughout the community.

CARRIED UNANIMOUSLY

➤ *Cr Francis Pearson left the meeting prior to consideration of Grant Application CG2026-045 (Agenda Item 6.1 below) as per his declared COI and returned to the meeting at the conclusion of deliberations on this application.*

6. CORPORATE SERVICES DIRECTORATE

6.1. Community Grants Program Allocation (November 2025)

#C24-28/2025-12/6.1

1. Council resolves to allocate Community Grants Program funding to applicants in accordance with the *Community Grants Policy*:

- CG2026-043 – MARIA BOSUN (KUBIN JRLC) for \$3,732.00, exclusive of GST;

MOVED/SECONDED: CR ANIBA / CR MYE

CARRIED UNANIMOUSLY

2. Council resolves to allocate Community Grants Program funding to applicants in accordance with the *Community Grants Policy*:

- CG2026-045 – JIMMY LARRY (PORUMA JRLC) for \$2,000.00, exclusive of GST;

MOVED/SECONDED: CR DORANTE / CR T. MOSBY

CARRIED UNANIMOUSLY

3. Council resolves to allocate Community Grants Program funding to applicants in accordance with the *Community Grants Policy*:

- CG2026-055 – SAM JOE (MABGUIAG JRLC) for \$10,000.00, exclusive of GST;

MOVED/SECONDED: CR PEARSON / CR DORANTE

CARRIED UNANIMOUSLY

4. Council resolves to allocate Community Grants Program funding to applicants in accordance with the Community Grants Policy:

- **CG2026-058 – MARY WAPAU (ST PAULS JRLC) for \$3,732.00, exclusive of GST;**

MOVED/SECONDED: CR ANIBA / CR TAMU

CARRIED UNANIMOUSLY

5. Council resolves to allocate Community Grants Program funding to applicants in accordance with the Community Grants Policy:

- **CG2026-59 – MALETTA WAIGANA (ERUB JRLC) \$5,490.00, exclusive of GST;**

MOVED/SECONDED: CR T. MOSBY / CR PEARSON

CARRIED UNANIMOUSLY

➤ *Council also noted the following:*

- (a) *five (5) Community Grant applications were deemed eligible for processing;*
- (b) *one (1) Community Grant application was deemed ineligible for processing;*
- (c) *three (3) Funeral Grant applications were considered eligible;*
- (d) *three (3) Funeral Grant applications were supported using divisional contributions.*

6.2. Funding Acquisition Report (November 2025)

#C24-28/2025-12/6.2

CR STEPHEN / CR ELISALA

Council receives and notes this report and its content.

CARRIED UNANIMOUSLY

Action Required:

Executive Director Corporate Services to oversee:

1. Future Funding Acquisition Reports to list efforts to attract and improve funding opportunities to Council (both Government and non-Government) which demonstrates Council's efforts to secure funds for the TSIRC footprint.
2. Future Funding Acquisition Reports to include additional information on the follow-up actions being pursued in relation to unsuccessful funding applications.

6.3. TSIRC 2024-25 Annual Report

#C24-28/2025-12/6.3

CR DORANTE / CR HANKIN

Council:

1. **Adopts the Annual Report for the period of 1 July 2024 to 30 June 2025 for the Torres Strait Island Regional Council in accordance with the requirements of the *Local Government Act 2009* and associated regulation; and**
2. **Delegates authority to the Chief Executive Officer in accordance with the *Local Government Act 2009* to make minor administrative amendments and finalise all matters associated with publishing this report.**

CARRIED UNANIMOUSLY

➤ *The Mayor acknowledged the layout, readability and detail provided in the 2024-25 Annual Report and thanked TSIRC staff involved in compiling the final report.*

➤ *The Manager Governance & Risk (Ms Kim Kerwin) spoke to AI 6.4 below.*

6.4. Policy Update – Complaint Management Policy

#C24-28/2025-12/6.4

CR ANIBA / CR PEARSON

Council resolves to endorse the updated Complaint Management Policy.

CARRIED UNANIMOUSLY

6.5. TSIRC Economic Development Community Engagement Report – Phase 1

#C24-28/2025-12/6.5

CR ANIBA / CR T. MOSBY

Council receives and notes the outcomes of the 2025 TSIRC Economic Development Community Engagement Report – Phase 2.

CARRIED UNANIMOUSLY

7. ENGINEERING SERVICES DIRECTORATE

Nil.

➤ *In the absence of the Executive Director Financial Services, the Chief Executive Officer (Mr James William) spoke to Agenda Item 8.1 below.*

8. FINANCIAL SERVICES DIRECTORATE

8.1. Financial Dashboard Report (November 2025)

#C24-28/2025-12/8.1

CR PEARSON / CR TAMU

Council receives and endorses the monthly financial statements attached to the officer's report for the 2025-26 year to date, for the period ended 30 November 2025, as required under Section 204 of the *Local Government Regulation 2012*.

CARRIED UNANIMOUSLY

9. RESOLUTION TO CLOSE THE MEETING TO THE PUBLIC

#C24-28/2025-12/9

CR TAMU / CR ANIBA

The Council resolves to close the meeting to the public pursuant to section 254J of the *Local Government Regulation 2012* to allow the Council to discuss items listed on the agenda for closed discussion and for the reasons outlined under those items.

CARRIED UNANIMOUSLY

10. CHIEF EXECUTIVE OFFICER

Nil.

11. BUILDING SERVICES DIRECTORATE

Nil.

12. COMMUNITY SERVICES DIRECTORATE

Nil.

13. CORPORATE SERVICES DIRECTORATE

Nil.

14. ENGINEERING SERVICES DIRECTORATE

- *Point 3 of AI 14.1 was an addition to the recommendation originally provided in the officer's report and was proposed in—Council by the Executive Director Engineering Services (Mr David Baldwin) and subsequently accepted by Council.*

14.1. Seawalls Program Funding Distribution

[Reason for this matter to be discussed in Closed Business: This matter contains information on 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".]

#C24-28/2025-12/14.1

CR ANIBA / CR PEARSON

Council resolves:

1. To endorse the allocation of surplus and remaining contingency funds from completed (from Round 2 funding) Seawalls Projects to be allocated to the current (Round 2) Masig Seawalls Project;
2. To formally request the Seawalls Project Governance Committee to approve allocation of these funds;
3. Subject to confirmation of further on-island Sand harvesting opportunities and the overall Project Sand Volumes available, Council seeks PGC endorsement to extend the current Warraber Coastal Protection Works Eastwards and into the Stage 2 alignment as far as practical and within current allocated Project budget; and
4. Delegates authority to the Chief Executive Officer under the provisions of the *Local Government Act 2009* to prepare, submit, and manage the funding allocation request and execution of any related contractual and budget amendments.

CARRIED UNANIMOUSLY

➤ *Mr Andrew Ottaway (Consultant) spoke to Agenda Item 15.1 below.*

15. FINANCIAL SERVICES DIRECTORATE

15.1. Mirabou Energy – Renewable Energy Project Status Update

[Reason for this matter to be discussed in Closed Business: This matter contains information on 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".]

#C24-28/2025-12/15.1

CR KAIGEY / CR DORANTE

Council receives and notes:

- (a) the status update on the renewable energy project as endorsed by the Project Steering Committee on 1 December 2025; and
- (b) that pilot islands in the master agreement will be reduced from four to three (with Mer to be removed).

CARRIED UNANIMOUSLY

16. RESOLUTION TO RETURN THE MEETING TO OPEN DISCUSSION

#C24-28/2025-12/16

CR PEARSON / CR DORANTE

The Council resolves to move out of closed discussions pursuant to Section 254I of the *Local Government Regulation 2012*.

CARRIED UNANIMOUSLY

17. CONSIDERATION OF MATTERS DISCUSSED IN CLOSED SESSION

Council formally resolved on the decisions taken in relation to Agenda Items 10-16 above.

18. ITEMS ARISING

Nil.

19. INFORMATION REPORTS

- 19.1. BUILDING SERVICES – Building Services Report (November 2025)**
- 19.2. COMMUNITY SERVICES – Community Services (November 2025)**
- 19.3. CORPORATE SERVICES - Corporate Services Information Report (November 2025)**
- 19.4. ENGINEERING SERVICES – Engineering Operations**
- 19.5. ENGINEERING SERVICES – Information Report - Water and Wastewater (November 2025)**

Council receives and notes the information reports. Any enquiries by Councillors in relation to the information reports can be raised directly by Councillors with the respective Directorate Executive Director, or the Chief Executive Officer.

Action Required:

1. Executive Director Building Services/Executive Director Community Services to provide an update at the January 2026 meeting in relation to the provision of clear advice for Division staff and for Communities on Divisions in relation to housing repair and maintenance issues and tenant obligations for rental payments.
2. Executive Director Community Services to pass on to Housing Officers the Mayor's thanks and acknowledgement of their work on-ground for our Communities.
3. Chief Executive Officer to report back to a future Council meeting options available to Council to address ongoing housing repair and maintenance issues (including the establishment of a Torres Strait Housing Authority).
4. Chief Executive Officer/Executive Director Community Services to lobby the State Government to convene a Torres Strait Regional Housing Summit as soon as possible.

20. NEXT MEETING – 28 JANUARY 2026 (VC)

Noted by Council.

21. CLOSE OF MEETING & PRAYER

The Mayor thanked Councillors and Officers for their participation and constructive engagement throughout the meeting. The Mayor also thanked Councillors for their leadership throughout 2025, their commitment to Council and the region. Many lessons have been learned throughout the year.

The Mayor also acknowledged and thanked the Chief Executive Officer and his Executive Team for their support throughout the year and Council and wished all families the very Merry Christmas and a Happy New Year.

The Mayor formally closed the meeting at 3.40pm and **Cr Chelsea Aniba** delivered the closing prayer.

MINUTES CONFIRMED – 28 January 2026

.....
Cr Phillemon Mosby
Mayor
Torres Strait Island Regional Council

.....
James William
Chief Executive Officer
Torres Strait Island Regional Council



ORDINARY COUNCIL MEETING ACTION ITEMS

(Updated as at 23 January 2026)

Agenda Item

1.1

Agenda Item	Expected Completion Date	Action Area	Current Status
<p>Dec 2025 Mtg AI C COI Declaration</p> <p>Action Required:</p> <p>Councillors to provide CEO with written notice of any COI matters <u>prior</u> to each Council meeting.</p>	Monthly	All Councillors	<p>COI forms now included as part of the Council meeting document package as of Jan 2026.</p> <p>Close this action.</p>
<p>Dec 2025 Mtg AI 3.1 CEO Monthly Report (Nov 2025)</p> <p>Action Required:</p> <p>Standing Agenda Item in Closed Business in future Council meetings: CEO to report on any legal matters before Council.</p>	ASAP	Secretariat	<p>Standing Agenda Item listed as of Jan 2026.</p> <p>Close this action.</p>
<p>Dec 2025 Mtg AI 6.2 Funding Acquisition Report (Nov 2025)</p> <p>Action Required:</p> <p>Executive Director Corporate Services to oversee:</p> <ol style="list-style-type: none">Future Funding Acquisition Reports to list efforts to attract and improve funding opportunities to Council (both Government and non-Government) which demonstrates Council's efforts to secure funds for the TSIRC footprint.Future Funding Acquisition Reports to include additional information on the follow-up actions being pursued in relation to unsuccessful funding applications.	ASAP / Monthly	ED Corporate Services	<p>Update 23/01/2026: The Funding Acquisition Report has been updated to overview efforts to attract and improve funding opportunities to Council (both Government and non-Government) and includes follow up actions on current or unsuccessful applications, demonstrating Council's efforts to secure funds for the TSIRC footprint.</p> <p>Close this action.</p>

<p>Dec 2025 Mtg AI 19 Information Reports</p> <p>Action Required:</p> <ol style="list-style-type: none"> Executive Director Building Services/Executive Director Community Services to provide an update at the January 2026 meeting in relation to the provision of clear advice for Division staff and for Communities on Divisions in relation to housing repair and maintenance issues and tenant obligations for rental payments. Executive Director Community Services to pass on to Housing Officers the Mayor's thanks and acknowledgement of their work on-ground for our Communities. Chief Executive Officer to report back to a future Council meeting options available to Council to address ongoing housing repair and maintenance issues (including the establishment of a Torres Strait Housing Authority). Chief Executive Officer/Executive Director Community Services to lobby the State Government to convene a Torres Strait Regional Housing Summit as soon as possible. 		<ol style="list-style-type: none"> ED Building Services / ED Community Services ED Community Services CEO CEO / ED Community Services 	<ol style="list-style-type: none"> Completed. Community Notice scheduled for distributed before end of January 2026. Internal communication to Housing staff regarding rent revenue vs costs of R&Ms. Rent discounts to only be done according to policy & procedure. Close action #1. Completed. Close action #2. In progress. Internal discussions commenced to determine best approach. To be raised with visiting Deputy Director-General Housing in February 2026.
<p>Nov 2025 Mtg AI 2.1 Mayoral Monthly Report</p> <p>Action Required:</p> <p>Executive Director Corporate Services to obtain a video of the Mayor's community address during the November 2025 Council Workshop which can be distributed across the TSIRC footprint to shed light on the geographic and financial challenges before Council in providing services on-ground to community.</p>		ED Corporate Services	<p>In progress, presentation and script being reviewed for discussions with Mayor and preparation of the video in the new year (2026).</p> <p>Update 10/12/25: Further work being undertaken to identify opportunities during F2F Council Meetings & Council Workshops to capture on video key messaging moments by Council and high-level deputations.</p> <p>Update 22/01/2026: Pending appointment of key staff, a meeting is to be scheduled with the Mayor to discuss draft narratives.</p>

<p>Nov 2025 Mtg AI 8.1 Financial Dashboard Report (October 2025)</p> <p>Action Required:</p> <p>Executive Director Financial Services and Executive Director Corporate Services to explore messaging to be put on the public record to alert both Government and the Opposition on Council's cash-flow situation in relation to soaring costs to deliver services across the TSIRC footprint.</p>		<p>ED Financial Services / ED Corporate Services</p>	<p>In progress, draft letters and collateral for the ministers are currently being finalized, this collateral will be leveraged to develop consistent Community messaging.</p>
<p>Nov 2025 Mtg AI 14.1 Ugar Channel Dredging Funding</p> <p>Action Required:</p> <p>Executive Director Engineering Services to provide Torres Strait Regional Authority (TSRA) with details on the options and costings associated with the Ugar Channel dredging project.</p>		<p>ED Engineering Services</p>	<p>Actioned. Complete.</p> <p>Close this action.</p>
<p>Nov 2025 Mtg AI 19 Information Reports</p> <p>Action Required:</p> <p>Chief Executive Officer to convey to staff Council's thanks and the Mayor's personal thanks and appreciation for the detail provided in the Information Reports and for maintaining services for the liveability of communities across the TSIRC footprint.</p>		<p>Chief Executive Officer</p>	<p>Completed. Council's thanks conveyed as part of the CEO's end of year message to all staff on 23/12/25.</p> <p>Close this action.</p>

<p>Oct 2025 Mtg AI 18 Items Arising</p> <p>Action Required:</p> <ol style="list-style-type: none"> Executive Director Community Services to liaise with the Manager Housing to explore options to reduce noise pollution from tenants of public housing, as well as liaison with QPS on Thursday Island for local police to be made aware of growing public nuisance incidents across the communities. Executive Director Community Services to explore options around the introduction of night curfews for youth and/or social supports for families to engage bored youth. 		<ol style="list-style-type: none"> ED Community Services / Manager Housing ED Community Services 	<ol style="list-style-type: none"> Ongoing collaboration with QPS and TSIPLOs. In addition, plan to raise awareness through Community consultation of Housing Policies in 2026 and Community information sessions. Ongoing.
<p>Oct 2025 Mtg Deputation Torres & Cape Hospital and Health Service (TCHHS)</p> <p>Action Required:</p> <p>Executive Director Community Services to provide TCHHS with a copy of the outcomes report/data on the “Deadly For Diabetes” trial in the TSIRC footprint.</p>		ED Community Services	In Progress. Follow-up on formal correspondence from CEO to TCHHS advocating for financial support for the continuation of this successful program.
<p>Sep 2025 Mtg AI 2.1 Mayoral Monthly Report</p> <p>Action Required:</p> <p>Council’s ECCA Advisory Committee to:</p> <ol style="list-style-type: none"> explore interest from key stakeholders across the greater Torres Strait region to jointly lobby for greater levels of action and investment in addressing the growing impact of climate change across the greater region; and prepare a report back to Council on a proposed way forward. 		ECCA Advisory Committee / ED Engineering Services	The Executive Director Engineering Services advised Council that the ECCA Advisory Committee was due to meet on 16/10/25, however, due to extenuating circumstances that meeting did not proceed. A follow-up meeting will be arranged following consultation with the ECCA Chair.

<p>Sep 2025 Mtg AI 6.1 Community Grants Program Allocation (Aug 2025)</p> <p>Action Required:</p> <p>CEO to explore a review of the Community Grants Policy to clarify issues in relation to eligibility for funeral grants and funeral travel grants, as well as feedback to community on outcomes following the grant acquittal.</p>		<p>ED Corporate Services / CEO</p>	<p>Ongoing. A/CEO and Executive Corporate Services discussed an approach and agreed to review the Community Grant Program in December 2025.</p> <p>Update 21/01/2026: The review of the Community Grant Program began in November with internal stakeholder meetings to identify initial opportunities to clarify issues in relation to eligibility of funeral grants and funeral travel grants as well as methods to capture and share grant acquittal feedback. The opportunity to improve the forms for both ease of use by the community and to improve our internal process was identified and implemented. Consultation to seek Councillors feedback will begin shortly.</p>
<p>Apr 2025 Mtg AI 3.1 CEO Monthly Report (April 2025)</p> <p>Action Required:</p> <p>Chief Executive Officer to discuss off-line with Cr Fell the matter of STP funding for Mabuiag.</p>		<p>Chief Executive Officer</p>	<p>Ongoing.</p>
<p>Jan 2025 Mtg AI 6.5 Repeal of Council Resolution – Community Radio/Broadcasting Licences</p> <p>Action Required:</p> <p>Matter to be considered by the Culture, Arts, Land and Heritage (CALH) Advisory Committee and a recommended way forward be presented to the April 2025 Council Meeting.</p>		<p>CALH Advisory Committee (Cr Aniba) / ED Corporate Services</p>	<p>The CALH Advisory Committee will present a position for Council consideration at the Jan 2026 Council meeting.</p> <p>Update: 22/01/2026: Following further discussions with the Australian Communications and Media Authority the CALD Advisory committee will be provided an update at its February 2026 meeting which will be followed by a report being presented at the February 2026 Council meeting.</p>

<p>Jan 2025 Mtg AI 17(e) Matters Arising Fuel Bowser and Desalination Plant (Erub) – connection to electricity grid.</p> <p>Action Required: Executive Director Engineering Services to follow-up with Ergon.</p>		ED Engineering Services	<p>In progress.</p> <p>Ergon engaged to undertake design and costing.</p>
<p>July 2024 Mtg AI 17(a) Funding for Dialysis Unit on Badu</p> <p>Action Required: Executive Director Community Services to provide background information in relation to Commonwealth Government funding for the unit.</p> <p><i>Mayor strongly requests that consideration be given to financial costs to Council for this project (and other projects across the TSIRC footprint) to be implemented on-ground (i.e. water and infrastructure, etc).</i></p> <p>August 2025 Meeting: <i>Mayor requested that correspondence be sent to various politicians – Mr David Kempton MP (Member for Cook), Senator the Hon. Nita Green (Federal Assistant Minister for Northern Australia) and Senator the Hon. Malarndirri McCarthy (Minister for Indigenous Australians) outlining the lack of consultation around the project itself, including the impacts on Council's capacity to provide ongoing support with operational and infrastructure requirements the project in our current financial environment.</i></p> <p><i>November 2025 Meeting: CEO to provide 3-4 or more examples where State/Federal Government departments and agencies have failed to consult with TSIRC on projects which require Council resources (water, sewerage, infrastructure support, etc.) and these examples will be used to lobby the State/Federal Governments on the importance of working with TSIRC as these new builds/projects do impact on Council's currently stretched capacity to maintain and provide basic local government services to the community.</i></p>		<p>CEO / Executive Director Community Services / Cr Wosomo</p> <p><i>Matter raised directly with Minister for Health by Mayor, Deputy Mayor and CEO during a meeting on 18 Feb 2025.</i></p>	<p>Ongoing.</p> <p>Update (Aug 25 OM): Dumbarra Consultancy Services managing this project. 23/7/25 made initial enquiry with TSIRC seeking guidance on land tenure processes. Communication from Dumbarra outlines that stakeholder engagement, legal protocols and legal requirements will be undertaken. No timeframe, however outlines that project is already behind schedule.</p> <p>Update (Nov 25 OM): Cr Wosomo has tried outreach several times to the Badu traditional custodians on this matter with no response to date seeking support in relation to an alternative site.</p>



MAYORAL MONTHLY REPORT

JANUARY 2026.

<u>Date</u>	<u>Engagement</u>	<u>Details</u>
Dec 08	Michael Kiting, Officer Commanding Sarpeye Company and WO2 Bradley Congerton, CSM Sarpeye Company, 51st Battalion, Far North Queensland Regiment.	Poruma Island
DEC 10	December Council Ordinary meeting	Video Conference
DEC 11	Poruma Elders' activities coordinated by Council's Health & Age Care Worker.	Poruma Island
DEC 17	Sean Taylor and delegates from CSIRO discuss potential partnership water projects with the Torres Strait Island Regional Council.	MS Teams
DEC 17	GBK Deputation	Rydges Resort Esplanade
DEC 18	ABF Inspector Bob Cain and Tracey Griffin.	Microsoft Teams
DEC 19	Cairns Office TSIRC Christmas Party	Cairns
DEC 19	Deputy Director Ann Mcgarth and Chief of Staff Juanita Saltmer from The Honorable Minister Fiona Simpson MP Office The Minister for Women and Women's Economic Security, Minister for Aboriginal and Torres Strait Islander Partnerships and Minister for Multiculturalism.	MS Teams
JAN 12 - 15	90 th Anniversary Maritime Strike	Thursday Island
JAN 12	Public Exhibition Maritime Strike	Anglican Hall, Douglas Street, Thursday Island
JAN 13	Member for Leichardt Matt Smith	TSIRC Office, Thursday Island
JAN 13	Maritime Strike Seminar Ngurra: Return of Cultural Heritage	Boat Club, Thursday Island
JAN 13	TSRA Chair, Geroge Nona	TSIRC Office, Thursday Island
JAN 14	Maritime Strike Commemorative Event	TI Waterfront and Anglican Hall, Thursday Island
JAN 14	Maritime Strike Seminar Restoring Legacy	Boat Club, Thursday Island
JAN 15	Honorable Ms. Sam Mostyn AC, Governor-General of Australia Visit to Masig	Day trip to Masig with the Director General
JAN15	Maritime Strike Seminar Voices of Resistance	Boat Club, Thursday Island
JAN 16	QPS	MS Teams
JAN 16	NIAA	TSIRC Office, Thursday Island





2026 TSIRC Meeting Dates

Month	Date	Meeting	Start Time	Venue
January	14	(SARG) Standing Committee	9.00am	Video Confe
	28	Trustee Council & Ordinary Council	9.00am	Video Confe
February	18	Trustee Council & Ordinary Council	9.00am	Video Confe
March	24 - 25	Trustee Council & Ordinary Council	9.00am	Warraber
April	22	Trustee Council & Ordinary Council	9.00am	Video Confe
May	11 - 15	Council Workshop	9.00am	Badu
	20	Trustee Council & Ordinary Council	9.00am	Video Confe
June	24	Trustee Council & Ordinary Council	9.00am	Video Confe
July	21 - 22	Trustee Council & Ordinary Council	9.00am	Mabuiag
August	19	Trustee Council & Ordinary Council	9.00am	Video Confe
September	22 - 23	Trustee Council & Ordinary Council	9.00am	Mer
October	12 - 16	Council Workshop	9.00am	Cairns
	28	Trustee & Ordinary Council	9.00am	Video Confe
November	17 - 18	Trustee Council & Ordinary Council	9.00am	Kirirri
December	16	Trustee Council & Ordinary Council	9.00am	Video Confe

**Trustee meetings will commence at 9:00am with Council's ordinary meeting to follow immediately after. Please note dates and locations may change. Please check with your local Divisional Office the TSIRC Website.*

Notice pursuant to section 254B of the Local Government Regulation 2012

James William

council december ordinary meeting highlights

- TSIRC meeting schedule 2026
- Torres Strait Treaty - suspension of traditional Visits
- Community Grants \$24,954
- \$28,241,544.49 Successful Ops Funding
- Adoption of 2024/2025 TSIRC Annual Report
- Complaint Management Policy Review
- Economic Development Community Engagement Report Phase 1
- Continuation of Masig Seawall Project
- Monthly Financial Report period ending 30th November 2025
- Renewable Energy Project Status Report
- Revised pilot islands for renewable energy projects

Council meeting minutes are available on Council official website.

Koeyma Eso,

Mayor MOSBY



COUNCIL'S ORDINARY MEETING WAS HELD ON WEDNESDAY 10TH DECEMBER 2025, 9:00AM TO 5:00PM 🌴 VIA VIDEO CONFERENCE.



ON STRIKE AG'NST GOVERNMENT Torres Straits Islanders

BRISBANE, Jan. 12.—Though officials decline to give information, Thursday Island natives report that, with two exceptions, all the Torres Strait Islanders controlled by the Protector of Aborigines are on strike and refuse to work their boats.

There are more than 20 luggers working trochus shell in the Straits. The aborigines are dissatisfied with the method of payment.



1936-2026
90 years
Torres Strait
🚩 **Maritime Strike** 🚩
Malungu Yangu Wakay - Mirkok
Voice from the Deep

MARITIME STRIKE SEMINAR SERIES



5:30pm - 7pm



Boat Club

12 TUE

Ngurra: The National Aboriginal and Torres Strait Islander Cultural Precinct, and Return of Cultural Heritage

Presented by:
Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS)



13 WED

Restoring Legacy: Luggers, the Penguin A61, and Maritime History of the Torres Strait

Presented by Mr John Hockings (Queensland Maritime Museum)



14 THU

Voices of Resistance: Remembering and Reframing the 1936 Maritime Strike

Presented by Dr Leah Lui-Chivizhe (UNSW) and Mr Geoff Lui (JCU)







Office of the Chief Executive Officer

AUTHOR: Chief Executive Officer

CHIEF EXECUTIVE OFFICER MONTHLY REPORT (January 2026)

OFFICER RECOMMENDATION

Council notes the Chief Executive Officer Report for January 2026

EXECUTIVE SUMMARY

The Chief Executive Officer's monthly report summarises key operational activities undertaken since the previous Council meeting, including any key media activities.

BUILDING SERVICES

1. Highlights from the Month *(Major accomplishments or milestones):*

- 2 X MMC Buildings for Mabiug in construction at Cairns QBuild – on target
- First two plug ins have commenced on Warraber (SHAP 1 program)
- 3Yr Apprentice First Nations Carpenter (ex QBuild) commences with TSIRC at Badu Wednesday 28 January 2026
- Works has commenced at Elphinstone Close for new Office space

2. Key Areas of Focus for the Month Ahead *(strategic priorities):*

- Call EOI for delivery of new housing assets from the Private Sector allowing for same design of Social Housing (TSIRC Prototype)
- Delivery of Plug ins at Warraber, St Pauls and Masig (SHAP 1)

Upcoming Initiatives *(New projects or campaigns):*

- EOI for new partnering with TSIRC to deliver Housing Assets – Briefing note currently being finalised.

3. Summary & Outlook *(Summary of overall progress):*

- State budget constraints – loss of revenue for maintenance, upgrades and ownership – have been advised by State this will be cut further 26/27 FY
- Restructure BSU to include Assets to manage maintenance services – this will streamline process's
- Delivery of 2 x MMC Housing Assets on Mabiug July 2026 (currently being constructed in Cairns)

COMMUNITY SERVICES

1.Highlights from the Month *(Major accomplishments or milestones):*

- Finalisation of Community Health Plans. Plans will be presented to Council for endorsement February Ordinary Meeting.
- Finalise recruitment of Climate Resilience Officers.
- Planning workshops with Regional Managers and Head of Dept

2.Key Areas of Focus for the Month Ahead *(strategic priorities):*

- Plan execution of new KPIs for Executive and Head of Community Services
- Reviewing programs and projects ahead of developing 26/27 budget

Upcoming Initiatives *(New projects or campaigns):*

- Continue partnership with BSU to advocate and deliver Housing Capital works, and Repairs & Maintenance; Refurb Aragon Childcare; Procure 3x Modular style IKCs
- Roll out Climate Change Resilience program. The team is undertaking induction training and understanding the landscape including partnerships on ground and across the region.
- Increase awareness of Housing processes and policies across the region

3. Summary & Outlook *(Summary of overall progress):*

- As outlined above, we aim to achieve key deliverables through partnership and our three program areas/teams prior to end of financial year.
- In terms of operations, the teams have held planning workshops and discussions on way forward to effectively collaborate, streamline and standardise practice on-ground to achieve efficiency in service delivery and compliance.

CORPORATE SERVICES

1.Highlights from the Month *(Major accomplishments or milestones):*

- Governance and Risk Team Business Plan completed, approved, and implemented; aligns with 2025-2026 Operational Plan for risk management improvements.
- MS Teams Calling rolled out organisation-wide.
- White Fleet purchases completed using remaining SIP Capital Budget.
- New CCTV installed at Elphinstone Close Depot.
- CP Task training session with Finance and Anthony Archie held to improve processes.
- Fleet Asset Register, TMR registrations, and insurance updated.
- St Pauls and Mer compactor trucks under repair on TI after delays.
- Review of Fleet Internal Charges Model completed
- New training Topic included in Tribal Habits – How to take Great Photos will be active in January. This topic is to assist the Communications Team with collecting images

2.Key Areas of Focus for the Month Ahead *(strategic priorities):*

- Finalise Hammond Island Ferry subsidy contract extension.
- Advocate TSRA funding for Phase 2 Torres Strait Economic Plan.
- Complete Phase 1 financial and ferry subsidy reporting.
- Share draft Strategic Risks Register with ELT and present to Audit Committee.
- Support 2026 LGM Questionnaire.
- Restore Hammond Island network connectivity.
- Deliver SIP white fleet acquisitions.
- Finish Fuel and Fleet team performance reviews; KPIs set.
- Develop COMPAC/Fuel infrastructure fault reporting process.
- Conclude Fleet Maintenance supplier review (meeting 29 Jan 2026).
- Review divisional workshops, resolve asset risks.
- Provide replacement spill kits and extinguishers for fuel sites.
- Follow up TSRA on Ugar Fuel Depot SFA extension.
- Overhaul Compactor Trucks and arrange shipping to TL.
- Migrate white fleet to Tech One, issue maintenance work orders.
- Hold monthly meetings with Divisional Managers/Engineering Officers on Fuel and Fleet.
- Update Vehicle Hire/Loan forms.

Upcoming Initiatives *(New projects or campaigns):*

- The Manager of Information Technology Services is collaborating with Queensland Government's Cyber Security Unit and KnowBe4 to launch a 12-month funded cyber-security training platform. The KnowBe4 Diamond subscription will let IT Services run covert cyber-security exercises to assess staff knowledge of cyber safety.

3.Summary & Outlook *(Summary of overall progress):*

- The last month of 2025 has seen the finalisation of some of the teams' major projects milestones; Economic Development Community Engagement Phase 1, Completion of implementation of MS Teams Calling and across the organisation and the completion of White Fleet purchases for SIP with residual Capital Budget.

ENGINEERING SERVICES

1.Highlights from the Month *(Major accomplishments or milestones):*

- Dauan Barge Ramp renewal complete.
- Funding obtained for Saibai Airport Apron.
- Mer water security issue resolved, due to infrastructure (comms) failure.

- Draft report issued for future Coast Defence works for Erub, Mabuiag, Mer, Badu – being reviewed.
- Report on Erub landfill closure methodology/requirements and scope complete

2.Key Areas of Focus for the Month Ahead (*strategic priorities*):

- Recruitment - many positions vacant and being currently filled with consultants.
- Multiple transport related tender request for tenders being prepared, some are closed to be reviewed.

Upcoming Initiatives (*New projects or campaigns*):

- Safe and Healthy Drinking Water Program (SHDWP) partnership with Cairns Public Health Unit to re-commence in early 2026.
- Boigu Jetty and funding/scope options to incorporate with the current Saibai/Dauan Jetty Projects.
- MIP 7 Project Nominations/Comms to TSRA.
- Closing the Gap grant application for Water/Wastewater Projects.
- Funding application to State for Water Management (new facility) for Erub.
- TMR TIDs (Transport) funding applications due in coming weeks.

3. Summary & Outlook (*Summary of overall progress*):

- Dec/Jan usually a challenging period due to weather events, fires, power issues, water shortages. These have been well managed and prepared by Eng Staff, especially water security.
- Significant Capital Works Program (\$118M funded 'to do' projects) to manage and focus on delivery and planning.
- Large number of vacancies to fill, including senior roles.

FINANCIAL SERVICES

1.Highlights from the Month (*Major accomplishments or milestones*):

- Delegated contract approvals & Sole Suppliers reports were prepared and presented
- Completion of 25/26 Budget Review
- Ongoing and continuous training and improvement in the Procurement scene
- Progression of Councillor Superannuation
- Consolidation of the team, with a focus on capability development, training and improved outputs.
- Advancement of the Strategic Investment plan
- Development of the SARG Framework

2.Key Areas of Focus for the Month Ahead (*strategic priorities*):

- Release of tenders for Travel Management Services and Animal Management Services.
- Commencement of 26/27 Original Budget

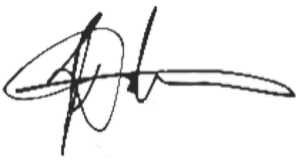
- Continued focus on organisational sustainability and active cashflow management.
- Nearing completion of Valuation upload into TechOne system

Upcoming Initiatives (*New projects or campaigns*):

- Development of online contract records within TechOne.
- Implementation of the HRP Module upgrade in TechOne.
- Mapping and implementation of a Capital Process Framework.

3. Summary & Outlook (*Summary of overall progress*):

- Progress on new tenders was delayed as procurement supported the Creditors Team due to staff shortages. Core deliverables remain on track, but some projects will be postponed.
- Despite these setbacks, major milestones for organisational sustainability were achieved. Upcoming priorities include finalising the Strategic Investment Plan, advocacy, contributing to a House of Representatives submission, advancing sustainability efforts, managing the Head of Financial Services transition, and developing the 2026/27 Original Budget to guide future finances.



James William
Chief Executive Officer



DIRECTORATE: *Corporate Services*

AUTHOR: *Community Grants Officer*

COMMUNITY GRANTS PROGRAM ALLOCATION (DECEMBER 2025)

OFFICER RECOMMENDATION:

In accordance with Sections 194 and 195 of the *Local Government Regulation 2012* and Council's Community Grants Policy, Council:

1. notes that there are no Community Grants applications which require Council consideration for the December 2025 period; and
2. notes the information in this report.

EXECUTIVE SUMMARY:

No applications were received before the monthly deadline of 5 pm, 26/12/2025 which require resolution at this monthly Council meeting.

Attachment 1 provides details on Community Grant applications requiring Council resolution at this monthly meeting.

2025-26 Fund Balances as at 23 January 2026 are provided at Attachment 2.

Additional details relating to eligible Funeral Grant applications, including Divisional contributions and Funeral Donations / Travel Assistance, are at Attachment 3.

Details on Applications processed during the reporting period are at Attachment 4.

INTERESTED PARTIES/CONSULTATION:

- Councillors
- Chief Executive Officer
- Executive Directors
- Divisional Managers
- Community Grants Officer

BACKGROUND:

Community Grants applications must be submitted on the last Friday of the month to be tabled at the next Ordinary Council meeting.

Community Grants applicants are received directly to Community Grants or via Division staff or Council. Applicants are assessed against eligibility criteria as per the *Community Grants Policy*.

COMPLIANCE / CONSIDERATIONS:

Statutory:	<i>Local Government Regulation 2012</i>
Budgetary:	Approved allocation of funds for Community Grants as per TSIRC 2025-26 budget.
Policy:	<i>Community Grants Policy</i>
Legal:	N/A
Risk:	No financial risk identified as the allocation is within existing Community Grants budget.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 1 – Strengthening Our Communities ➤ <i>Supporting healthy lifestyles, engaged communities, and celebrating cultural heritage.</i>
Malungu Yangu Wakay (The Masig Statement):	Aligns with the social and cultural aspirations of Malungu Yangu Wakay .
Standing Committee Consultation:	N/A
Timelines:	Community Grants applications must be submitted on the last Friday of the month to be tabled at the next Ordinary Council meeting.

Prepared/Recommended:

T. Lui

Tyisha Lui
Community Grants Officer

Recommended:



Amy Orr
Executive Assistant to the CEO

Endorsed:



Vicki Bishop
Executive Director Corporate Services

Approved:



James William
Chief Executive Officer

ATTACHMENTS

Attachment 1: Community Grant applications requiring Council resolution at this monthly meeting

Attachment 2: 2025-2026 Fund Balances at 23 January 2026

Attachment 3: Eligible Funeral Grant Applications

Attachment 4: Applications Processed During the Reporting Period

Attachment 1: Community Grant applications requiring Council resolution

Nil.

Attachment 2: 2025-2026 Fund Balances at 23 January 2026

Division	Councillor	Budget	Less Approved Funding	Closing Balance
Boigu	Cr. Toby	\$ 25,000.00	\$ 24,900.81	\$ 99.19
Hammond	Cr. Dorante	\$ 25,000.00	\$ 13,802.00	\$ 11,198.00
St Pauls	Cr. Levi	\$ 25,000.00	\$ 9,032.00	\$ 15,968.00
Ugar	Cr. Stephen	\$ 25,000.00	\$ 25,000.00	\$ -
Badu	Cr. Wosomo	\$ 25,000.00	\$ 14,080.00	\$ 10,920.00
Dauan	Cr. Elisala	\$ 25,000.00	\$ 13,500.00	\$ 11,500.00
Erub	Cr. Mye	\$ 25,000.00	\$ 23,229.45	\$ 1,770.55
Iama	Cr. Hankin	\$ 25,000.00	\$ 10,778.00	\$ 14,222.00
Kubin	Cr. Manas	\$ 25,000.00	\$ 24,147.15	\$ 852.85
Mabuiag	Cr. Fell	\$ 25,000.00	\$ 24,470.00	\$ 530.00
Mer	Cr. Kaigey	\$ 25,000.00	\$ 10,410.00	\$ 14,590.00
Poruma	Cr. Pearson	\$ 25,000.00	\$ 3,635.79	\$ 21,364.21
Saibai	Cr. Aniba	\$ 25,000.00	\$ 21,640.00	\$ 2,360.00
Warraber	Cr. Tamu	\$ 25,000.00	\$ 11,377.00	\$ 13,623.00
Yorke	Cr. Ted Mosby	\$ 25,000.00	\$ 21,944.07	\$ 3,055.93
Mayor	Mayor Mosby	\$ 25,000.00	\$ -	\$ 25,000.00
Community Gifts	CEO	\$ 20,000.00	\$ 6,000.00	\$ 14,000.00
		\$ 420,000.00	\$ 257,946.27	\$ 162,053.73

Attachment 3 – Eligible Funeral Grant Applications

Applicant	Amount Requested	Project/Event	Contribution Amount	Division
FD2026-018 – TOM BAIRA	\$ 2,000.00	<i>Funeral Expenses – For the Late Willie Baira</i>	\$ 2,000.00	BADU
FD2026-019 - NAZARETH CLOUDEE	\$ 5,000.00	<i>Funeral Expenses – For the funeral of the Late Ms Dorothy L Dorante or Ugar Island, 24/01/2026</i>	\$ 5,000.00	UGAR
FD2026-020 - DIANE SABATINO	\$ 5,000.00	<i>Funeral Expenses – For the funeral of the Late Mr Harry Thaiday of Badu Island.</i>	\$ 5,000.00	BADU
FD2026-021 - ANIMA PEARSON	\$ 5,500.00	<i>Funeral Catering Expenses – Helicopter Chater to Transfer catering supplies to Ugar for the funeral of the Late Ms Dorothy L Dorante of Ugar Island, 24/01/2026</i>	\$ 5,500.00	HAMMOND
FD2026-023 – RITA KAITAP	\$ 5,922.73	<i>Funeral Catering Expenses – SEASWIFT Chater to Transfer catering supplies to Moa for the Funeral of the Mr Manu U B Wigness on St Pauls, 31/01/2026.</i>	\$ 5,922.73	KUBIN
FT2026-027 – ANIMA PEARSON	\$ 5,718.00	<i>Funeral Travel – To attend the funeral of the Late Ms Dorothy L Dorante on Ugar Island, 24/01/2026.</i>	\$ 5,718.00	KIRIRRI
FT2026-030 – GIKANA MOSBY	\$ 6,980.00	<i>Funeral Travel – To attend the funeral of the Late Mr Manu U B Wigness on St Pauls, 31/01/2026.</i>	\$ 6,980.00	YORKE
FT2026-031 – JUNE MESSA	\$ 4,484.27	<i>Funeral Expenses – To attend the funeral of the Late Mr Manu U B Wigness on St Pauls 31/01/2026.</i>	\$ 4,484.27	YORKE

Divisional Contributions for Funeral Grant Applications

Applicant	Amount Requested	Project/Event	Contribution Amount	Division
FD2026-020 - DIANE SABATINO	\$ 5,000.00	<i>Funeral Expenses – For the funeral of the Late Mr Harry Thaiday of Badu Island.</i>	\$ 2,000.00	BADU
			\$ 2,500.00	DAUAN

Funeral Donation / Travel Assistance

FD2026-018 – TOM BAIRA	\$ 2,000.00	<i>Funeral Expenses – For the Late Willie Baira</i>	\$ 2,000.00	BADU
FD2026-019 - NAZARETH CLOUDEE	\$ 5,000.00	<i>Funeral Expenses – For the funeral of the Late Ms Dorothy L Dorante on Ugar Island, 24/01/2026</i>	\$ 5,000.00	UGAR
FD2026-020 - DIANE SABATINO	\$ 5,000.00	<i>Funeral Expenses – For the funeral of the Late Mr Harry Thaiday of Badu Island.</i>	\$ 5,000.00	BADU
FD2026-021 - ANIMA PEARSON	\$ 5,500.00	<i>Funeral Catering Expenses – Helicopter Chater to Transfer catering supplies to Ugar for the funeral of the Late Ms Dorothy L Dorante of Ugar Island, 24/01/2026</i>	\$ 5,500.00	HAMMOND
FD2026-023 – RITA KAITAP	\$ 5,922.73	<i>Funeral Catering Expenses – SEASWIFT Chater to Transfer catering supplies to Moa for the Funeral of the Mr Manu U B Wigness on St Pauls, 31/01/2026.</i>	\$ 5,922.73	KUBIN
FT2026-027 – ANIMA PEARSON	\$ 5,718.00	<i>Funeral Travel – To attend the funeral of the Late Ms Dorothy L Dorante on Ugar Island, 24/01/2026.</i>	\$ 5,718.00	KIRIRRI
FT2026-030 – GIKANA MOSBY	\$ 6,980.00	<i>Funeral Travel – To attend the funeral of the Late Mr Manu U B Wigness on St Pauls, 31/01/2026.</i>	\$ 6,980.00	YORKE
FT2026-031 – JUNE MESSA	\$ 4,484.27	<i>Funeral Expenses – To attend the funeral of the Late Mr Manu U B Wigness on St Pauls 31/01/2026.</i>	\$ 4,484.27	YORKE

Attachment 4: Applications Processed During the Reporting Period

Community Entity Applicants	Amount Requested	Project/Event	Amount Approved	Division
CG2026-051 – MARILYN MAROU-NOAH	\$ 9,910.00	TRAVEL EXPENSES TO ATTEND THE 2026 JRL DEVELOPMENT CAMP - MABUAIG ISLAND, 20/01/2026 - 22/01/2026	\$ 9,910.00	MER
CG2026-054 – DENIKAH ELISALA	\$ 6,166.00	TRAVEL EXPENSES TO ATTEND THE 2026 JRL DEVELOPMENT CAMP - MABUAIG ISLAND, 20/01/2026 - 22/01/2026	\$ 6,166.00	DAUAN
CG2026-060 – JOSHUA THAIDAY	\$ 6,900.00	FLIGHTS AND ACCOMMODATION EXPENSES: PARTICIPATING IN THE 2026 SURVIVAL DAY KNOCKOUTS, 23/01/2026-25/01/2026	\$ 6,900.00	ERUB
CG2026-061 – ELSIE TRINKOON	\$ 10,000.00	FERRY TRANSPORT SERVICE: SAMUEL TAMU SHAVING CEREMONY, 27/12/2025	\$ 10,000.00	KUBIN
CG2026-069 – AWASIE BOB	\$ 5,550.00	TRAVEL EXPENSES TO ATTEND THE 2026 JRL DEVELOPMENT CAMP - MABUAIG ISLAND, 20/01/2026 - 22/01/2030	\$ 5,550.00	WARRABER



ORDINARY MEETING JANUARY 2026

Agenda Item

6.2

DIRECTORATE: Corporate Services

AUTHOR: Grants Revenue Officer

FUNDING ACQUISITION REPORT (DECEMBER 2025)

OFFICER RECOMMENDATION

Council receives and notes this report and its content.

EXECUTIVE SUMMARY

The Funding Acquisition Report provides an update and summary of Council's current grant application and acquisition outcomes for the December 2025 reporting period.

The included tables highlight all current funding applications, including pending, successful and unsuccessful.

Applications are separated into Operational Funding and Capital Project Funding for the financial year 2025-26.

The report also outlines Council's continued effort to attract additional funding from both government and non-government sources.

In December 2025:

- 2 x funding applications were successful for the value of \$2,498,009.59
 - TMR TIDS – Saibai Aerodrome Refuelling Apron Upgrade \$2,300,000.00
 - QRA 0056 – Badu Structures \$198,009.59

(Note: these were reported at the December Council meeting)

- 1 x funding application was submitted for the value of \$65,000.00.
 - TSRA – Continuation of the Hammond Island Ferry Subsidy \$65,000.00

(Note: There may be a discrepancy between the figures listed on this report against actuals in financial reports. This is largely due to the carry-over of project underspends from operational funding, as well as capital projects that receive progress payments spanning over multiple financial years combined with revenue recognition requirements per Accounting Standards.)

Operational Project Funding 2025-2026

Funding Stream	Total	Project Details	Date of Application	Date of Outcome	Outcome	Comment	Division
TSRA	\$65,000.00	Hammond Island Ferry Subsidy Service	6-Jan-26		Pending	Agreement for continuation of the Hammond Ferry Subsidy 1 January to 30 June 2026 (INF MIOP 03 25-26)	Hammond
TSRA	\$170,000.00	Advancing the Torres Strait Community-Led Economic Strategic Action Plan - Phase 2	15-Sep-25		Pending	Original application was submitted 12/06/25 for \$140,000.00, voluntarily resubmitted to request an additional \$30,000.00	TS Region
LGAQ QCoast 2100 Round 4	\$ 603,793.00	Implementation of a Coastal Hazard Adaption Strategy. Three components - Construction and deployment of artificial reef modules, dune revegetation and maintenance activities, and capacity building engagement with the community to deliver construction and revegetation activities.	28-Feb-25		Pending		TS Region
Queensland Reconstruction Authority (QRA) - 0050	\$8,026,893.50	DRFA - Central Islands	1-Sep-25	21-Nov-25	Successful		Central Cluster
Queensland Reconstruction Authority (QRA) - 0052	\$ 17,432,254.00	Badu Roads	24-Sep-25	19-Nov-25	Successful		Badu
Queensland Reconstruction Authority (QRA) - 0048	\$ 10,660.00	2025-26 Get Ready Queensland (GRQ) Grant Program	4-Jul-25	16-Sep-25	Successful		TS Region
Queensland Reconstruction Authority (QRA) - 0047	\$ 135,269.00	Fuel Facilities Emergency Power	30-May-25	16-Sep-25	Successful		Poruma, Dauan, Erub, Boigu, Mabuiag
Queensland Reconstruction Authority (QRA) - 0046	\$ 110,462.00	Badu Island Office Generator	30-May-25	16-Sep-25	Successful		Badu
LGAQ	\$300,000.00	QLD Climate Resilient Councils Program. Climate Risk Profiling for the Region Project & Torres & Nothern Climate Alliance		4-Aug-25	Successful		TS Region
Department of Local Government, Water and Volunteers	\$30,363.99	Indigeneous Councils Critical Infrastructure Program - Establish Erub Island Water Testing Lab.	6-May-25	15-Jul-25	Successful		Erub
QLD Health	\$2,195,642.00	Aboriginal & Torres Strait Islander Public Health Program	27-Jun-25	1-Jul-25	Successful		TS Region
Indigenous Land and Sea Corporation (ILSC) Our Country Our Future Program	\$70,000.00	Hammond Island Ferry Service Feasibility Study	23-Jun-25	26-Sep-25	Unsuccessful	The ILSC review panel concluded the project is insufficiently aligned with the ILSC's core purpose.	Hammond
Total of Funding Applied - *Noting funding can span over numerous financial years.	\$ 29,080,337.49						
Total of Funding Successful	\$ 28,241,544.49						
Total of Funding Unsuccessful	\$ 70,000.00						
Total of Funding Pending	\$ 838,793.00						

Capital Project Funding 2025-2026

Funding Stream	Total	Project Details	Date of Application	Date of Outcome	Outcome	Comment	Division
LGAQ - Coastal Hazard Adaptation Program (Qcoast Round 4)	\$550,427.00	Ugar Native Village Living Shoreline Protection			Pending	Funding Agreement currently on hold until further discussion.	Ugar
Community Childcare Fund – Sustainability Support	\$ 3,160,000.00	Aragun Childcare Centre –support to increase sustainability of service and increase enrolments	29-May-24		Pending	NOTE: ED Community Services advised this grant has been secured. Awaiting official notification & Agreement. 03/04/2025 - Received email confirming In Principle additional funding approved- from \$2,882,880.00 - increased to \$3,160,000.00.	Aragun
TSRA	\$ 1,200,000.00	Ugar Fuel Bowser Project. Note: \$482,000 secured from previous funding.	8-Nov-23		Pending		Ugar
Queensland Reconstruction Authority (QRA) - 0056	\$198,009.59	Badu Structures	30-Oct-25	12-Dec-25	Successful		Badu
TMR TIDS	\$ 2,300,000.00	Saibai Aerodrome Refuelling Apron Upgrade	28-Nov-25	5-Dec-25	Successful		Saibai
Dept of Industry, Science & Resources (DISR)	\$3,950,850.00	Boigu Airstrip Reseal	1-Sep-24	13-Nov-25	Successful		Boigu
Queensland Reconstruction Authority (QRA) - 0051	\$2,138,471.26	DRFA - Hammond Roads	5-Sep-25	21-Nov-25	Successful		Hammond
TSRA	\$2,701,250.00	Warraber Sewer Pump Station (SPS) 1 Replacement Project	28-Aug-25	27-Oct-25	Successful	Council resolution October COM to reallocate TSRA funds of Mabuag STP funding to Warraber STP	Warraber
TSRA	\$57,893.00	Water Network Management Projects on Badu, St Pauls and Erub	28-Aug-25	9-Sep-25	Successful	Reallocated unspent funds from Erub Reservoir Refurbishment Grant Project (MIAOP 04 22-23).	Badu, Erub, St Pauls
Queensland Reconstruction Authority (QRA) - 0049	\$ 16,965,074.45	DRFA - Erub	5-Aug-25	30-Sep-25	Successful		Erub
Queensland Reconstruction Authority (QRA) - 0045	\$ 958,627.00	Boigu Council Office Refurb	30-May-25	16-Sep-25	Successful		Boigu
Queensland Reconstruction Authority (QRA) - 0043	\$ 4,700,496.23	Boigu Esplanade Road Upgrade	23-May-25	16-Sep-25	Successful		Boigu
Total of Funding Applied - *Noting funding can span over numerous financial							
\$ 38,881,098.53							
Total of Funding Successful							
\$ 33,970,671.53							
Total of Funding Unsuccessful							
\$ -							
Total of Funding Pending							
\$ 4,910,427.00							

INTERESTED PARTIES/CONSULTATION:

Executive Leadership Team and various Directorate staff/managers

BACKGROUND:

New funding opportunities are channelled to both the Executive Leadership Team and the Administration and Communication team for thorough evaluation. Should a funding opportunity be deemed viable, the application process is managed either internally within the relevant directorate or in collaboration with Peak Services. Once secured, successful funding contracts are overseen by the Administration and Communications team internally.

EXTERNAL FUNDING UPDATE:

In January 2026 Council received the TSRA funding offer of \$65,000 for the purpose of administering the Hammond Island Ferry Subsidy, supporting the residents of Hammond Island, through subsidised ferry transfers for the period 1 January 2026 to 30 June 2026.

Council also received advice that TSRA funding for the 'Advancing the Torres Strait Community-Led Economic Strategic Action Plan - Phase 2' Project has been provisionally approved following ongoing dialogue led by the Economic Development Team.

These grants are expected to be tabled in the January 2026 monthly report presented at the February 2026 Council meeting.

Council is currently in discussions with the Queensland Reconstruction Authority (QRA) on the Local Resilience Action Plan (LRAP) 2.0 program in preparation for the upcoming Disaster Ready Fund Round 4. QRA has also invited Council to consider resilience projects from the flood damage program.

A grant application is being prepared under the Resource Recovery Boost Fund (RRBF) program for the resource recovery components of the new Erub Landfill Project landfill. TSIRC is applying for funding for the waste transfer facility with the application to be submitted by 12 February 2026.

A funding application is in development stage for projects under Closing the Gap Priorities Fund. MIP7 Priority projects have been put forward by Council ready for when that funding is released.

In preparation for the upcoming Federal and State Budgets, the Executive Leadership Team is coordinating development of directorate budget bids for required capital and operational funding, including for critical TSIRC water and wastewater infrastructure, as part of whole-of-Council advocacy efforts.

Discussions are well advanced with the Department of Housing to fund the purchase and implementation of a Housing Management System to streamline the housing application and assessment process. The project, a priority action for Council under the 10-Year Housing Strategy, will improve data accuracy and retrieval to support more informed decision-making.

COMPLIANCE / CONSIDERATIONS:

Statutory:	Local Government Act 2009 Local Government Regulation 2012
Budgetary:	Operational and capital budget is adjusted upon successful funding application
Policy:	N/A
Legal:	N/A
Risk:	<p>Council relies on external grant funding to ensure financial stability and liquidity. Council will continue to advocate for increased funding opportunities aligned with Corporate Plan strategic priorities and Operational Plan deliverables.</p> <p>All successful funded projects will need to be completed by the timeframes set out in the respective funding agreements. Communications and Administration team alongside identified Project Manager/s will ensure reporting and monitoring mechanisms are established to guarantee project milestones, acquittals, reporting and contract completion are finalised within the contractual parameters.</p>
Links to Strategic Plans:	<p>TSIRC Corporate Plan 2025-30</p> <p>Focus Area 3– A Proactive & Responsible Council</p> <p><i>3.2 Proactively advocate on behalf of our people for vital Federal and State Government funding consistent with community needs and Council priorities.</i></p>
Malungu Yangu Wakay (The Masig Statement):	Aligns with the social and cultural aspirations of Malungu Yangu Wakay .
Standing Committee Consultation:	N/A
Timelines:	N/A

OTHER COMMENTS:

That Council notes and provides any necessary feedback to this report.

Prepared:

Georgina Thaiday
Grants Revenue Officer



Recommended:

Kim Kerwin
Manager, Governance & Risk

Endorsed:



Vicki Bishop
Executive Director Corporate Services

Approved:



James William
Chief Executive Officer

ATTACHMENTS: Nil.



ORDINARY MEETING

28 January 2026

Agenda Item

8.1

DIRECTORATE: *Financial Services*

AUTHOR: *Acting Head of Financial Services*

FINANCE DASHBOARD REPORT – DECEMBER 2025

OFFICER RECOMMENDATION:

Council receives and endorses the monthly financial statements attached to the officer's report for the 2025-26 year to date, for the period ended 31 December 2025, as required under Section 204 of the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY:

This report seeks Council's endorsement of the monthly financial statements for the 2025-26 year to date, for the period ended 31 December 2025.

Background:

The 2025–26 Original Budget was adopted at the July 2025 Ordinary Council Meeting, incorporating consideration of anticipated challenges for the year ahead. These include, but are not limited to, labour shortages arising from shifting workforce dynamics, limited contractor availability due to remote operating conditions, materials supply constraints, and potential funding shortfalls. The strategic budget planning process reflects management's commitment to proactively addressing these challenges, ensuring the organisation is positioned for resilient financial performance while maintaining the delivery of essential community services.

In accordance with legislative requirements, the financial report outlines the progress made against the budget for the financial year to a date as near as practicable to the end of the month preceding this meeting. Monthly year-to-date financial statements are prepared to monitor actual results against the adopted budget.

The following section provides a summary of financial performance for the period stated above, with actual results compared to the year-to-date Original Budget for 2025–26. (Refer to Appendix A for the Summary Financial Statements by Department and Appendix B for the Detailed Capital Report.

Resource implications:

As at 31 December 2025, Council's operating result (before depreciation) shows a surplus of \$8.2 million, which is \$6.5 million below budget. This variance is primarily due to the timing of the Financial Assistance Grant (FAG), with 50 percent (\$8.5 million) received in advance in June 2025, despite the full allocation being budgeted for the 2025–26 financial year. The Department periodically adjusts the timing of these payments, and while this affects the operating result, it does not affect Council's cashflow position. This timing difference will be adjusted at Budget Review.

FINANCIAL PERFORMANCE AT A GLANCE – Year to Date (YTD) 31 December 2025

Key financial results	Annual budget	YTD Original budget	YTD actual	YTD variance \$	YTD variance %	Status
Recurrent revenue	76,880,743	54,620,761	48,593,647	(6,027,113)	(11.0%)	●
Other income	21,392	260,827	331,251	70,424	27.0%	●
Recurrent expenditure (excl. depreciation)	(79,462,000)	(40,086,345)	(40,635,697)	(549,352)	(1.4%)	●
Operating result (excl. depreciation)	(2,559,865)	14,795,242	8,289,201	(6,506,041)	(44.0%)	●
Capital revenue	57,137,151	30,483,889	13,528,936	(16,954,953)	(55.6%)	●
Capital expenses	(3,487,000)	(1,743,500)	2,726	1,746,226	100.2%	●
Net result (excl. depreciation)	51,090,286	43,535,630	21,820,862	(21,714,768)	(49.9%)	●
Depreciation expense	(65,845,275)	(32,922,637)	(328,642)	32,593,995	99.0%	●
Net result	(14,754,989)	10,612,993	21,492,220	10,879,227	102.5%	●

Key:

Act Vs Bud Var % is <= -10%

Act Vs Bud Var % is > -10% and <= -5%

Act Vs Bud Var % is > -5%



Operating Result to Date – Unfavourable \$6.5M variance attributed to:

Revenue \$6M unfavourable variance:

- Unfavourable variance primarily due to the timing of the Financial Assistance Grant (FAG), with 50 percent (\$8.5 million) received in advance in June 2025, despite the full amount being budgeted in 2025–26. This timing difference does not impact Council's cashflow and will be adjusted as part of the Budget Review.
- Building Services (BSU) recoverable works revenue is higher than budget due to a greater volume of works completed; however, this does not translate into increased profitability. In addition, capital works need to be identified and reallocated to capital revenue, which is budgeted at approximately \$580k per month.

Expenditure \$0.5M unfavourable variance:

- \$1.5m reduction in employee benefits due to a significant number of vacancies has been offset by increased reliance on temporary staff, contractors, and consultant costs
- \$2.0m higher materials and services costs – most departments (excluding Building Services) have lower materials and services costs attributed to the high vacancy rate, which has impacted project and service delivery and subsequently reduced expenditure, combined with the timing of commencement of projects. This is offset by an increase in BSU expenditure for works completed year-to-date, reflecting the increase in the volume of R&M works.

Net Result to Date \$10.8M favourable variance:

- Depreciation has not been recorded year-to-date due to the inability to roll the TechOne assets module to the 2025/26 year until the 2024/25 audit is signed off by Queensland Audit Office (QAO) – which just occurred end of late November 2025. Expected to be updated by the end of January 2026.

Liquidity and Financial Sustainability Outlook

While current financial results appear favourable, this outcome is primarily attributable to timing differences in the receipt of external funding and to high vacancy rates that have delayed project delivery. Updated cashflow projections indicate that Council's available cash holdings have now fallen below the legislated benchmark of four months' unrestricted cash reserves. This emerging position highlights several risks:

- Council's capacity to respond to unforeseen events will be diminished;
- heightened monitoring and management of operational cashflows will be required throughout FY2025–26; and
- with a net cash deficit projected for FY2025–26, Council's liquidity position is expected to further decline in the absence of corrective measures, with material cashflow pressures anticipated from July 2026.

STATEMENT OF FINANCIAL PERFORMANCE

	Annual Original Budget	YTD Original Budget	YTD actual	YTD variance \$	YTD variance %
Income					
Recurrent revenue					
Community levies, rates and charges	1,999,020	75,720	(8,070)	(83,790)	(100.0%)
Fees and charges	5,850,440	2,925,282	3,855,214	929,931	31.8%
Sales revenue	25,106,693	13,828,348	16,408,687	2,580,339	18.7%
Grants, subsidies, contributions and donations	38,419,949	35,035,391	24,572,473	(10,462,918)	(29.9%)
	71,376,103	51,864,742	44,828,304	(7,036,438)	(13.6%)
Capital revenue					
Grants, subsidies, contributions and donations	57,137,151	30,483,889	13,528,936	(16,954,953)	(55.6%)
	57,137,151	30,483,889	13,528,936	(16,954,953)	(55.6%)
Interest received	899,999	453,698	1,294,620	840,922	185.3%
Other income	21,392	260,827	331,251	70,424	27.0%
Rental income	4,604,641	2,302,321	2,470,723	168,403	7.3%
Total income	134,039,285	85,365,476	62,453,834	(22,911,642)	(26.8%)
Expenses					
Recurrent expenses					
Employee benefits	36,893,893	18,466,823	16,907,014	1,559,809	8.4%
Materials and services	42,008,521	21,339,730	23,396,850	(2,057,121)	(9.6%)
Finance costs	559,585	279,793	331,833	(52,041)	(18.6%)
Depreciation and amortisation	65,845,275	32,922,637	328,642	32,593,995	99.0%
	145,307,274	73,008,983	40,964,339	32,044,643	43.9%
Capital expenses	3,487,000	1,743,500	(2,726)	(1,746,226)	(100.2%)
Total expenses	148,794,274	74,752,483	40,961,614	(33,790,869)	(45.2%)
Net result	(14,754,989)	10,612,993	21,492,220	10,879,227	102.5%

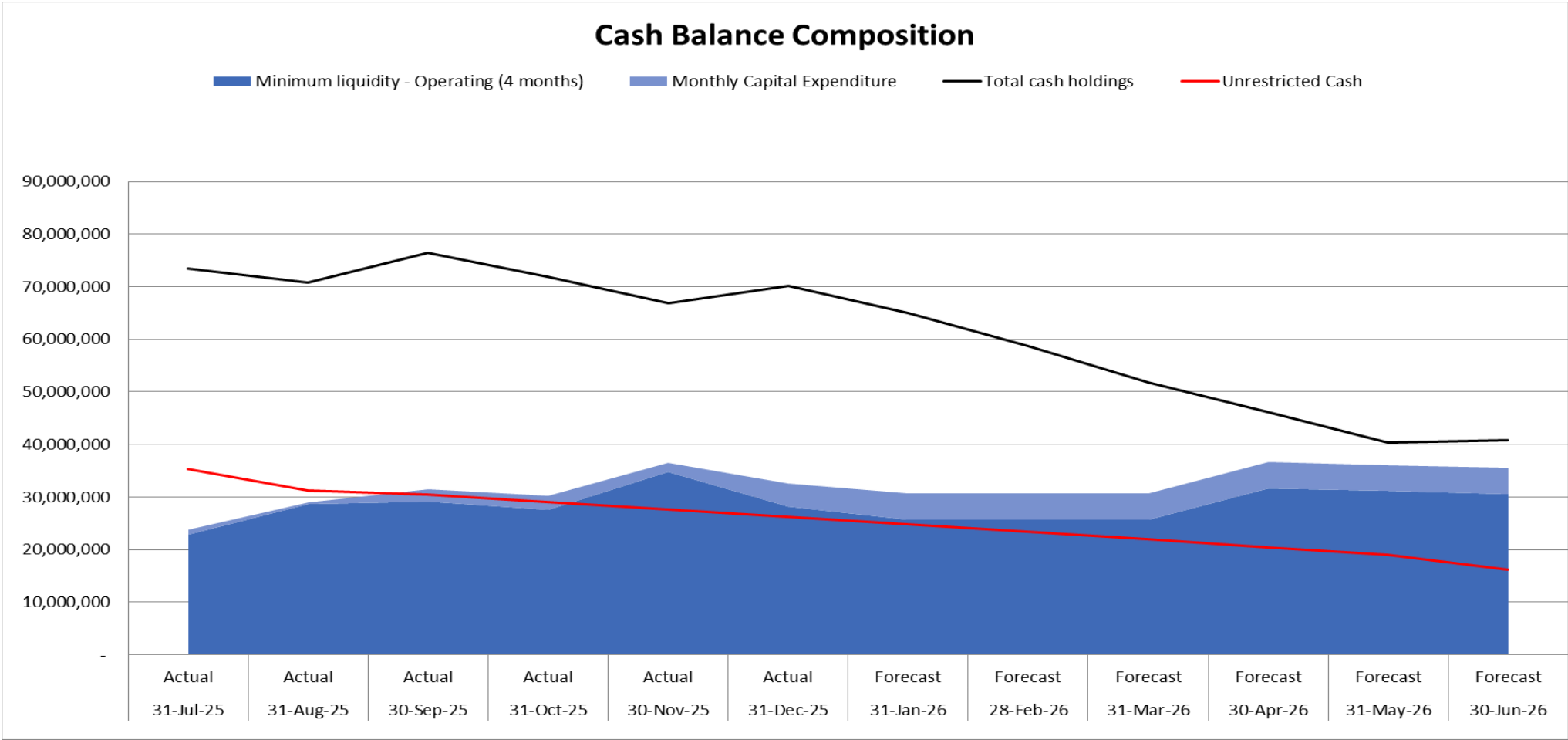
STATEMENT OF FINANCIAL POSITION

Disclaimer: Balance sheet figures will be subject to change from what is presented below, due to system rollovers to be processed in January 2026, since 24/25 Financial Statements have now been finalised.

	Current Month	Prior Month	variance \$	variance %
Current assets				
Cash and cash equivalents	68,306,604	65,813,340	2,493,264	3.8%
Short term deposit	72,997	72,997	0	0.0%
Trade and other receivables	11,685,105	11,927,144	(242,039)	(2.0%)
Inventories	393,966	393,966	0	0.0%
Contract assets	6,053,192	5,031,918	1,021,274	20.3%
Lease receivables	513,785	513,785	0	0.0%
Total current assets	87,025,649	83,753,150	3,272,499	3.9%
Non-current assets	-			
Lease receivables	10,967,561	10,967,561	0	0.0%
Property, plant and equipment	1,483,204,612	1,478,060,577	5,144,035	0.3%
Right of use assets	2,405,097	2,458,411	(53,314)	(2.2%)
Intangible assets	524,938	524,938	0	0.0%
Total non-current assets	1,497,102,208	1,492,011,487	5,090,721	0.3%
Total assets	1,584,127,857	1,575,764,637	8,363,220	0.1%
Current liabilities				
Trade and other payables	5,686,143	6,122,368	436,225	7.1%
Borrowings	-	-	0	
Provisions	4,113,049	4,098,376	(14,673)	(0.4%)
Contract liabilities	48,186,219	41,080,542	(7,105,677)	(17.3%)
Lease liabilities	252,172	303,824	51,652	17.0%
Total current liabilities	58,237,583	51,605,110	(6,632,473)	(12.9%)
Non-current liabilities				
Provisions	28,828,554	28,855,872	27,318	0.1%
Lease liabilities	1,416,966	1,416,967	0	
Total non-current liabilities	30,245,521	30,272,839	27,318	0.1%
Net community assets	1,495,644,753	1,493,886,687	1,758,066	0.1%
Community Equity	-			
Asset revaluation surplus	1,212,968,792	1,212,968,792	0	0.0%
Retained surplus/(deficiency)	307,441,420	307,441,422	(2)	(0.0%)
Current Year Surplus/(Deficit)	- 24,765,458	- 26,523,526	1,758,069	(6.6%)
	1,495,644,754	1,493,886,687	1,758,067	0.1%

Cash Forecasting

The Department of State Development, Infrastructure, Local Government, and Planning sustainability ratios require that the Council maintain a minimum liquidity of four months' operating cashflows. The council has based the monthly cashflow projections on the 25/26 Original Budget projections. Grant revenue has been forecasted based on the expected timing of funds receipt as per funding agreements. July to December figures reflect actual cash balances.

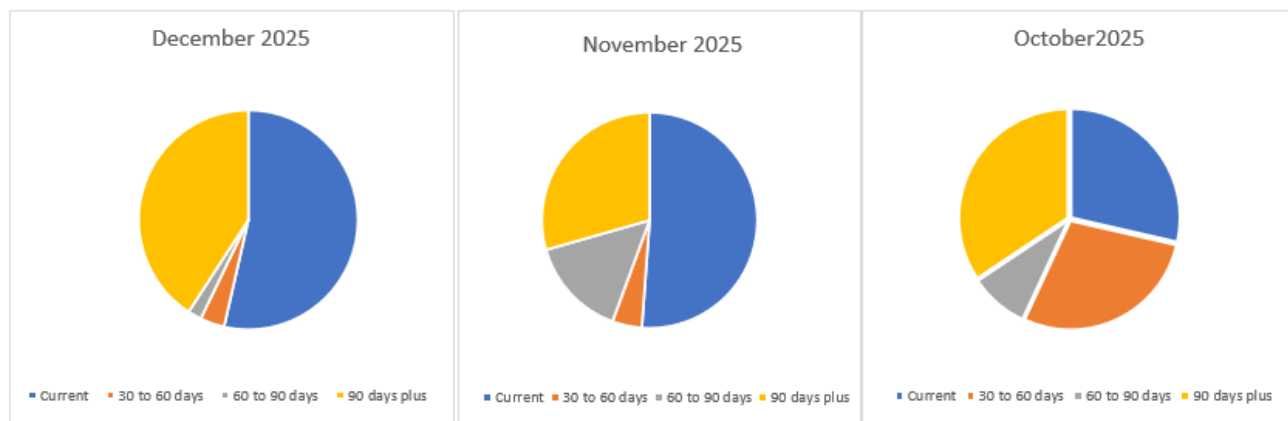


Current balance December 2025 – Overall Cash Balance - \$70.2M – Unrestricted Cash - \$26.2M

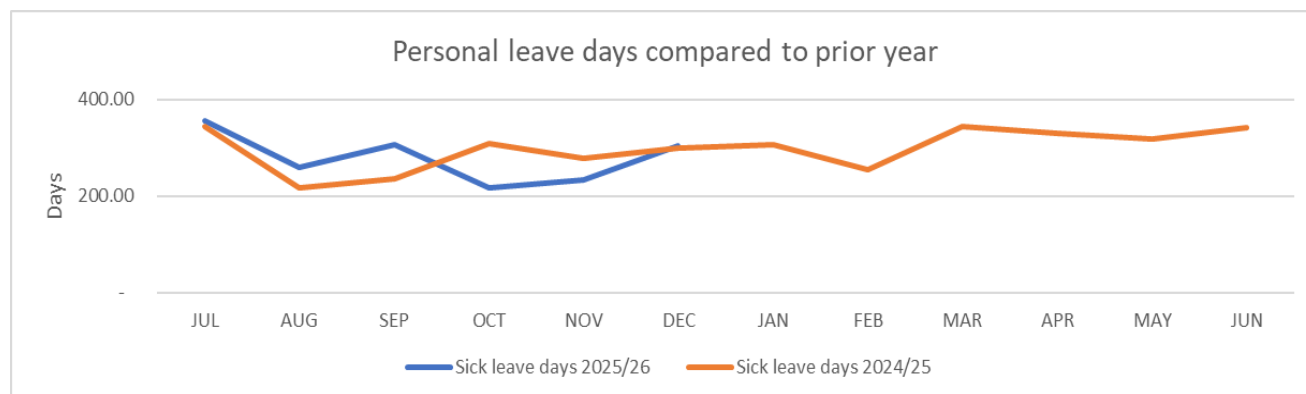
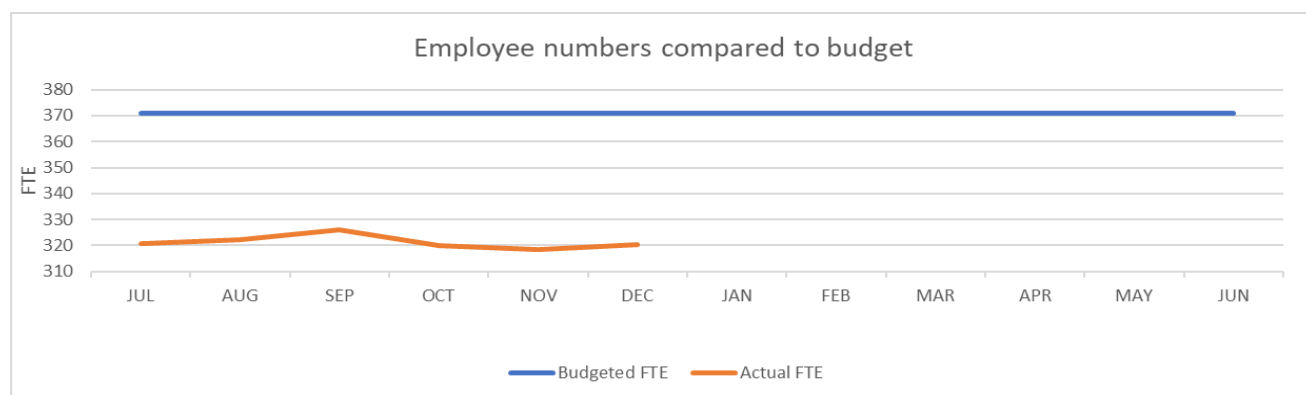
Overall cash balance is \$70.2M, with unrestricted cash of \$26.2M. The increase in total cash is primarily due to upfront payments for major capital projects (restricted for specific purposes and not available for general operations), the 50% payment of the 25/26 Financial Assistance Grant in June 25, and early receipt of the ICFP.

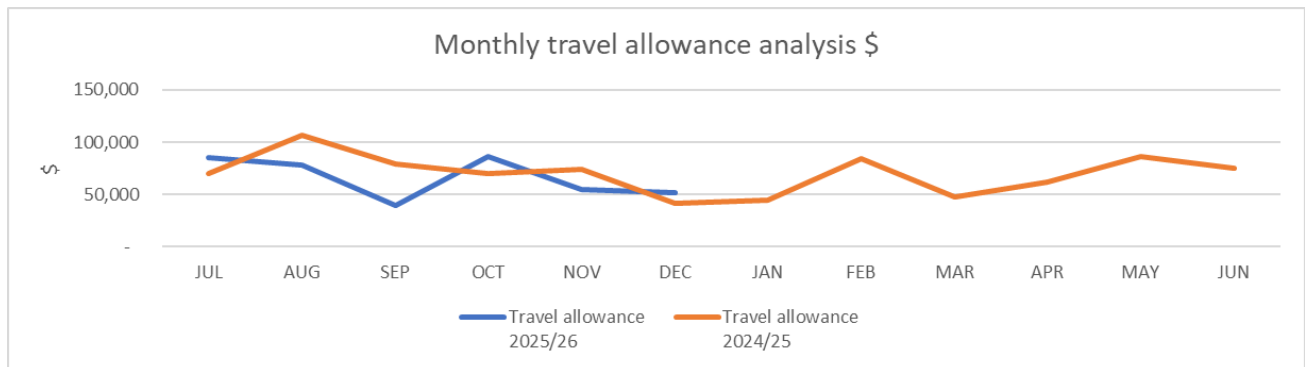
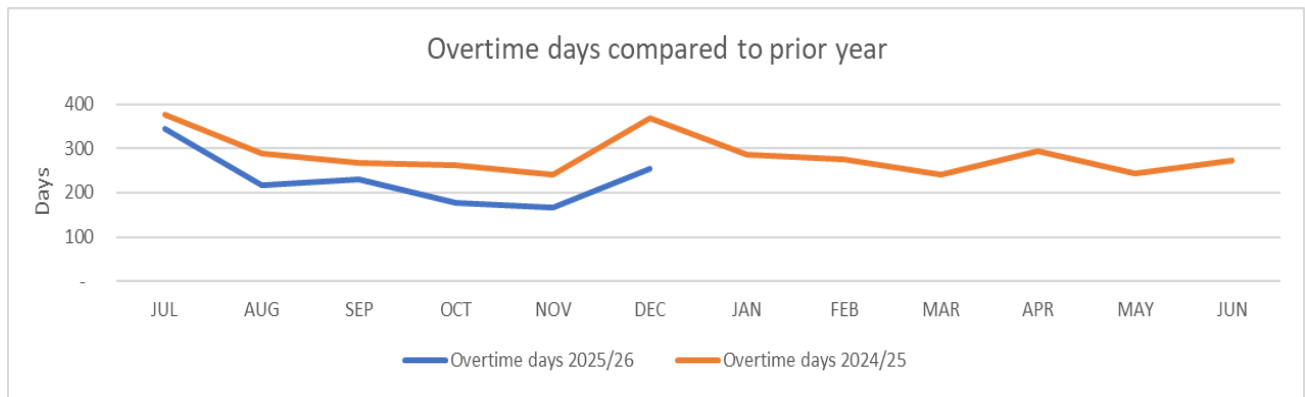
Debtor Analysis

	As at 31 December 2025		As at 30 November 2025		As at 31 October 2025	
	\$	%	\$	%	\$	%
Current	5,137,823	54%	4,701,608	51%	1,920,950	29%
30 to 60 days	344,680	4%	410,309	4%	1,905,513	28%
60 to 90 days	194,255	2%	1,375,196	15%	586,875	9%
90 days plus	3,914,276	41%	2,703,379	29%	2,308,553	34%
Total aged debtors	9,591,034	100%	9,190,492	100%	6,721,891	100%
Housing debtors (Note 1)	12,516,711		12,431,771		12,417,460	
Total Provision	- 13,311,607		- 13,281,581		- 13,251,555	
Net debtors (exc. Unapplied credits)	8,796,137		8,340,681		5,887,796	
Unapplied Credits	- 440,086		- 598,521		- 606,300	



Payroll Analysis





Grant Analysis:

Refer to the 'Funding Acquisition Report' by Corporate Services.

Consultation and communication:

Senior Executive Team
 Department Heads / Managers
 Finance Department

COMPLIANCE / CONSIDERATIONS:

Statutory:	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i>				
Budgetary:	There are no direct financial implications that arise from this recommendation.				
Policy:	N/A				
Legal:	N/A				
Risk:	Risk Management emerges from Council's intent to effectively and efficiently manage risks that may have an impact on the achievement of strategic priorities, operational goals and project objectives as defined in the Corporate and Operational Plans.				
	Significant Risks:				
	Risk	Likelihood	Consequence	Treatment	Financial Impact
	Increase in material prices	High	Increased cost to deliver contract and recoverable works	Consider revising service agreements with funding partners to	Negative impact to gross margins and

				account for material increases	ultimately net profits
	Poor weather conditions	Low	Delay in operational and capital works resulting in reduced community service delivery	Consider works schedule	Negative impact to net profits and service delivery
	Lack of available resources	High	Delays and inability to complete contract and recoverable works and capital programs	Consider methods for engaging skilled resources	Negative impact on gross margins and risk of returning grant funds if not able to deliver works
Links to Strategic Plans:	Aligns with the Corporate Plan 2025-2030				
Masig Statement:	N/A				
Standing Committee Consultation:	N/A				
Timelines:	At a meeting of the local government once a month.				

Other Comments:

In terms of financial performance and risk management, the Finance Team continues to work closely with business departments to analyse and report on financial outcomes, while also assessing the implications for future performance—particularly the ability to deliver within budget. This forward-looking approach enables management to identify emerging trends early and implement timely corrective actions where required.

Numerous factors have influenced council operations during the financial year. Inflationary pressures—driven by rising energy costs, global supply chain disruptions, and labour shortages—have increased the cost of goods and services across Australia, including for Council.

While inflation appears to be stabilising, the cumulative impact on Council operations over the coming months, through to year-end and beyond, remains uncertain due to the unpredictability of domestic and global events. Management will continue to adapt, monitor, and plan proactively as circumstances evolve. Ongoing economic uncertainty and fluctuating market conditions will continue to make future forecasting challenging.

Recommended:



Frank Barbieri
Acting Head of Financial Services

Endorsed



Hollie Faithfull
Executive Director, Financial Services

Approved:



James William
Chief Executive Officer

ATTACHMENTS:

- Appendix A – Key Financial Results by Department
- Appendix B – Capital Works Program

APPENDIX A

KEY FINANCIAL RESULTS BY DEPARTMENT

Executive Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	0	0	250,000	250,000	0.0%	●
Other income	0	0	0	0	0.0%	●
Recurrent expenditure (excl. depreciation)	(4,400,011)	(2,240,087)	(1,995,618)	244,469	10.9%	●
Operating surplus (exc. Depreciation)	(4,400,011)	(2,240,087)	(1,745,618) ✓	494,469	22.1%	●
Capital revenue	0	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
Net result (excl. depreciation)	(4,400,011)	(2,240,087)	(1,745,618) ✓	494,469 ✓	22.1%	●
Depreciation Expense	0	0	0	0	0.0%	●
Net result	(4,400,011)	(2,240,087)	(1,745,618)	494,469	22.1%	●

Favourable Operating/Net Result

Operating surplus (exc. Depreciation) due to additional \$250K grant funding for climate alliance and risk project.

Building Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	21,350,000	11,950,002	14,596,705	2,646,703	22.1%	●
Other income	0	0	33,313	33,313	0.0%	●
Recurrent expenditure (excl. depreciation)	(19,402,239)	(9,692,139)	(13,983,345)	(4,291,206)	-44.3%	●
Operating surplus (exc. Depreciation)	1,947,761	2,257,863	646,672 ✓	(1,611,190)	-71.4%	●
Capital revenue	1,320,500	660,246	0	(660,246)	-100.0%	●
Capital expenses	0	0	0	0	0.0%	●
Net result (excl. depreciation)	3,268,261	2,918,109	646,672 ✓	(2,271,436)	-77.8%	●
Depreciation Expense	0	0	0	0	0.0%	●
Net result	3,268,261	2,918,109	646,672	(2,271,436)	-77.8%	●

Comments:

Unfavourable Operating Result:

The unfavourable result is primarily driven by R&M jobs. Recent process changes have slowed invoicing, while contractor costs continue to be incurred at works completion, creating a timing mismatch between costs and revenue. This has reduced overall margins on R&M jobs reflected on the operating statement and is the main contributor to the overall unfavourable variance.

Unfavourable Net Result:

Capital Revenue – Timing of building capitalisations. A new process to complete monthly capitalisation is currently in progress.

Corporate Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	5,753	2,877	(24,020)	(26,896)	-935.0%	●
Other income	10,000	5,000	18,504	13,504	270.1%	●
Recurrent expenditure (excl. depreciation)	(3,982,670)	(2,055,733)	(848,834)	1,206,899	58.7%	●
Operating surplus (exc. Depreciation)	(3,966,917)	(2,047,857)	(854,350) ✓	1,193,507	58.3%	●
Capital revenue	0	0	0	0	0.0%	●
Capital expenses	0	0	0	0	0.0%	●
Net result (excl. depreciation)	(3,966,917)	(2,047,857)	(854,350) ✓	1,193,507 ✓	58.3%	●
Depreciation Expense	0	0	0	0	0.0%	●
Net result	(3,966,917)	(2,047,857)	(854,350)	1,193,507	58.3%	●

Comments:

Favourable Operating result:

Recurrent / Other Revenue: Grant income timing issue due to month end early closure and less expenditure.

Health and Community Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	13,987,493	7,307,781	8,007,534	699,753	9.6%	●
Other income	511,392	255,827	257,059	1,232	0.5%	●
Recurrent expenditure (excl. depreciation)	(20,426,051)	(10,311,095)	(9,762,751)	548,344	5.3%	●
Operating surplus (exc. Depreciation)	(5,927,166)	(2,747,488)	(1,498,158) ✓	1,249,329	45.5%	●
Capital revenue	12,145,574	5,910,287	2,265,576	(3,644,711)	-61.7%	●
Capital expenses	0	0	0	0	0.0%	●
Net result (excl. depreciation)	6,218,408	3,162,799	767,418 ✓	(2,395,382)	-75.7%	●
Depreciation Expense	(35,272,066)	(17,636,033)	0	17,636,033	100.0%	●
Net result	(29,053,659)	(14,473,234)	767,418	15,240,651	105.3%	●

Comments:

Favourable Operating Result:

Recurrent Revenue - Commercial Property Rent over budget YTD \$0.8M due to misalignment of budget vs actuals; Grant revenue recognition \$0.2M lower than budgeted YTD due to timing difference between receipt and delivery of programs;

Recurrent Expenditure - Insurance expense reduced \$600K, awaiting finalisation of valuations with high probability of increase in insurance costs; reduced expenditure expected due to reduced grant revenue recognition YTD

Favourable Net result:

Capital Revenue - budget to be adjusted to align with receipt of capital programs payments.

Financial Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	33,125,384	31,763,351	21,333,566	(10,429,785)	-32.8%	●
Other income	399,999	453,698	1,294,620	840,922	185.3%	●
Recurrent expenditure (excl. depreciation)	(1,494,698)	(839,305)	(735,661)	103,644	12.3%	●
Operating surplus (excl. Depreciation)	32,030,685	31,377,744	21,892,525	(9,485,219)	-30.2%	●
Capital revenue	1,901,271	401,271	839,716	438,445	109.3%	●
Capital expenses	(3,500,000)	(1,750,000)	(5,878)	1,744,122	99.7%	●
Net result (excl. depreciation)	30,431,956	30,029,015	22,726,362	(7,302,652)	-24.3%	●
Depreciation Expense	(1,160,515)	(580,258)	(328,642)	251,615	43.4%	●
Net result	29,271,441	29,448,757	22,397,720	(7,051,037)	-23.9%	●

Comments:

Unfavourable Operating Result:

Revenue is showing an unfavourable variance primarily due to the timing of the Financial Assistance Grant (FAG). Council had budgeted to receive \$13.5 million in July, consistent with the previous year. However, \$4.2 million was received by November 2025, with \$8.5 million paid in advance in June 2025. The budget review will be updated to reflect this revised timing. This variance has been partially offset by higher interest income driven by elevated cash holdings.

Engineering

Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	5,594,114	2,184,052	2,152,184	(31,868)	1.5%	●
Other income	0	0	19,060	19,060	0.0%	●
Recurrent expenditure (excl. depreciation)	(27,564,998)	(13,778,051)	(12,628,388)	1,149,663	8.3%	●
Operating surplus (excl. Depreciation)	(21,970,885)	(11,593,999)	(10,457,143)	1,136,856	-9.8%	●
Capital revenue	41,300,019	23,277,191	10,379,333	(12,897,858)	-55.4%	●
Capital expenses	0	0	0	0	0.0%	●
Net result (excl. depreciation)	19,329,134	11,683,192	(77,810)	(11,761,002)	-100.7%	●
Depreciation Expense	(28,755,174)	(14,377,587)	0	14,377,587	100.0%	●
Net result	(9,426,040)	(2,694,395)	(77,810)	2,616,585	-97.1%	●

Comments:

Favourable Operating result:

Recurrent / Other Revenue -slightly lower recurrent grants & fees and charges revenue lower compared to budget.

Recurrent expenditure - overall expenditure is lower then budget due to vacant positions and timing on expenditure.

Favourable Net result:

The timing of capital works has caused capital revenue to be less than YTD budget.

Fuel and Fleet Services

Key Financial Results	Annual Budget \$	YTD Budget \$	YTD Actual \$	YTD Variance \$	YTD Variance %	Status
Recurrent revenue	1,918,000	959,000	983,058	24,058	2.5%	●
Other income	0	0	3,315	3,315	0.0%	●
Recurrent expenditure (excl. depreciation)	(2,191,332)	(1,169,934)	(661,922)	508,011	43.4%	●
Operating surplus (excl. Depreciation)	(273,332)	(210,934)	324,451	535,385	253.8%	●
Capital revenue	469,787	234,894	44,310	(190,584)	-81.1%	●
Capital expenses	13,000	6,500	8,604	2,104	-32.4%	●
Net result (excl. depreciation)	209,455	30,460	377,365	346,905	1138.9%	●
Depreciation Expense	(657,519)	(328,760)	0	328,760	100.0%	●
Net result	(448,064)	(298,300)	377,365	675,665	226.5%	●

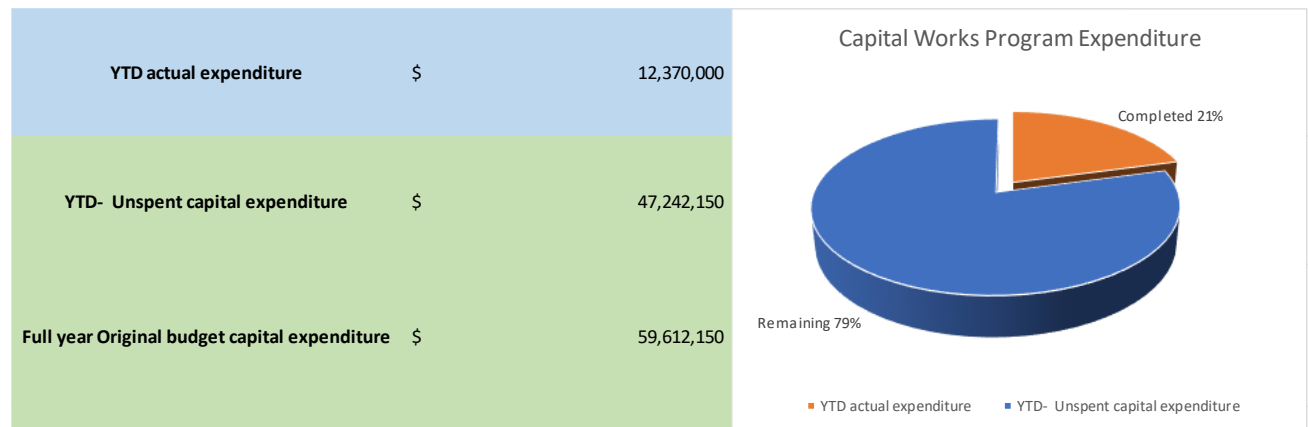
Comments:

Favourable Operating/Net Result

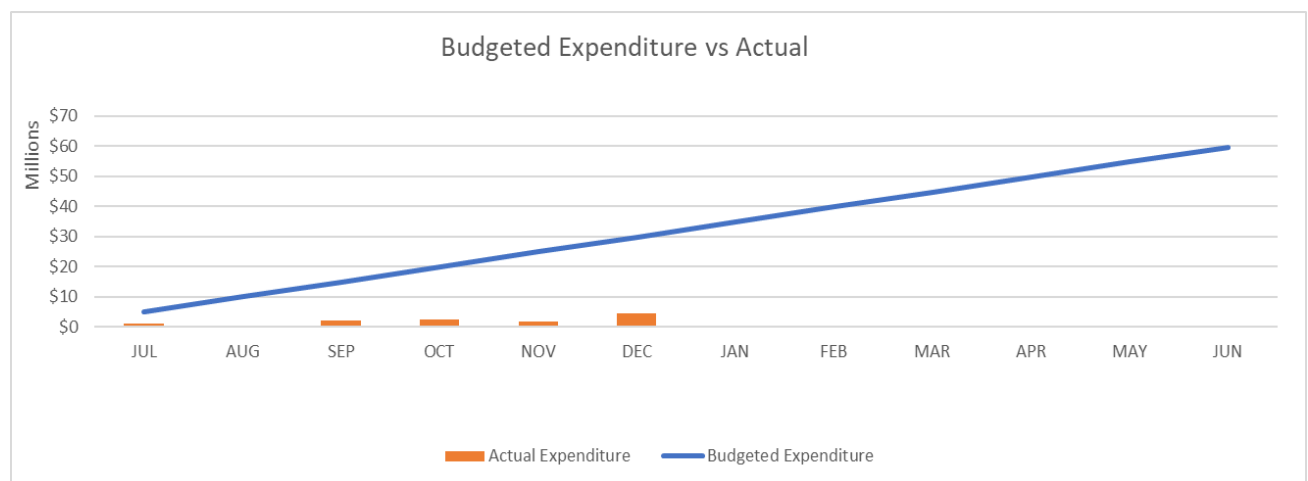
Depreciation can now be included as financials signed off by audit.

Appendix B

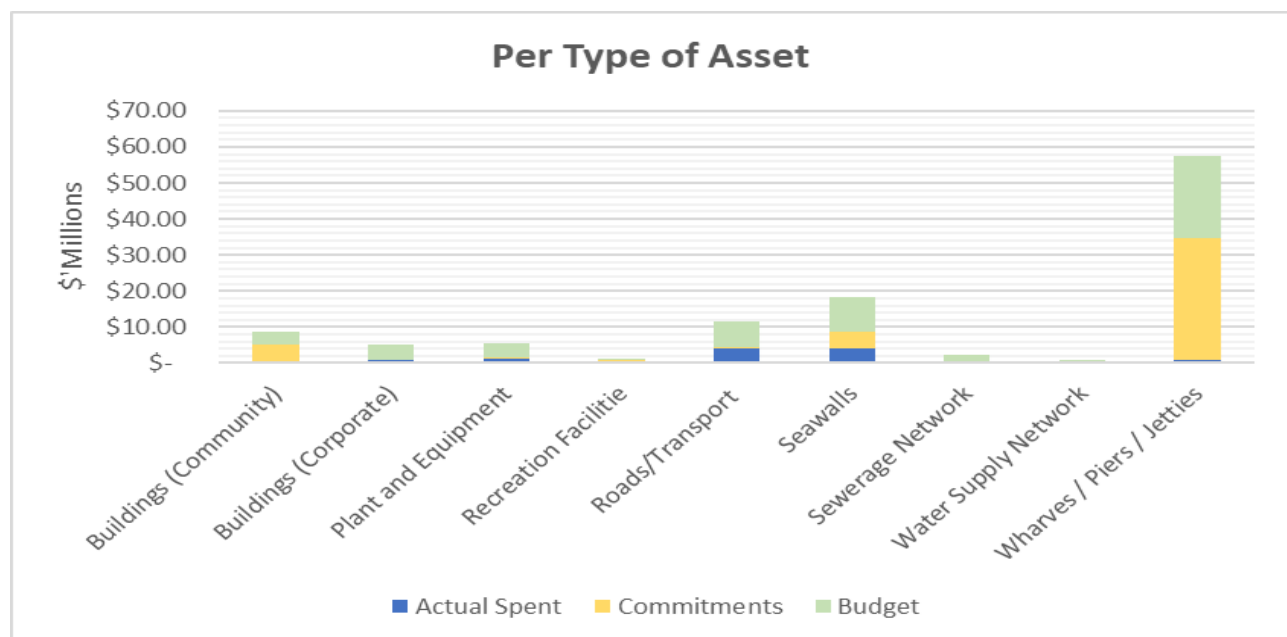
Capital Works Program



Monthly progress– Capital expenditure



Overall program performance – Per Type of Asset





DIRECTORATE: *Financial Services*

AUTHOR: *Executive Director Financial Services*

2024-25 FINANCIAL STATEMENTS

OFFICER RECOMMENDATION:

Council receives and adopts the 2024/2025 Torres Strait Island Regional Council Financial Statements.

EXECUTIVE SUMMARY:

The financial statements for the year ended 30 June 2025 have been finalised.

The Mayor and CEO signed the financial statements on 28 November 2025 after receiving clearance from BDO on 28 November 2025 (as contract auditors for the Queensland Audit Office (QAO)). The Audit Committee reviewed the statements and recommended them for signature by the Mayor and CEO.

The QAO issued an unmodified audit opinion on the 2024/2025 Financial Statements.

Interested Parties/Consultation:

- External Audit
- Audit Committee
- Executive Team
- Finance Department

Background / Previous Council Consideration:

Each financial year Council's financial statements must be audited per section 212 of the Local Government Regulation 2012. The purpose of the audit is to express opinions on the financial statements and the current year's financial sustainability statement.

COMPLIANCE / CONSIDERATIONS:

Statutory:	<ul style="list-style-type: none">• <i>Local Government Act 2009</i>• <i>Local Government Regulation 2012</i>
Budgetary:	No direct financial implications arise from this recommendation.
Policy:	N/A
Legal:	N/A
Risk:	N/A
Links to Strategic Plans:	Aligns with the Corporate Plan 2025-2030
Masig Statement:	N/A
Standing Committee Consultation:	Audit Committee consultation
Timelines:	BDO (as contract auditors for the Queensland Audit Office (QAO)) is still to issue final management report. The report will be tabled at the next Council Meeting once received by the organisation.

Other Comments:

The final net result is a deficit of \$46,257,677. Included in the final audited position is other comprehensive income of \$387,269,527 relating to the increase in asset revaluation surplus. Taking this into account the total comprehensive income for the year totals a surplus of \$341,011,850.

Recommended:

Hollie Faithfull
Executive Director, Financial Services

Approved:

James William
Chief Executive Officer

ATTACHMENTS:

1. 2024/2025 Torres Strait Island Regional Council Financial Statements

Torres Strait Island Regional Council
Financial Statements
For the year ended 30 June 2025

Torres Strait Island Regional Council

Financial statements

For the year ended 30 June 2025

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Torres Strait Island Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Income			
Recurrent revenue			
Community levies, rates and charges	3(a)	1,839,583	1,661,595
Fees and charges	3(b)	5,974,090	5,439,538
Sales revenue	3(c)	28,102,471	25,192,420
Grants, subsidies, contributions and donations	3(d)	51,219,524	32,112,697
Total recurrent revenue		<u>87,135,668</u>	<u>64,406,250</u>
Interest received	4(a)	1,263,636	1,041,836
Other income	4(b)	924,243	1,197,411
Rental income	4(c)	4,525,108	4,679,623
Total operating revenue		<u>93,848,655</u>	<u>71,325,120</u>
Capital income			
Grants, subsidies, contributions and donations	3(d)	33,986,495	29,215,320
Total capital income		<u>33,986,495</u>	<u>29,215,320</u>
Total income		<u>127,835,150</u>	<u>100,540,440</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(29,918,697)	(29,034,204)
Materials and services	7	(53,516,324)	(51,954,569)
Finance costs	8	(588,045)	(500,980)
Depreciation and amortisation			
Property, plant and equipment	11	(64,207,137)	(60,318,428)
Intangible assets	12	(37,496)	-
Right of use assets	14	(1,029,245)	(602,574)
Total recurrent expenses		<u>(149,296,944)</u>	<u>(142,410,754)</u>
Capital expenses	5	(24,795,883)	(4,368,329)
Total expenses		<u>(174,092,827)</u>	<u>(146,779,083)</u>
Net result		<u>(46,257,677)</u>	<u>(46,238,643)</u>
Other comprehensive income			
Increase in asset revaluation surplus	11	387,269,527	82,786,371
Total other comprehensive income for the year		<u>387,269,527</u>	<u>82,786,371</u>
Total comprehensive income for the year		<u>341,011,850</u>	<u>36,547,728</u>

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council
Statement of Financial Position
as at 30 June 2025

	Note	2025 \$	2024 \$
Current assets			
Cash and cash equivalents	9	60,020,451	23,044,959
Short term deposit		72,997	69,720
Receivables	10	9,637,828	9,103,178
Inventories		393,964	415,117
Contract assets	13	4,403,850	8,017,999
Lease receivables	14	513,785	500,482
Total current assets		75,042,874	41,151,456
Non-current assets			
Lease receivables	14	10,967,562	11,220,749
Property, plant and equipment	11	1,470,086,522	1,117,707,797
Intangible assets	12	524,938	562,433
Right of use assets	14	2,724,979	578,406
Total non-current assets		1,484,304,000	1,130,069,385
Total assets		1,559,346,874	1,171,220,841
Current liabilities			
Payables	15	13,541,979	11,387,962
Provisions	16	6,748,344	4,020,294
Contract liabilities	13	36,817,584	13,635,431
Lease liabilities	14	621,039	621,246
Total current liabilities		57,728,946	29,664,933
Non-current liabilities			
Provisions	16	26,027,880	8,394,676
Lease liabilities	14	1,416,966	-
Total non-current liabilities		27,444,846	8,394,676
Total liabilities		85,173,792	38,059,609
Net community assets		1,474,173,082	1,133,161,232
Community equity			
Asset revaluation surplus	11	1,212,968,795	825,699,268
Retained surplus		261,204,287	307,461,964
Total community equity		1,474,173,082	1,133,161,232

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council
Statement of Changes in Equity
For the year ended 30 June 2025

	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2024	825,699,268	307,461,964	1,133,161,232
Net result	-	(46,257,677)	(46,257,677)
Other comprehensive income for the year			
Increase in asset revaluation surplus	387,269,527	-	387,269,527
Total comprehensive income for the year	387,269,527	(46,257,677)	341,011,850
Balance as at 30 June 2025	1,212,968,795	261,204,287	1,474,173,082
Balance as at 1 July 2023	735,386,497	353,700,607	1,089,087,104
Adjustment for assets found not on asset register	7,526,400	-	7,526,400
Restated Balance as at 1 July 2023	742,912,897	353,700,607	1,096,613,504
Net result	-	(46,238,643)	(46,238,643)
Other comprehensive income for the year			
Increase in asset revaluation surplus	82,786,371	-	82,786,371
Total comprehensive income for the year	82,786,371	(46,238,643)	36,547,728
Balance as at 30 June 2024	825,699,268	307,461,964	1,133,161,232

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		40,759,130	34,198,434
Payments to suppliers and employees		(83,132,410)	(76,951,472)
		(42,373,280)	(42,753,038)
Interest received		1,181,055	1,003,496
Recurrent grants and contributions		53,516,202	27,737,958
Net cash inflow (outflow) from operating activities	20	<u>12,323,977</u>	<u>(14,011,584)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(32,030,575)	(30,846,805)
Proceeds from sale of property, plant and equipment		46,885	41,114
Finance lease receipts		500,482	534,849
Capital grants, subsidies, contributions and donations		56,762,524	31,708,068
Net cash inflow (outflow) from investing activities		<u>25,279,316</u>	<u>1,437,226</u>
Cash flows from financing activities			
Repayments made on leases (principal only)		(627,800)	(634,947)
Net cash inflow (outflow) from financing activities		<u>(627,800)</u>	<u>(634,947)</u>
Net increase (decrease) in cash and cash equivalents held		36,975,492	(13,209,306)
Cash and cash equivalents at the beginning of the financial year		23,044,959	36,254,265
Cash and cash equivalents at the end of the financial year	9	<u><u>60,020,451</u></u>	<u><u>23,044,959</u></u>

The above statement should be read in conjunction with the accompanying notes.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

1 Information about the financial statements

1.A Basis of preparation

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

These general purpose financial statements are for the period 1 July 2024 to 30 June 2025 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment. The Council uses the Australian dollar as its functional currency, its presentation currency and rounds to the nearest dollar.

The income of local government and public authorities is exempt from income tax. However Council is subject to Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office (ATO) or payable to the ATO is shown as an asset or liability respectively.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and interpretations as applicable to not-for-profit entities.

Comparative information is prepared on the same basis as the prior financial year.

1.B Date of authorisation

The financial statements were 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.C New and revised Accounting Standards adopted during the year

Council has adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2024. The standards did not have a material impact on reported position, performance and cash flows of Council.

The relevant standards were:

- AASB 101 *Presentation of Financial Statements* (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities.
- AASB 13 *Fair Value Measurement* (amended by AASB 2022-10).

1.D Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025. These standards have not been adopted by Council and will be included in the financial statements on their effective date.

No standard issued by the AASB which are not yet mandatorily effective are expected to have a material impact on the reported financial position or performance for Council.

1.E Critical accounting judgements and key sources of estimation uncertainty

Council makes 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:

- ✦ Revenue recognition - Note 3
- ✦ Expected credit losses (ECL) - Note 10
- ✦ Valuation and depreciation of property, plant and equipment - Note 11
- ✦ Finance leases - Note 14
- ✦ Provisions - Note 16
- ✦ Contingent liabilities - Note 18

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

2 Analysis of results by function

(a) Components of Council functions

The activities relating to the Council's components reported in Note 2(b) are as follows :

Executive Services

The core functions of Executive Services include management of the Office of the Mayor and Office of the CEO, facilitation of Council and Committee meetings, executive administration and internal audit.

Health and Community Services

The objective of the Health and Community Services function is to develop, manage and deliver community and public health services that meet the needs of all sectors of the community. The core functions includes community services, housing services, environmental health services, health and wellbeing services and divisional administrative services.

Engineering Services

Engineering Services provides a high level of services in integrated infrastructure management which ensures environmental protection and meets community expectations. The outcomes achieved by Engineering Services are linked with Council's commitment to public health, transport, water and wastewater infrastructure. The core functions include water services, wastewater services, civil works services, and waste services.

Building Services

The objective of the Building Services function is to provide repairs and maintenance on social housing and new construction on behalf of the State and Federal Government.

Corporate Services

Corporate Services is responsible for the provision of Council-wide services. The core functions include legal services, governance, strategic (corporate) planning, human resources, WH&S, information technology services, corporate risk and insurance, media, engagement and advocacy, enterprise development and fuel and fleet.

Financial Services

Financial Services provides professional financial management and advisory services to Council. The core functions include financial accounting, management accounting, procurement and strategic asset management

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

2 Analysis of results by function (continued)

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

Year ended 30 June 2025

Functions	Gross program income				Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital									
	Grants	Other	Grants									
	\$	\$	\$	\$								
Executive Services	-	592	-	-	592	4,234,306	-	167,405	4,401,710	(4,233,713)	(4,401,118)	3,817,849
Health and Community Services	5,362,800	9,684,950	11,472,108	-	26,519,858	47,984,168	1,650,030	6,423,764	56,057,962	(32,936,418)	(29,538,104)	504,024,489
Engineering Services	4,895,758	6,745,340	15,495,763	-	27,136,851	75,643,491	-	5,034,392	80,677,883	(64,002,393)	(53,541,033)	935,527,090
Building Services	-	24,264,019	3,000,967	-	27,264,985	21,752,049	277,621	1,126,483	23,156,153	2,511,970	4,108,832	-
Corporate Services	460,234	36,395	(140,044)	-	356,585	7,008,531	-	(4,136,065)	2,872,466	(6,511,903)	(2,515,881)	4,712,490
Financial Services	40,500,733	1,897,835	4,157,712	-	46,556,280	11,387,376	4,155,256	(8,615,979)	6,926,653	31,011,192	39,629,627	111,264,956
Total Council	51,219,524	42,629,131	33,986,496	-	127,835,150	168,009,921	6,082,907	-	174,092,828	(74,161,266)	(46,257,677)	1,559,346,874

Year ended 30 June 2024

Functions	Gross program income				Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurrent operations	Net result	Assets
	Recurrent		Capital									
	Grants	Other	Grants									
	\$	\$	\$	\$								
Executive Services	90,000	-	-	-	90,000	3,713,127	-	212,112	3,925,238	(3,623,127)	(3,835,238)	3,242,977
Health and Community Services	5,975,825	9,432,027	8,778,793	-	24,186,645	44,487,159	-	4,061,363	48,548,522	(29,079,307)	(24,361,876)	363,323,458
Engineering Services	9,574,482	5,982,243	17,756,514	-	33,313,240	57,749,431	(41,114)	1,013,546	58,721,863	(42,192,705)	(25,408,624)	641,030,469
Building Services	-	21,946,221	1,069,579	-	23,015,800	19,702,608	-	(1,561,879)	18,140,729	2,243,613	4,875,071	-
Corporate Services	(13,116)	48,420	140,044	-	175,347	6,105,158	-	(95,778)	6,009,380	(6,069,855)	(5,834,033)	3,141,375
Financial Services	16,485,506	1,803,511	1,470,390	-	19,759,407	10,653,271	4,409,443	(3,629,363)	11,433,351	7,635,746	8,326,056	160,482,561
Total Council	32,112,697	39,212,422	29,215,320	-	100,540,439	142,410,754	4,368,329	-	146,779,083	(71,085,635)	(46,238,644)	1,171,220,841

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

3 Revenue

(a) Community levies, rates and charges

Community 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.

	2025 \$	2024 \$
Water charges commercial	409,428	365,291
Sewerage charges commercial	1,097,853	1,007,678
Garbage charges commercial	248,113	207,220
Rates from 40 year leases	84,188	81,406
	<u>1,839,583</u>	<u>1,661,595</u>

(b) Fees and charges

Council provides a range of goods and services to the community and other third parties for a fee. These fees are set in a fees and charges register adopted by Council at the annual budget meeting. Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods or services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay prior to or at the point of provision of the service. There is no material obligation for Council in relation to refunds or returns.

	2025 \$	2024 \$
Airport landing fees	551,779	466,867
Commercial property lease and licence fees	2,851,252	2,762,693
Maritime fees	2,262,546	2,050,141
Hire of Council buildings	225,397	116,392
Other fees and charges	83,115	43,445
	<u>5,974,090</u>	<u>5,439,538</u>

Timing of revenue recognition for fees and charges

	2025		2024	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
Fees and charges	2,851,252	3,122,838	2,762,693	2,676,845
	<u>2,851,252</u>	<u>3,122,838</u>	<u>2,762,693</u>	<u>2,676,845</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

3 Revenue (continued)

(c) Sales revenue

Revenue from contract and recoverable works generally comprises a recoupment of material costs together with an hourly charge for the use of equipment and employees. Contract revenue from repairs and maintenance is recognised at the point in time when works are signed off as completed and only recorded as a contract asset once this performance obligation is met.

Contract revenue and associated costs in relation to upgrades, are recognised by reference to the stage of completion of the contract and the total revenue budget. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed.

	2025 \$	2024 \$
Contract and recoverable works	24,238,169	21,834,745
Plant and equipment hire	156,434	128,591
Childcare services	117,228	106,675
Accommodation	1,356,650	1,067,710
Sale of fuel and gas	1,965,601	1,758,663
Sale of powercards	268,390	296,035
	<u>28,102,471</u>	<u>25,192,420</u>

Timing of revenue recognition for sales

	2025 Revenue recognised over time	2025 Revenue recognised at a point in time	2024 Revenue recognised over time	2024 Revenue recognised at a point in time
Sales revenue	25,868,481	2,233,990	23,137,721	2,054,698
	<u>25,868,481</u>	<u>2,233,990</u>	<u>23,137,721</u>	<u>2,054,698</u>

(d) 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 obligation is satisfied.

The performance obligations vary in each agreement and can include items such as travel and positions for specific purposes. 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.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control. Within grant agreements there may be performance obligations where control transfers at a point in time and others where there is continuous transfer of control over the life of the contract.

Where control is transferred over time, revenue is recognised using either costs or time incurred.

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

3 Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the fair value when the assets are 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

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which are enforceable are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Donations and contributions

When 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 assets since there are no performance obligations.

	2025	2024
	\$	\$
Operating		
General purpose grants	24,327,947	16,496,863
State Government subsidies and grants	24,579,206	11,897,886
Commonwealth Government subsidies and grants	<u>2,312,371</u>	<u>3,717,948</u>
	<u>51,219,524</u>	<u>32,112,697</u>

In June 2025, Council received an amount of \$8,546,281 equating to 50% of the 2025-26 Commonwealth Financial Assistance Grant allocation. As these grants are considered untied grants, they were recognised upon receipt in the 2024-25 financial year.

Capital income

Capital income 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 non-cash contributions which are usually infrastructure assets.

State Government subsidies and grants	26,784,016	21,420,296
Commonwealth Government subsidies and grants	5,724,563	7,735,024
Contributed assets	<u>1,477,917</u>	<u>60,000</u>
	<u>33,986,495</u>	<u>29,215,320</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

3(d) Revenue (continued)

(d) Grants, subsidies, contributions and donations (continued)

Timing of revenue recognition for grants, subsidies, contributions and donations

	2025		2024	
	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time
	\$	\$	\$	\$
Grants and subsidies	42,766,425	40,961,677	42,874,945	18,393,072
Contributions	-	1,477,917	-	60,000
	<u>42,766,425</u>	<u>42,439,594</u>	<u>42,874,945</u>	<u>18,453,072</u>

4 Interest and other income

Note

2025

2024

\$

\$

(a) Interest income

Interest from financial institutions

1,263,636

1,041,836

1,263,636

1,041,836

(b) Other income

Other income is recognised on receipt. Gains on the revaluation of finance leases and refuse restoration are non-cash adjustments.

Insurance claims received

49,558

119,348

Gain on revaluation of finance leases

14

260,597

487,985

Commission income

511,444

527,282

Other revenue

102,644

62,796

924,243

1,197,411

(c) Rental income

Rental income from community housing is recognised as income periodically in advance each fortnight.

Residential property rental income

4,525,108

4,679,623

4,525,108

4,679,623

Council currently holds a social welfare housing portfolio and these buildings are held to meet service delivery objectives, rather than to earn rental income or for capital appreciation purposes.

As the buildings held by Council do not meet the definition of investment property, these buildings are accounted for in accordance with AASB 116 *Property, Plant and Equipment*.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

5	Capital expenses	Note	2025 \$	2024 \$
	Loss on disposal of non-current assets			
	Book value of property, plant and equipment disposed		5,727,983	4,409,443
	Less: Proceeds from the sale of property, plant and equipment		(46,885)	(41,114)
			<u>5,681,098</u>	<u>4,368,329</u>
	Loss on disposal of registered <i>Land Holding Act</i> leases			
	Book value of property, plant and equipment		354,923	-
			<u>354,923</u>	<u>-</u>
	Provision for restoration of landfill			
	Discount rate adjustment to refuse restoration provision		819,033	-
	Change due to reassessment and recognition of additional provisions		17,940,829	-
			<u>18,759,862</u>	<u>-</u>
			<u>24,795,883</u>	<u>4,368,329</u>
6	Employee benefits			
	Staff wages and salaries		21,435,347	21,044,991
	Councillors' remuneration		1,206,619	1,143,867
	Annual, sick and long service leave entitlements		4,441,607	4,096,589
	Superannuation	19	2,845,648	2,650,677
			<u>29,929,220</u>	<u>28,936,123</u>
	Other employee related expenses		514,379	422,098
			<u>30,443,599</u>	<u>29,358,221</u>
	Less: Capitalised employee expenses		(524,902)	(324,018)
			<u>29,918,697</u>	<u>29,034,204</u>

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

	2025 Number	2024 Number
Total Council employees at the reporting date:		
Elected members	16	16
Administration staff	325	318
Total full time equivalent employees	<u>341</u>	<u>334</u>

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

7	Materials and services	Note	2025	2024
			\$	\$
	Advertising and marketing		49,335	73,236
	Audit services		240,607	170,582
	Communications and IT		2,720,211	2,346,356
	Consultants		3,051,085	2,297,963
	Contractors		5,957,439	8,123,747
	Contracts - Infrastructure		4,828,794	6,700,206
	Donations paid		347,603	345,852
	Freight		1,435,597	1,350,159
	Insurance		5,830,090	5,691,262
	Legal fees		599,182	687,273
	Materials - carpentry, plumbing, electrical		996,726	1,061,843
	Motor vehicle expenses		2,345,764	2,581,133
	Other materials and services		2,073,796	1,826,319
	Power		1,592,371	1,535,783
	Powercards, fuel and gas for resale		2,131,085	2,239,728
	Rent paid		216,562	120,554
	Repairs and maintenance		9,879,448	6,914,018
	Repairs and maintenance - electrical		3,801,649	3,009,766
	Subscriptions and registrations		129,939	151,080
	Supplies and consumables		399,973	390,080
	Temporary staff costs		1,604,817	1,259,748
	Travel		3,506,281	3,177,112
	Less: Expenses capitalised		(222,031)	(99,228)
			<u>53,516,324</u>	<u>51,954,569</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2024/25 financial statements are \$205,500 (2023/24: \$186,089)

8 Finance costs

Bank charges		82,741	77,552
Impairment of receivables		269,256	246,623
Refuse restoration	16	158,705	158,324
Interest on leases	14	77,342	18,481
		<u>588,045</u>	<u>500,980</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

9 Cash and cash equivalents

	Note	2025 \$	2024 \$
Cash at bank		28,445,551	13,673,942
Deposits at call		31,574,901	9,371,017
Balance per Statement of Cash Flows		<u>60,020,451</u>	<u>23,044,959</u>
Less: Externally imposed restrictions on cash		37,071,539	13,929,357
Unrestricted cash		<u>22,948,913</u>	<u>9,115,602</u>

Council's cash at bank and term deposits are held with National Australia Bank on normal terms. The bank currently has a short term credit rating of A-1+ and long term rating of AA-. Deposits at call are held with the Queensland Treasury Corporation.

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

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	37,059,792	13,929,357
Total externally imposed restrictions on cash assets	<u>37,059,792</u>	<u>13,929,357</u>

(ii) Internal allocations of cash at the reporting date:

Funds set aside and held in reserves for DOGIT land	4,064,282	3,421,487
Total internally allocated cash assets	<u>4,064,282</u>	<u>3,421,487</u>

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 relating to island funeral funds, church funds and other community funds. 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:

Island funeral funds	203,306	209,630
Church funds	10,480	10,177
Other community funds	56,379	54,469
	<u>270,165</u>	<u>274,276</u>

Some funds belonging to Council are held in the trust funds of third parties.

Funds held in trust by outside parties

DFK Kidsons holding funds for the Major Infrastructure and Other Program	17,227,623	23,878,720
	<u>17,227,623</u>	<u>23,878,720</u>

The Major Infrastructure and Other Program is jointly funded by the Australian and Queensland Governments to deliver and upgrade major infrastructure capital works in the Torres Strait. DFK Kidsons holds funds for multiple councils in regards to the Major Infrastructure and Other Program. The amount disclosed above relates to Torres Strait Island Regional Council's portion of the funds. Infrastructure assets are not recognised by the Council until they have reached completion.

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

10 Receivables

Settlement of receivables is required within 30 days after the invoice is issued.

Receivables are measured at amortised cost which approximates fair value at reporting date.

	2025 \$	2024 \$
Current		
Receivable - Housing	12,597,574	12,988,154
Less impairment	(12,272,090)	(12,655,302)
Receivable - Rates	1,032,249	1,083,009
Less impairment	(606,303)	(315,701)
Receivable - Other	4,434,730	4,243,717
Less impairment	(253,058)	(243,153)
	4,933,102	5,100,724
Accrued revenue	3,948,458	3,513,135
Prepayments	299,605	348,545
GST receivable	456,663	140,774
	<u>9,637,828</u>	<u>9,103,178</u>

Council assesses credit risk before providing goods or services and applies normal business credit protection to minimise the risk.

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

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

The exposure to credit risk for trade receivables by type of counterparty was as follows:

Housing charges	12,459,281	12,869,555
Government entities	3,304,602	2,808,311
Utility charges	1,032,249	1,083,009
Other	1,268,421	869,689
Total	<u>18,064,553</u>	<u>17,630,564</u>

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	13,214,155	13,118,370
Less: Debts written off during the year	(351,961)	(152,324)
Additional impairments recognised	766,830	810,753
Less: Impairments reversed	(497,574)	(562,644)
Closing balance at 30 June	<u>13,131,450</u>	<u>13,214,155</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

10 Receivables (continued)

Expected credit loss assessment

Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience over the past ten years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Council's view of economic conditions over the expected lives of the receivables.

For housing receivables this rate ranges from 11% - 98% depending on the aging of the debt (2023/24: 15% - 98%). In relation to other receivables, this rate ranges from 1% - 49% depending on the aging of the debt (2023/24: 1% - 33%).

2025

Aging

Closing balance 30 June 2025 \$	Historical probability of default	Loss given default	Lifetime expected credit loss \$
---------------------------------------	---	-----------------------	--

Housing

Current
1-30 days
31-60 days
61+ days

101,376	11.00%	100%	11,151
38,962	95.00%	100%	37,014
39,989	95.00%	100%	37,989
12,417,247	98.14%	100%	12,185,936
<u>12,597,574</u>			<u>12,272,091</u>

Other debtors

Current
1-30 days
31-60 days
61+ days

2,917,359	0.53%	100%	15,399
526,968	1.46%	100%	7,708
335,327	3.23%	100%	10,815
1,687,324	48.92%	100%	825,439
<u>5,466,979</u>			<u>859,361</u>

2024

Aging

Closing balance 30 June 2024 \$	Historical probability of default	Loss given default	Lifetime expected credit loss \$
---------------------------------------	---	-----------------------	--

Housing

Current
1-30 days
31-60 days
61+ days

118,109	15.0%	100%	17,716
59,034	96.0%	100%	56,673
49,072	96.0%	100%	47,109
12,761,939	98.2%	100%	12,533,804
<u>12,988,155</u>			<u>12,655,302</u>

Other debtors

Current
1-30 days
31-60 days
61+ days

2,785,757	0.3%	100%	8,100
958,276	4.5%	100%	43,274
36,540	12.7%	100%	4,658
1,546,152	32.5%	100%	502,822
<u>5,326,726</u>			<u>558,854</u>

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

11 Property, plant and equipment

Council - 30 June 2025

Basis of measurement

Asset values

Opening gross value as at 1 July 2024

Additions

Capital contributions

Assets capitalised from work in progress

Disposals

Revaluation adjustment to asset revaluation surplus

Closing gross value as at 30 June 2025

Accumulated depreciation and impairment

Opening balance as at 1 July 2024

Depreciation provided in period

Revaluation adjustment to asset revaluation surplus

Depreciation/impairment on disposals

Transfers between classes

Accumulated depreciation as at 30 June 2025

Book value as at 30 June 2025

Range of estimated useful life in years

Additions comprise:

Renewals

Other additions

Total additions

Asset revaluation surplus

Opening balance as at 1 July 2024

Movements - Revaluation

Closing balance as at 30 June 2025

Buildings (Communities)	Buildings (Corporate)	Buildings (Churches)	Recreational facilities	Transport network	Stormwater drainage network	Flood mitigation network	Water	Wastewater	Marine infrastructure	Waste	Land	Plant and equipment	Work in progress	Total
Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost	\$
845,742,593	169,450,577	25,591,931	42,008,904	372,256,166	18,698,538	66,023,447	336,148,429	365,440,803	63,906,544	4,192,339	3,242,977	10,020,188	33,208,676	2,344,941,913
-	-	-	-	-	-	-	-	-	1,237,916	-	-	-	33,921,321	33,921,321
14,080,370	1,480,169	-	1,604,305	10,050,978	211,986	8,240,352	3,079,304	178,681	4,110,134	-	-	240,000	-	1,477,916
(10,618,050)	(249,073)	-	(765,620)	(6,437,037)	-	-	(3,264,193)	(131,146)	(988,510)	(57,684)	-	2,088,113	(45,125,394)	-
163,612,927	19,314,818	1,099,270	5,750,784	232,007,004	934,927	19,534,750	142,107,536	88,934,290	86,536,152	372,294	574,072	-	-	(23,259,598)
1,012,817,840	189,006,491	26,691,101	49,588,273	607,877,113	19,845,451	93,798,549	478,071,076	444,423,628	154,802,236	4,506,949	3,817,849	11,600,016	22,004,602	760,779,624
														3,117,861,174
493,017,181	108,241,809	17,983,763	28,466,731	168,058,281	8,360,352	14,555,970	179,866,124	172,673,307	29,441,235	2,680,444	-	6,878,895	-	1,227,234,113
27,292,251	5,931,162	680,993	1,317,218	5,617,717	373,971	1,647,112	9,802,466	9,251,284	1,442,063	146,944	-	701,916	-	64,207,137
104,122,102	(2,441,428)	271,124	(338,998)	47,524,222	471,401	3,322,056	96,525,219	57,717,366	65,462,615	874,418	-	-	-	373,510,937
(7,802,196)	(184,055)	-	(478,480)	(4,590,219)	-	-	(2,617,290)	(125,590)	(637,893)	(57,684)	-	(693,286)	-	(17,176,692)
613,628,338	111,547,508	18,945,900	29,966,471	216,620,002	9,205,724	19,525,138	283,576,539	239,516,367	95,708,020	3,646,122	-	6,887,525	-	1,647,774,555
398,168,502	77,458,984	7,745,202	19,631,802	391,257,113	10,639,788	74,273,410	194,494,536	204,907,262	59,094,216	850,526	3,817,849	4,712,490	22,004,602	1,470,065,522
5 - 75	5 - 80	15 - 50	5 - 50	10 - 100	50	10 - 50	5 - 60	5 - 100	10 - 50	8 - 25	Land: Not Depreciated	1 - 25	WIP: Not Depreciated	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
8,532,405	-	-	817,701	9,245,834	-	-	2,383,000	-	4,110,134	-	-	2,328,113	-	27,417,167
5,547,965	1,480,169	-	786,604	805,144	211,986	8,240,352	696,304	179,681	1,237,916	-	-	-	-	19,186,121
14,080,370	1,480,169	-	1,604,305	10,050,978	211,986	8,240,352	3,079,304	179,681	5,348,050	-	-	2,328,113	-	46,603,308
286,087,323	46,572,296	8,217,132	12,020,207	177,272,434	6,096,097	12,329,532	106,512,368	145,171,462	23,792,921	815,794	800,843	-	-	825,698,268
59,480,825	21,756,246	828,146	6,089,762	184,482,782	463,526	16,212,695	45,582,317	31,216,924	21,073,536	(502,124)	574,872	-	-	387,269,527
345,676,148	68,328,502	9,045,278	18,118,969	361,755,216	6,561,623	28,542,227	152,094,685	176,388,386	44,866,357	313,670	1,375,715	-	-	1,212,966,795

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

Councill - 30 June 2024

Basis of measurement
Asset values
Opening gross value as at 1 July 2023
Additions
Capital contributions
Assets capitalised from work in progress
Disposals
Revaluation adjustment to asset revaluation surplus
Transfer between classes
Closing gross value as at 30 June 2024

Buildings (Communities)	Buildings (Corporate)	Buildings (Churches)	Recreational facilities	Transport network	Stormwater drainage network	Flood mitigation network	Water	Wastewater	Marine infrastructure	Waste	Land		Plant and equipment		Work in progress	Total
											Fair Value	Fair Value	Cost	Cost		
\$ -	\$ 153,167,895	\$ 23,265,300	\$ 37,874,619	\$ 344,335,804	\$ 17,297,444	\$ 80,500,453	\$ 310,060,362	\$ 332,101,469	\$ 59,117,987	\$ 3,811,217	\$ 2,870,804	\$ 10,143,261	\$ 25,513,776	\$ 25,513,776	\$ 2,148,831,942	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,552,089	\$ 30,552,089	\$ 30,552,089	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -
\$ 7,145,868	\$ 676,353	\$ -	\$ 925,119	\$ 29,163	\$ -	\$ 4,019,689	\$ 9,383,297	\$ 105,531	\$ -	\$ -	\$ -	\$ 468,733	\$ -	\$ -	\$ (562,436)	\$ -
\$ (6,410,883)	\$ (566,904)	\$ -	\$ (162,178)	\$ -	\$ -	\$ (2,544,509)	\$ (4,687,318)	\$ (12,430)	\$ -	\$ -	\$ -	\$ (982,608)	\$ -	\$ -	\$ (15,028,908)	\$ -
\$ 76,236,067	\$ 15,253,111	\$ 2,326,530	\$ 3,771,244	\$ 27,891,200	\$ 1,401,093	\$ 3,947,804	\$ 21,372,088	\$ 23,246,233	\$ 4,768,557	\$ 381,122	\$ 372,173	\$ -	\$ -	\$ -	\$ 180,987,222	\$ -
\$ -	\$ (69,890)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 845,742,593	\$ 168,460,577	\$ 25,591,831	\$ 42,008,804	\$ 372,256,188	\$ 18,698,538	\$ 66,023,447	\$ 338,148,428	\$ 355,440,803	\$ 63,905,544	\$ 4,192,339	\$ 3,242,977	\$ 10,020,188	\$ -	\$ -	\$ 33,208,675	\$ 2,344,841,909

Accumulated depreciation and impairment

Accumulated depreciation and impairment
Opening balance as at 1 July 2023
Depreciation provided in period
Revaluation adjustment to asset revaluation surplus
Depreciation/impairment on disposals
Transfers between classes
Accumulated depreciation as at 30 June 2024

[illegible]

Book value as at 30 June 2024

Range of estimated useful life in years

[illegible]

Additions comprise:

Renewals
Other additions
Total additions

[illegible]

Asset revaluation surplus

Opening balance as at 1 July 2023

Opening balance as at 1 July 2023
Movements - Revaluation
Movements - Impairments
Closing balance as at 30 June 2024

254,398,273	41,159,309	7,526,400	10,845,848	161,973,945	5,323,450	9,308,512	96,904,866	133,221,614	21,143,671	678,349	428,670	-	-	742,912,896
31,689,050	5,412,947	680,732	1,183,359	15,298,489	774,647	3,021,020	9,607,511	11,949,848	2,648,150	137,445	372,173	-	-	82,786,371
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
286,087,323	46,572,256	8,217,132	12,029,207	177,272,434	6,098,097	12,329,532	106,512,368	145,171,462	23,792,821	815,794	800,843	-	-	825,699,268

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(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, infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

Torres Strait Island Regional Council does not control any land under roads. Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. This land is not recognised in these financial statements.

The Council is located on land assigned to it under various Deeds of Grant in Trust (DOGIT) held under the *Torres Strait Islander Land Act 1991* (Qld) (TSILA), *Aboriginal Land Act 1991* (Qld) and the *Land Act 1994* (Qld). The land comprises an area of approximately 483.6 square kilometres, across the following Islands:

- Boigu Island
- Dauan Island
- Erub Island
- Hammond Island
- Iama Island
- Moa Island (comprising two DOGITs of St Paul's and Kubin communities)
- Mabuiag Island
- Poruma Island
- Saibai Island
- Ugar Island
- Warraber Island
- Masig Island

The land is administered by the Department of Natural Resources, Mines and Energy and the Council has restricted use of this land for the benefit of islander inhabitants. The DOGIT land has not been taken up in Council's asset register as it cannot be reliably measured.

The reserve land for Mer Island was managed by the Department of Communities, Child Safety and Disabilities Services until 14 December 2012. On 14 December 2012 Mer Gedkem Le (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Mer Island. The Corporation is trustee for the Native Title Holders.

The DOGIT land for Badu Island was administered by Council in the capacity as trustee until 1 February 2014. On 1 February 2014, Mura Baduigal (Torres Strait Islanders) Corporation RNTBC became the trustee of Torres Strait Islander land under the TSILA in communal freehold of Badu Island. The Corporation is trustee for the Native Title Holders.

Essential service buildings and infrastructure on Badu Island and Mer Island are leased by Council for the terms of 5 years, 30 years and 99 years at agreed values.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(a) Recognition (continued)

The relevant leased assets are still reported as assets of the Council; land is not reported. Nominal rental is paid for the majority of essential service buildings. These buildings have not been classified as leases, as prior to change in land agreements the assets were originally constructed by Council. No lease liability has been recognised in the financial statements as the two properties occupied by Council do not have a lease that transfer the right of use. Negotiations are underway to obtain a licence over the properties until long-term leases can be negotiated.

Pursuant to the terms and conditions of the respective leases, it is intended that the Council continue to maintain these assets for the benefit of the community, as Council possesses the necessary skills and knowledge to best utilise these assets.

(b) Measurement

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

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

Depreciation methods and estimated useful lives of property, plant and equipment assets 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. The condition assessments performed as part of the 5 yearly full valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the tables earlier in this note.

(d) Impairment

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.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(e) Valuation

(i) Valuation processes

Council measures and recognises assets in all asset classes relating to property, plant and equipment, other than plant and equipment and WIP, at fair value on a recurring basis.

All asset classes carried at fair value were comprehensively valued in the current year. The last comprehensive valuation prior to the current year was the financial year ended 30 June 2020.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of assets does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment measured at fair value at least once every 5 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection.

In the intervening years, Council engages independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, disposals and changes in methodology such as useful life and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes. These indices are then reviewed by Asset Class Managers and Executives to ensure accuracy of these indices for Council.

Council's property, plant and equipment valuation policies and procedures are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Management prepares a report for the Audit Committee's review and endorsement.

In accordance with AASB 13, fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets (level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset (level 2)
- Fair value based on unobservable inputs for the asset (level 3)

All of Council's property, plant and equipment measured at fair value at reporting date is categorised at level 2 or 3. Council does not have any assets measured at fair value which meet the criteria for categorisation as level 1. There were no transfers between levels during the year.

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.

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Current year fair value assessment
Buildings (Communities)	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and supplemented by published cost guides including the Rawlinsons Construction Cost Guide and Cordell Cost Guide. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Structure, Site Improvements, Roof, and Fixtures and Fittings Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity.	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$59,490,825
Buildings (Corporate) 2025: \$1,046,000 2024: \$2,154,054	Market approach	Level 2	30/06/2025	Jones Lang Lasalle	Fair value is based on market approach using comparable sales evidence from Thursday Island and Cairns market, adjusted for differences in key attributes such as size of improvements, functionality and condition.	Comprehensive valuation performed as at 30 June 2025 resulted in decreasing fair value of asset class by \$923,354
Buildings (Corporate) 2025: \$75,612,984 2024: \$58,064,714	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publication. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity.	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$22,679,600
Buildings (Churches)	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publication. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity.	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$828,146
Recreational facilities	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	Current replacement cost Unit rates developed from building projects completed in the Torres Strait and benchmarked against cost estimate publications. Allowances are made for the remote locality of the assets. Accumulated depreciation Componentisation - Substructure, superstructure, roof, internal fabric, internal service, external services, site improvements, and furniture and fittings. Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity.	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$6,069,762

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Current year fair value assessment
Transport network	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates have been developed based on recent transport network projects contracted in the Torres Strait in recent years. - Rates are based on a realistic project scale that could be feasibly procured and delivered on the Islands, rather than large-scale mainland projects that benefit from economies of scale not available in the Torres Strait. This assumption is supported by historical capital works analysis and validated by Council's engineering staff. - Allowances are included for the substantial costs of remote delivery, including freight and logistics, labour mobilisation, site establishment, and sourcing of materials and plant. - Formation fill has been estimated at 0.15 m³ per m², based on JLL professional judgement of the prevailing ground conditions across the Islands and confirmed by Council's engineering staff. This is a change in the previously applied assumption of Formation fill has been estimated at 0.15 m³ per m², which has resulted in an increase in replacement costs for road assets. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Segmentation - high level, between intersections - Componentisation is applied as follows: formation, pavement, seal, and kerb and channel. Earthworks and pavements are apportioned on an 80%/20% split (formation/sub-grader, pavement/sub-base) in line with the direct costs and construction elements making up each component. - Pavement surfaces are assigned shorter useful lives than comparable mainland assets due to the impact of intense rainfall, high UV exposure, and tropical climatic conditions. - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$184,482,782
Stormwater drainage network	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - The extent of the stormwater network in each Division has been estimated using available asset data and visual inspection of above-ground structures. - Unit rates have been developed from published cost guides (Rawlinsons, Cordall), with adjustments applied for Torres Strait locality factors such as freight and logistics. Where no project evidence exists for an asset type, prior rates have been escalated by 5% in line with regional construction cost indices. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$463,528

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Current year fair value assessment
Flood mitigation network	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates are developed from recent flood mitigation projects delivered in the Torres Strait. Where no project evidence exists for an asset type, prior rates have been escalated by 5% in line with regional construction cost indices. - Rates are based on realistic project sizes that could feasibly be procured and delivered on the islands, rather than large-scale mainland projects that benefit from economies of scale not available in the Torres Strait. This assumption is supported by historical capital works analysis and validated by Council's engineering staff. - Allowances are included for the substantial costs of remote delivery, including freight and logistics, labour mobilisation, site establishment, and sourcing of materials and plant. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Useful life estimates are shorter than comparable mainland assets due to exposure to extreme coastal conditions, including storm surges, intense rainfall, high UV levels and saline environments. - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$16,212,695
Water	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates are developed from recent water infrastructure projects delivered in the Torres Strait. Where no direct project evidence exists for an asset type, prior unit rates have been escalated by 5% using regional construction cost indices. - Rates are based on project sizes that could realistically be procured and delivered on the islands, rather than large-scale mainland projects which benefit from economies of scale not achievable in the Torres Strait. This approach is supported by historical capital works analysis and validated by Council's engineering staff. - Allowances are included for the substantial costs of operating in the Torres Strait, including freight and logistics, labour mobilisation, establishment, and sourcing of materials and plant. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$43,562,317

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

11 Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation techniques used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	FV hierarchy	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates	Current year fair value assessment
Wastewater	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates are developed from recent water infrastructure projects delivered in the Torres Strait. Where no direct project evidence exists for an asset type, prior unit rates have been escalated by 5% using regional construction cost indices. - Rates are based on project sizes that could realistically be procured and delivered on the islands, rather than large-scale mainland projects which benefit from economies of scale not achievable in the Torres Strait. This approach is supported by historical capital works analysis and validated by Council's engineering staff. - Allowances are included for the substantial costs of operating in the Torres Strait, including freight and logistics, labour mobilisation, establishment, and sourcing of materials and plant. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$31,216,924
Marine infrastructure	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates are developed from recent marine infrastructure projects delivered in the Torres Strait. Where no direct project evidence exists for an asset type, prior unit rates have been escalated by 5% using regional construction cost indices. - Rates are based on project sizes that could realistically be procured and delivered on the islands, rather than large-scale mainland projects which benefit from economies of scale not achievable in the Torres Strait. This approach is supported by historical capital works analysis and validated by Council's engineering staff. - Allowances are included for the substantial costs of operating in the Torres Strait, including freight and logistics, labour mobilisation, establishment, and sourcing of materials and plant. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Condition assessments and remaining useful life estimates are applied using a standardised consumption profile: each condition score equates to a defined percentage of useful life consumed, ensuring a consistent correlation between observed condition and depreciation applied. - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$21,073,536
Waste	Current replacement cost	Level 3	30/06/2025	Jones Lang Lasalle	<p>Current Replacement cost</p> <ul style="list-style-type: none"> - Unit rates have been developed based on recent landfill and bund projects and supplemented by fencing and bund replacement projects contracted in the Torres Strait in recent years. Where no project evidence exists for an asset type, prior rates have been escalated by 5% in line with regional construction cost indices. <p>Accumulated depreciation</p> <ul style="list-style-type: none"> - Depreciation is based on estimated useful lives by component, adjusted for asset condition and expected service capacity. 	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$502,124
Land assets	Market approach	Level 2	30/06/2025	Jones Lang Lasalle	<p>Fair value is based on market approach using comparable sales evidence from Thursday Island and Cairns market, adjusted for differences in key attributes such as size, topography and location.</p>	Comprehensive valuation performed as at 30 June 2025 resulted in increasing fair value of asset class by \$574,872

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

12 Intangible assets

	Note	2025	2024
		\$	\$
Software			
Opening gross carrying value		562,433	1,457,686
Additions		-	562,433
Disposals		-	(1,457,686)
		<u>562,433</u>	<u>562,433</u>
Accumulated amortisation			
Opening balance		-	1,457,686
Amortisation in the period		37,496	-
Amortisation on disposals		-	(1,457,686)
		<u>37,496</u>	<u>-</u>
Net carrying value		<u>524,938</u>	<u>562,433</u>

The software is amortised on a straight line basis over an estimated useful life of 15 years.

13 Contract balances

	Note	2025	2024
		\$	\$
Contract assets			
Contracts with customers		2,119,727	2,048,937
Contracts to construct Council owned assets		2,284,123	5,969,061
		<u>4,403,850</u>	<u>8,017,999</u>
Contract liabilities			
Funds received upfront to construct Council controlled assets		33,233,116	12,998,451
Non-capital performance obligations not yet satisfied		3,584,468	636,980
		<u>36,817,584</u>	<u>13,635,431</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year:			
Funds to construct Council controlled assets		2,947,399	3,044,463
Non-capital performance obligations (including deposits received in advance)		568,217	3,326,947
		<u>3,515,616</u>	<u>6,371,410</u>

Funds received upfront to construct Council controlled assets in 2025 include funding to replace marine infrastructure, new social housing assets and repair and upgrades to road and airport assets.

Satisfaction of contract liabilities

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liabilities as income in the next two years.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

14 Leases

Council as a lessee

Council has leases in place over buildings. Where Council assesses that an agreement contains a lease, a right-of-use asset and lease liability is recognised on inception of the lease. 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 right-of-use asset is measured using the cost model and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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:

Buildings

Council leases one building used for offices. This lease period is three years with no options to renew at the lease expiration date 30 June 2025. Negotiations are underway for the current lease and 2 leases that expired during the year.

Right of use assets	Note	2025 \$	2024 \$
Balance at 1 July		578,406	1,180,980
Additions to right of use assets		3,183,371	-
Adjustments to right-of-use assets due to re-measurement of lease liability		(7,553)	-
Amortisation charge		(1,029,245)	(602,574)
Closing balance		2,724,979	578,406
Lease liabilities			
Balance at 1 July		621,245	1,237,712
Additions to lease liabilities		1,974,843	-
Re-measurement of lease liability		(7,626)	-
Lease payments		(627,800)	(634,947)
Interest expense		77,343	18,481
Closing balance		2,038,005	621,245

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.

2025	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
Buildings	621,039	1,416,966	-	2,038,005	2,038,005
2024	< 1 year	1-5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
Buildings	627,800	-	-	627,800	621,246

Torres Strait Island Regional Council
Notes to the financial statements
For the year ended 30 June 2025

14 Leases (continued)

Amounts included in the statement of comprehensive income related to leases

	Note	2025	2024
		\$	\$
Interest on lease liabilities		77,342	18,481
Amortisation of right of use assets		1,029,245	602,574
Expenses relating to short-term leases		56,272	27,375
		<u>1,162,860</u>	<u>648,430</u>
Total cash outflows for leases		<u>684,072</u>	<u>662,322</u>

Leases at significantly below market value - Concessionary/peppercorn leases

Council has a number of leases at significantly below market value for land.

The leases are on 99 year arrangements and require the payment of \$1 per annum. The use of the right of use asset is restricted by the lessors to specified community uses which Council must provide.

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

Council as a lessor

Council has leased the following dwellings and vacant sites as lessor to the Queensland Government for 40 years:

- 51 dwellings located on Moa Island (Kubin)
- 6 dwellings and 3 vacant site on Saibai Island
- 6 dwellings and 4 vacant sites on Boigu Island
- 21 vacant sites on Kirirri Island
- 25 vacant sites on Moa Island (St Pauls)
- 6 vacant sites on Iama Island
- 2 vacant sites on Ugar Island
- 5 vacant sites on Poruma Island
- 10 vacant sites on Masig Island
- 8 vacant sites on Warraber Island
- 7 vacant sites on Erub Island
- 7 vacant sites on Mabuiag Island
- 3 vacant sites on Dauan Island

The total lease payment per dwelling in the current year was \$2,980 (2023/24: \$2,903). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups). As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains or losses on revaluation of finance lease assets are recognised as other income annually.

The Queensland Government has the right to surrender any part of the lease at any time by giving Council three months' written notice. Per the lease agreement any improvements to the property transfer to Council when the lease terminates. No leases were surrendered between 1 July 2024 and 30 June 2025 (2023/24: nil).

Current

Lease receivable	<u>513,785</u>	<u>500,482</u>
	<u>513,785</u>	<u>500,482</u>

Non-current

Lease receivable	<u>10,967,562</u>	<u>11,220,749</u>
	<u>10,967,562</u>	<u>11,220,749</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

14 Leases (continued)

	Note	2025 \$	2024 \$
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:			
Gross minimum lease payments receivable:			
Not later than one year		513,785	500,482
Later than one year but not later than five years		2,055,139	2,001,927
Later than five years		13,157,812	13,317,272
		<u>15,726,736</u>	<u>15,819,680</u>
Add: Estimated contingent rent		7,528,893	7,899,894
Less: Present value adjustment		(11,774,281)	(11,998,342)
Fair value of lease payments		<u>11,481,348</u>	<u>11,721,232</u>
The fair value of lease payments is receivable as follows:			
Not later than one year		513,785	500,482
Later than one year but not later than five years		1,943,224	1,901,465
Later than five years		9,024,339	9,319,285
		<u>11,481,348</u>	<u>11,721,232</u>
Movements in finance leases were as follows:			
Opening balance		11,721,231	11,768,095
Less: Lease receipts		(500,482)	(534,849)
Add/less: Gain/(loss) on revaluation	4(b)	260,597	487,985
Closing balance		<u>11,481,346</u>	<u>11,721,231</u>

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% (2023-24: 2.5%) and a discount rate of 4.84% (2023/24: 4.64%).

15 Payables

Trade creditors are recognised as a liability at the time the amount owed can be measured reliably and when it is probable the amount will have to be paid, when the goods are received or the service is performed. Amounts are unsecured and normally settled within 30 days.

	2025 \$	2024 \$
Current		
Creditors	4,751,759	4,602,286
Accrued wages and salaries	1,637,023	454,109
Refundable bonds	2,000	2,000
Accrued expenses	6,964,280	5,874,746
Retention	186,918	436,552
Revenue in advance	-	18,269
	<u>13,541,979</u>	<u>11,387,962</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

16 Provisions

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.

Landfill restoration and rehabilitation

A provision is recognised for the estimated costs of rehabilitating assets and other future restoration activities where it is probable that Council will be liable or required to incur such costs upon the cessation of use of these facilities. This provision reflects the present value of anticipated future costs associated with the closure and aftercare management of landfill sites.

The calculation of this provision involves a number of key assumptions, including estimated site closure dates, potential regulatory changes, available technologies, and engineering cost estimates. Due to the long-term nature of the liability, actual future expenditures may differ from the amounts currently provided. The most significant uncertainty in estimating the provision relates to the costs that will ultimately be incurred.

Changes in assumptions made during this financial year has caused a significant movement in the provision. Previously, Council had anticipated that raw materials such as soil would be sourced locally from each division and rock from Badu Quarry. Unfortunately, neither of these assumptions is no longer viable due to changes in availability/quality of materials on divisions, and the quarry being no longer operational. As a result, these materials must now be sourced from Cairns, which has led to increased freight and transfer costs and impacted the overall provision.

Management currently estimates that the 15 landfill sites will reach closure between 2026 and 2036. The timing of restoration and rehabilitation works is dependent on the availability of external funding, and future funding constraints may affect when these activities can be carried out.

Council periodically engages external subject matter experts to provide independent advice on the anticipated design, associated costs, closure dates and aftercare management of the landfills. Between external assessments, the provision is reviewed and updated annually based on the best available information and prevailing circumstances. Council is currently undertaking an external review funded by the State for Erub and expects to receive the external advice during the 2026 financial year.

As landfill sites are on state reserves / DOGIT land which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

	Current		Non-Current	
	2025	2024	2025	2024
	\$	\$	\$	\$
Current				
Annual leave	2,735,858	2,655,576	-	-
Long service leave	1,406,116	1,364,718	661,729	549,254
Provision for landfill restoration	2,606,370	-	24,157,622	7,845,422
Provision for make-good	-	-	1,208,528	-
	<u>6,748,344</u>	<u>4,020,294</u>	<u>26,027,880</u>	<u>8,394,676</u>
			2025	2024
			\$	\$
Landfill restoration				
Balance at beginning of financial year			7,845,425	7,687,102
Increase due to unwinding of discount			158,705	310,866
Change due to reassessment and recognition of additional provisions			17,940,829	-
Increase/(decrease) due to changes in inflation and discount rate			819,033	(152,542)
Balance at end of financial year			<u>26,763,992</u>	<u>7,845,425</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

17 Commitments for expenditure

Contractual commitments

Contractual commitments at the end of the financial year but not recognised in the financial statements are as follows:

	2025	2024
	\$	\$
Consultancy	4,191,929	809,647
Other	1,457,597	623,971
Contractors	1,427,522	405,670
Recoverable work contractors	5,802,493	6,785,030
Freight	540,833	262,333
Contract employees	96,741	67,136
	<u>13,517,115</u>	<u>8,953,786</u>

Capital commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Capital assets		
Buildings	9,145,091	4,560,847
Seawalls	838,190	912,205
Other	988,743	853,314
	<u>10,972,025</u>	<u>6,326,367</u>

18 Contingent liabilities and assets

Details and estimates of the maximum amounts of contingent liabilities and assets are as follows:

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 pool contributions in respect to any year that a deficit arises.

As at 30 June 2025, the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's 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 were 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 \$416,451.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

18 Contingent liabilities and assets (continued)

Contingent liabilities (continued)

Native Title Compensation Liability

The Native Title Act 1993 (Cth) requires "future acts", such as the construction of major and minor Council infrastructure, housing, signage and the granting of leases to proponents such as government and individuals, to be conducted using prescribed processes listing under it. In many cases, in order to be valid, a notice process or a registered Indigenous Land Use Agreement under the Native Title Act 1993 (Cth) is required before conducting a future act. Prior to amalgamation of the Island Councils in 2008, infrastructure and leases were likely to have been progressed without complying with these requirements of the Native Title Act 1993 (Cth). This infrastructure and leases are termed invalid future acts, for which compensation is payable by Council.

It is difficult to estimate the likely compensation payable because jurisprudence in this area has only recently started emerging. A native title compensation case was decided by the High Court of Australia on 13 March 2019 (Northern Territory v Griffiths [2019] HCA 7) that sets out legal principles for determining the quantum of native title compensation payable. That case provides some guidance in relation to a compensation formula. However, the principles in that case cannot be applied to Council's contingent liabilities without making allowances for the differing circumstances in the Torres Strait context. For example, the High Court case involved extinguishment of non-exclusive native title rights, whereas invalid future acts in Torres Strait may not involve extinguishment and are likely to concern exclusive native title rights rather than non-exclusive native title rights. Further, the economic loss component of native title compensation is to be calculated with reference to the freehold value of the land affected, and in Council's local government area there are no land valuations at present.

At this point there are no applications for compensation claims against Council. Numerous compensation claims for alleged invalid future acts are likely to be made in coming years. Council is making deputations to the State of Queensland about the assistance that Council will require in the future to address these claims, should Council's insurance cover be inadequate.

Land Holding Act Leases

Under the Aboriginal and Torres Strait Islander Land Holding Act 1985 (repealed and replaced with the Aboriginal and Torres Strait Islander Land Holding Act 2013), Island Councils across Torres Strait received 354 applications for perpetual leases of land held in trust by those Island Councils. Of the 354 lease applications received by the Island Councils, 116 applications were invalid due to incomplete information or procedural non-compliance. For the remaining 238 applications, the applicant has a legal right to a perpetual lease for the land stated in the application. Due to law reform in 1991, it is no longer possible to apply for a Land Holding Act lease. When the Island Councils amalgamated in 2008, TSIRC assumed trustee legal interests in the land subject to Land Holding Act leases and lease entitlements.

The perpetual leases were not all granted in the 1980s with only 61 being granted by 2013. For the 61 leases originally granted, in some cases only the land was leased while the house on the land remained a Council social housing asset. Council and the State are working together to transfer ownership of remaining 22 social houses to the respective Land Holding Act leaseholders for \$1 each. When the ownership of any of these houses is transferred, the asset will be removed from Council's asset register and social housing register. The fair value as at 30 June 2025 relating to the potential divestment of these 22 social houses currently under 'land only' leases totals \$10,445,900 (2023/24: \$8,333,511). As at 30 June 2025, 1 house was divested and it is unclear whether the remaining 21 houses will be divested because a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset.

Council and the State are working together to grant all remaining valid lease entitlements either to the original applicant or to the applicant's beneficiaries. Where there is a valid lease entitlement, the lease can be granted without the consent of the native title party because the lease entitlement is a legal right that pre-existed the recognition of native title rights in Australia. This was confirmed by the Supreme Court of Queensland in February 2018. Between then and 30 June 2025, 195 LHA leases have been registered in Torres Strait communities and 16 lease entitlements have been surrendered, with 27 valid lease entitlements remaining to be resolved.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

18 Contingent liabilities and assets (continued)

Contingent liabilities (continued)

Land Holding Act Leases (continued)

The purpose of the lease under the Land Holding Act was to provide home ownership. If each of the outstanding 27 lease entitlements becomes a registered lease, Council will divest the social housing asset (if applicable) to the perpetual leaseholder for \$1.00. The fair value as at 30 June 2025 for social housing assets relating to the outstanding 27 lease entitlements totals \$11,025,000 (2023/24: \$9,700,807). However, at this time, it is uncertain whether all of the outstanding 27 lease entitlements will be granted and all of the associated social housing assets divested (a lease entitlement may be surrendered or partially surrendered with the result that the house remains a Council asset). On registration of any of the leases, the asset will be removed from Council's asset register and social housing register.

Contingent assets

Fees and charges revenue

Council initiated legal proceedings against a supplier in a prior period. At 30 June 2025 the matter was ongoing. Refer to Note 21 Events after the reporting period

19 Superannuation

Council contributes to Brighter Super Regional Defined Benefits Fund (the scheme). Brighter Super is a Multi-employer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits*. The Scheme has a number of elements including defined benefit funds and an accumulation benefit fund. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who are members of the accumulation benefits fund.

	Note	2025 \$	2024 \$
Superannuation contributions made to Brighter Super Regional Defined Benefits Fund		2,250,783	2,199,655
Other superannuation contributions for employees		594,865	451,022
Total superannuation contributions paid by Council for employees:	6	<u>2,845,648</u>	<u>2,650,677</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

20 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

	2025 \$	2024 \$
Net result	<u>(46,257,677)</u>	<u>(46,238,643)</u>
Non-cash items:		
Depreciation and amortisation	65,273,878	60,921,003
Asset contributions in capital income	(1,477,917)	-
(Gain)/Loss on revaluation of finance lease	<u>(260,597)</u>	<u>(487,985)</u>
	<u>63,535,364</u>	<u>60,433,018</u>
Investing and development activities:		
Loss on disposal of non-current assets	6,036,021	4,368,329
Capital grants and contributions	<u>(32,508,578)</u>	<u>(29,215,320)</u>
	<u>(26,472,557)</u>	<u>(24,846,991)</u>
Financing activities:		
Interest expense on finance leases	74,065	15,535
	<u>74,065</u>	<u>15,535</u>
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(1,103,180)	(2,802,954)
(Increase)/decrease in inventory	21,151	(3,365)
(Increase)/decrease in contract assets	163,400	(1,485,200)
Increase/(decrease) in payables	263,272	3,915,562
Increase/(decrease) in other provisions	19,152,651	487,282
Increase/(decrease) in contract liabilities	<u>2,947,489</u>	<u>(3,485,826)</u>
	<u>21,444,782</u>	<u>(3,374,502)</u>
Net cash inflow/(outflow) from operating activities	<u><u>12,323,977</u></u>	<u><u>(14,011,584)</u></u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

21 Events after the reporting period

On 31 October 2025, Council reached a settlement in relation to ongoing litigation. The settlement was finalised after the reporting period ended on 30 June 2025.

Due to confidentiality obligations, Council is unable to disclose the specific terms of the settlement. However, management confirms that the settlement does not provide evidence of conditions that existed at the reporting date and therefore no adjustments have been made to the financial statements for the year ended 30 June 2025.

22 Financial instruments and financial risk management

Financial risk management

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.

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 financial risk management policies and procedures, and reviews the adequacy of the 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.

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

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 financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Torres Strait Island Regional Council.

The carrying amount of financial assets at the end of the reporting period represent the maximum exposure to credit risk.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

22 Financial instruments and financial risk management (continued)

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.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business.

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. These facilities are disclosed in Note 9.

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

Council is exposed to interest rate risk through investments with QTC and other financial institutions. Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Based on the carrying value of Council's financial instruments at balance date, any fluctuation in interest rates would not have a material impact on the financial position or performance of Council.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

23 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly.

KMPs include the Mayor, Councillors, Council's Chief Executive Officer and the Executive Management team.

The compensation paid to KMPs comprises:

	2025	2024
	\$	\$
Short-term employee benefits	2,754,399	2,455,162
Post-employment benefits	139,986	114,100
Long-term employee benefits	70,721	9,278
	<u>2,965,106</u>	<u>2,578,540</u>

Detailed remuneration disclosures are provided in Council's Annual Report.

During the year an Executive Director was engaged through a Queensland government-owned corporation on a two year contract. The total value paid for services was \$303,369 (2023/24: \$269,082).

(b) Transactions with 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, parent, child and dependant of a KMP or their spouse. Per Ailan Kastom, an Uncle, Aunt, or sibling who represents one of those roles to a KMP has been considered to be a related party.

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

Details of transactions

Employee expenses for close family members of KMPs	(i)	270,690	177,739
Purchase of materials and services from entities controlled by KMPs	(ii)	4,844	8,100
Grants and donations for entities controlled by KMPs	(iii)	19,299	17,345

(i) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with Council's Certified Agreement for the job they perform. Council employs 373 staff (325 full time equivalent staff) of which 2 (2023/24: 3) are close family members of key management personnel.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

23 Transactions with related parties (continued)

(b) Transactions with other related parties (continued)

(ii) Council purchased the following materials and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Council operations:

Accommodation	-	8,100
Consumables	3,783	-
Car Hire	1,061	-
	<u>4,844</u>	<u>8,100</u>

(iii) Grants and donations totalling \$19,299 (2023/24: \$17,345) were made during the reporting period to related parties of KMPs as community members under Council's Grants and Donations Procedure.

(iv) The fees and charges charged to entities controlled by KMPs was nil (2023/24: nil).

(c) Commitments to/from related parties

Council does not have any commitments for the provision of goods and services for related party entities.

(d) Loans and guarantees to/from related parties

Council does not make loans to or receive loans from related parties. No guarantees have been provided.

(e) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Receivables	Current \$	Over 30 Days \$	Over 60 Days \$	Over 90 Days \$	Total \$
2025					
Rates and charges	292	-	-	5,981	6,274
Social housing	43	68	156	100,379	100,645
Other fees and charges	352	-	-	4,739	5,091
Total	687	68	156	111,099	112,010
2024					
Rates and charges	1,611	-	-	4,855	6,466
Social housing	1,091	830	590	105,647	108,158
Other fees and charges	1,128	557	-	4,884	6,569
Total	3,829	1,387	590	115,386	121,193

\$102,505 has been recognised in the current year (2023/24: \$58,905) for the allowance for bad or doubtful debts owed by related parties.

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

23 Transactions with related parties (continued)

(e) Outstanding balances (continued)

The table below details related party outstanding balances at the end of the reporting period which are over 90 days:

2025 KMP	Relationship	Related Party	Nature of transactions	Over 90 Days \$
Bob Kaigey	Councillor	Bob Kaigey	Social housing	16,926
Torenzo Elisala	Father	Tenny Elisala	Social housing	30,415
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	4,180
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,278
Aggie Hankin	Councillor	Aggie Hankin	Social housing	39,808
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Chelsea Aniba	Councillor	Chelsea Aniba	Social housing	9,453
Seriako Dorante	Councillor	Seriako Dorante	Rates and charges	1,420
Kabay Tamu	Councillor	Kabay Tamu	Vehicle Deduction	3,550
Amounts less than \$1,000				3,006
				<u>111,099</u>

2024 KMP	Relationship	Related Party	Nature of transactions	Over 90 Days \$
Bob Kaigey	Councillor	Bob Kaigey	Social housing	15,343
Torenzo Elisala	Father	Tenny Elisala	Social housing	34,687
Ted Mosby	Councillor	Ted Mosby	Social Housing	1,218
Rocky Stephen	Director	Kos & Abob Fisheries (TSI)	Rates and charges	4,180
Nixon Mye	Councillor	Nixon Mye	Social Housing	1,396
Rocky Stephen	Councillor	Rocky Stephen	Social housing	1,358
Aggie Hankin	Councillor	Aggie Hankin	Social housing	39,958
Dimas Toby	Councillor	Dimas Toby	Social housing	1,063
Chelsea Aniba	Councillor	Chelsea Aniba	Social housing	9,168
Kabay Tamu	Councillor	Kabay Tamu	Vehicle Deduction	4,250
Amounts less than \$1,000				2,765
				<u>115,386</u>

Torres Strait Island Regional Council

Notes to the financial statements

For the year ended 30 June 2025

23 Transactions with related parties (continued)

(f) Debt balances written off during the period as statute barred debt

Statute barred debt, is debt older than 6 years of age and pursuant to the *Limitation of Actions Act 1974* (Qld) and cannot be legally enforced in a Court of competent jurisdiction. No debts have been written off for the last two financial years.

Council first attempted to write off statute-barred debts in 2015 however a quorum could not be established due to a number of Councillors declaring a material personal interest or conflict of interest and excluding themselves from voting. Following the March 2016 local government election, Council tabled the write off again however was still unable to reach a quorum.

In August 2016, Council presented two separate write off resolutions for Council's consideration, one addressing commercial debts and the other addressing housing debt. Again a quorum could not be established for consideration of either resolution.

On 5 October 2016, Council engaged King & Company Solicitors to address the question of how Council may act to write off statute barred debt while ensuring statutory compliance. King & Company provided several options to Council to address the issue. The option adopted by Council was to delegate the write off power to the CEO. The issue of material personal interest or conflict of interest does not arise in respect of a Council decision to delegate the matter to the CEO for decision, provided Council merely delegates the CEO power to make the decision and does not in any way direct the CEO to make any particular decision about the matter.

The resolution was made at the October 2016 Ordinary Council Meeting adopting the revised Fiscal Governance Policy granting the CEO delegation to write off statute barred debt.

(g) 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 Torres Strait Island Region. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include:

- Residential rental charges
- Utility and other fees and charges
- Sales of gas, fuel and power cards
- Hire of council buildings and equipment
- Accommodation hire

Torres Strait Island Regional Council
Financial statements
For the year ended 30 June 2025

Management Certificate
For the year ended 30 June 2025

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 40 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
Phillemon Mosby

Date: 28 / 11 / 2025



Chief Executive Officer
James William

Date: 28 / 11 / 2025

INDEPENDENT AUDITOR'S REPORT

To the councillors of Torres Strait Island Regional Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Torres Strait Island Regional Council.

The financial report comprises the statement of financial position as at 30 June 2025, 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 material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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 (including Independence Standards)* (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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2025 was the current year financial sustainability statement - audited ratios, current year financial sustainability statement (contextual ratios) - unaudited and the unaudited long-term financial sustainability statement.

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 formed 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

- 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*, 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.



William Cunningham
as delegate of the Auditor-General

1 December 2025

Queensland Audit Office
Brisbane

Torres Strait Island Regional Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2025

Measures of Financial Sustainability

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Council Narrative
Audited ratios					
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	3	3	During the 2024/25 financial year, Council received its full allocation of the 2024/25 Financial Assistance Grant, along with an advance payment of 50% of the 2025/26 allocation. This early receipt has positively impacted Council's liquidity position. The Department of Local Government, Water and Volunteers has confirmed that the increased allocation under the Indigenous Councils Funding Program (ICFP) will continue for an additional year, further supporting Council's financial stability. Council remains committed to advocating for the continuation of this increased funding allocation in the State Budget beyond 2025/26. In parallel, Council is actively pursuing strategies to strengthen its cash operating performance and financial position through the work of their Internal Sustainability and Organisational Improvement Committee (SOIC)
	Operating Surplus Ratio	N/A	-59%	-87%	Council relies predominantly on grant funding to meet both its operational and capital requirements, with limited capacity to generate own-source revenue. This reliance is reflected in the outcome of this ratio.
	Operating Cash Ratio	Greater than 0%	9%	-5%	During the 2024/25 financial year, Council received its full allocation of the 2024/25 Financial Assistance Grant, along with an advance payment of 50% of the 2025/26 allocation. This early receipt has positively impacted Council's operating cash ratio. The Department of Local Government, Water and Volunteers has confirmed that the increased allocation under the Indigenous Councils Funding Program (ICFP) will continue for an additional year, further supporting Council's financial stability. Council remains committed to advocating for the continuation of this increased funding allocation in the State Budget beyond 2025/26. In parallel, Council is actively pursuing strategies to strengthen its cash operating performance and financial position through the work of their Internal Sustainability and Organisational Improvement Committee (SOIC)
Asset Management	Asset Sustainability Ratio	Greater than 90%	40%	29%	Council relies on grant funding to support the renewal of its assets. In December 2024, it adopted a five-year Strategic Investment Plan (SIP), which identifies funding requirements for the renewal of extreme and high-risk assets over the next five years
	Asset Consumption Ratio	Greater than 60%	47%	49%	Council relies on grant funding to support the renewal of its assets. In December 2024, it adopted a five-year Strategic Investment Plan (SIP), which identifies funding requirements for the renewal of extreme and high-risk assets over the next five years
Debt Servicing Capacity	Leverage Ratio	0 - 3 times	-	-	QTC loan fully repaid in 2021/22

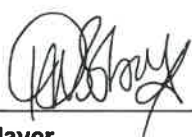
The current year financial sustainability statement is prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the six reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2025.

Torres Strait Island Regional Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2025

Certificate of Accuracy
For the year ended 30 June 2025

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
Phillemon Mosby

Date: 28 / 11 / 2025



Chief Executive Officer
James William

Date: 28 / 11 / 2025

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Torres Strait Island Regional Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Torres Strait Island Regional Council for the year ended 30 June 2025, 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 Torres Strait Island Regional Council for the year ended 30 June 2025 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 (including Independence Standards)* (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 2024 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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Torres Strait Island Regional Council's annual report for the year ended 30 June 2025 was the general-purpose financial statements, current year financial sustainability statement – audited ratios, current-year financial sustainability statement (contextual ratios) - unaudited, and the unaudited long-term financial sustainability statement.

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 formed a separate opinion on the general-purpose financial report.

In connection with my audit of the financial sustainability statement, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial sustainability statement 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 material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.

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.



William Cunningham
as delegate of the Auditor-General

1 December 2025
Queensland Audit Office
Brisbane

Torres Strait Island Regional Council
Unaudited Current-year Financial Sustainability Statement - Contextual Ratios
For the year ended 30 June 2025

Measures of Financial Sustainability

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Council Narrative
Contextual Ratios (unaudited)					
Financial Capacity	Council Controlled Revenue Ratio	N/A	8%	10%	Council is heavily reliant on grant funding to support both its operational and capital activities, with limited capacity to generate own-source revenue. This financial structure is evident in the result of this ratio
	Population Growth Ratio	N/A	0%	0%	

The current year financial sustainability statement - Contextual Ratios are prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2024*. The amounts used to calculate the two reported measurements are prepared on an accrual basis and drawn from the Council's audited general purpose financial statements for the year ended 30 June 2025.

Torres Strait Island Regional Council

Unaudited Current-year Financial Sustainability Statement - Contextual Ratios For the year ended 30 June 2025

Certificate of Accuracy For the year ended 30 June 2025

This current-year financial sustainability statement - contextual ratios, 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 - contextual ratios, has been accurately calculated.



Mavor
Phillemon Mosby

Date: 28 / 11 / 2025



Chief Executive Officer
James William

Date: 28 / 11 / 2025

Torres Strait Island Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2025

Measures of Financial Sustainability

Type	Measure	Target (Tier 8)	Actuals as at 30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033	30 June 2034	30 June 2035
Financial Capacity	Council-Controlled Revenue	N/A	8.33%	10.21%	11.07%	11.17%	11.25%	11.31%	11.38%	11.45%	11.51%	11.58%	11.66%
	Population Growth	N/A	0.00%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%	-0.04%
	Operating Surplus Ratio	N/A	-59.08%	-88.95%	-86.75%	-91.40%	-86.11%	-79.32%	-73.24%	-66.47%	-64.39%	-57.91%	-55.92%
Operating Performance	Operating Cash Ratio	Greater than 0%	9.37%	-3.33%	-9.08%	-9.26%	-9.49%	-9.39%	-9.73%	-10.29%	-10.85%	-11.07%	-11.84%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	N/A for long-term sustainability statement										
Asset Management	Asset Sustainability Ratio	Greater than 90%	39.51%	36.75%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	Asset Consumption Ratio	Greater than 60%	46.73%	47.00%	45.05%	41.73%	38.66%	35.87%	33.52%	31.21%	29.10%	27.24%	25.52%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	Not required - Council does not currently have any external debt										

Council's Financial Management Strategy

Council monitors revenue and expenditure trends over time to inform future planning and guide the efficient allocation of resources, ensuring the effective delivery of services. It is committed to maintaining a prudent financial management strategy, with a long-term financial forecast that demonstrates a sound financial position while meeting the current and future needs of the community.


The above ratios have been calculated using Council's most recently adopted original budget. Council determines its asset sustainability ratio on confirmed renewal program funding. Council's forecasting ability has a dependency on donor program lifecycles.

Torres Strait Island Regional Council
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2025

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2025

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
Phillemon Mosby

Date: 28 / 11 / 2025



Chief Executive Officer
James William

Date: 28 / 11 / 2025



ORDINARY MEETING 28 January 2026

Agenda Item
8.3

DIRECTORATE: *Financial Services*

AUTHOR: *Acting Head of Financial Services*

2025/26 BUDGET REVIEW 1

OFFICER RECOMMENDATIONS

That Council adopts in accordance with s169 and s170 of the Local Government Regulation 2012, an amended budget for the 2025-2026 Financial Year as presented, incorporating:

- (i) The statements of financial position;*
- (ii) The statements of cashflow;*
- (iii) The statements of income and expenditure;*
- (iv) The statements of changes in equity;*
- (v) The long-term financial forecast;*
- (vi) The relevant measures of financial sustainability; and*
- (vii) The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget; and*
- (viii) Capital budget.*

PURPOSE

The purpose of this report is to provide Council with an update on the current budget position and seek adoption of the Amended Budget for the 2025-2026 Financial Year

BACKGROUND

Over recent months, officers conducted a comprehensive review of the 2025–2026 Original Budget to ensure each department's performance aligns with budget expectations and to identify and address any necessary adjustments.

BUDGET REVIEW PROCESS

The budget review has been developed through detailed analysis of current operational activities and the incorporation of newly executed grant funding agreements. All known changes to Council's service delivery commitments have been reflected in the revised budget.

Council is operating in a challenging environment characterised by rising costs, constrained revenue, elevated inflation, staff vacancies, and increasing expectations from both the community and Council. While the amended budget seeks to minimise financial impacts on stakeholders, Council remains committed to meeting its core obligation to deliver essential services and support the community.

FINANCIAL SUSTAINABILITY STRATEGY

Maintaining financial sustainability is critical to Council's long-term viability and its ability to continue delivering essential services. Council members and the executive must work collaboratively to safeguard the organisation's financial position and ensure resources are managed prudently. Inadequate funding and inefficiencies in expenditure have a direct impact on service delivery and community outcomes, reinforcing the need for disciplined financial management and strategic allocation of resources.

Priority Actions

In the short term, Council is focusing on the following priority measures to address Council's financial sustainability challenges:

- **Strengthened advocacy and engagement with State and Commonwealth governments** to seek additional financial support and clearly communicate the financial challenges facing TSIRC. This includes formal correspondence with Ministers, participation in parliamentary

inquiries, and ongoing engagement with government agencies at all levels.

- **Proactive identification and pursuit of grant and funding opportunities**, supported by dedicated staff and Council member oversight to improve coordination, accountability, and success rates.
- **Review of revenue-generating activities** to identify opportunities to optimise financial performance, including cost recovery, pricing structures, and alternative revenue sources where appropriate.
- **Assessment of non-core responsibilities and services** to ensure alignment with Council's strategic objectives, statutory obligations, and long-term financial sustainability.
- **Maximising the efficient use of Council funds** by identifying and reducing wasteful spending, improving procurement processes, and ensuring resources are allocated to high-priority areas.
- **Ongoing operation of the Sustainability and Organisational Improvement Committee** to provide oversight, monitor financial performance, and drive continuous improvement initiatives across the organisation.

Strengthening Council's financial position to meet both current and future challenges requires a whole-of-Council approach, with shared responsibility across elected members, management, and staff.

To support this, Council has engaged an external consultant to undertake a comprehensive review of organisational practices, cost structures, and overall financial position. This review is being conducted in phases, with findings and recommendations progressively reported to Council for consideration and implementation.

Through these measures, Council reaffirms its commitment to addressing current financial challenges while maintaining the delivery of essential services. By combining immediate actions with longer-term reforms, Council aims to strengthen its financial position, respond to evolving community needs, and support sustainable service delivery over the long term.

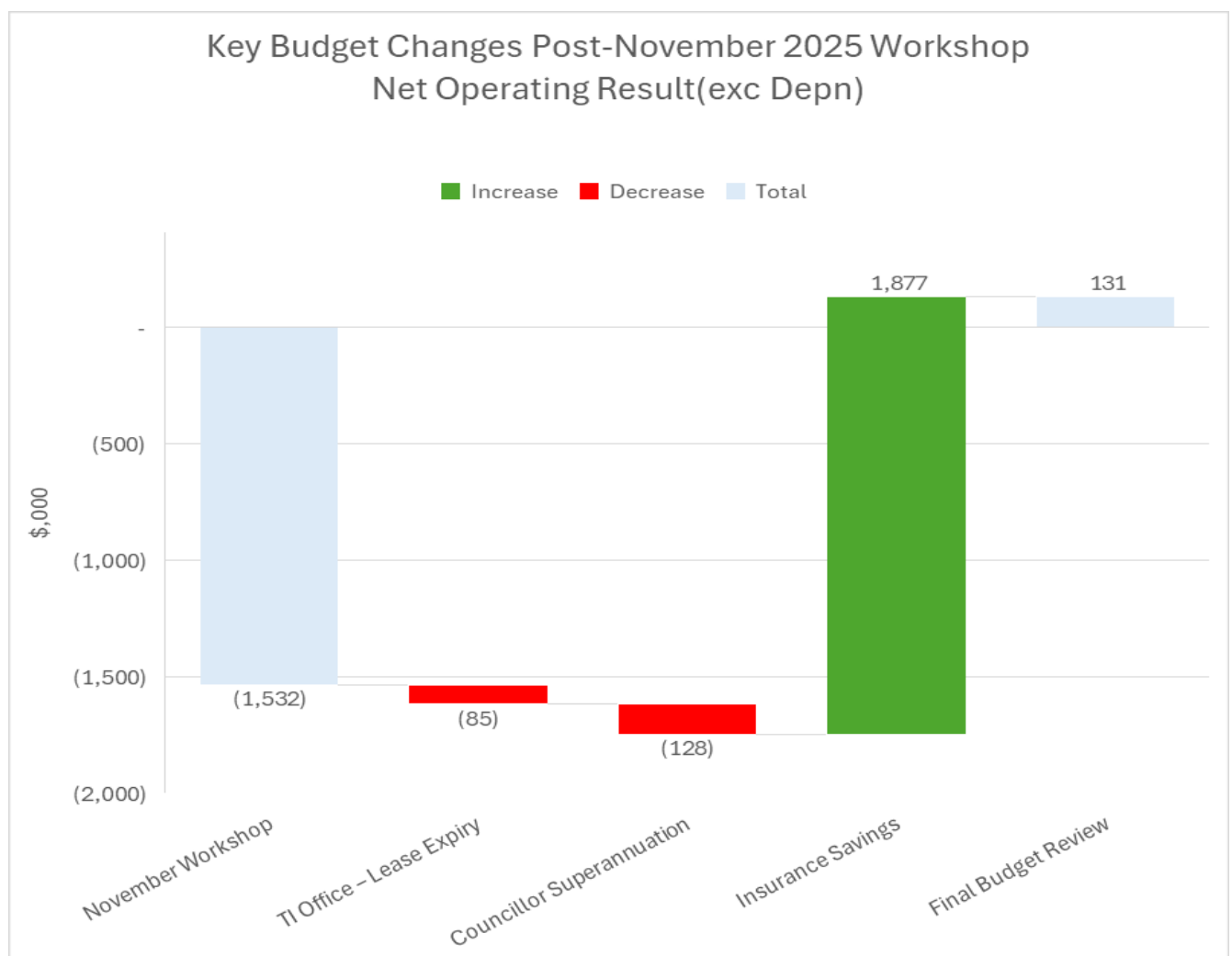
SUBSEQUENT EVENTS

At the November 2025 workshop, the budget review was presented to Council. Since that workshop, the following key changes relating to additional expenditure and budget adjustments have been incorporated:

- **Councillor Superannuation** – An allocation of \$127k has been included to provide for the commencement of superannuation contributions for Councillors, backdated to 1 July 2025.
- **TI Office Lease** – The lease concluded on 30 November 2025 following advice from Ergon, resulting in \$87k being removed from revenue.
- **Insurance Costs** – A reduction of \$1.8M has been achieved following a change in insurer, delivering significant savings in Industrial Special Risk protection. These costs may increase over time as new assets are added during the financial year.

Collectively, these adjustments result in a net improvement of \$1.6M to Council's Operating Capability (**before** depreciation), improving the budget position from a \$1.5M deficit presented at the November workshop to a \$131K surplus.

Changes are reflected in waterfall graph below:



LIQUIDITY

While current budget results appear favourable, this position is largely attributable to a one-off reduction in insurance costs for the financial year. This improvement does not represent a structural strengthening of Council's underlying financial position.

Council remains unable to fund capital projects without external grant support and continues to face significant financial headwinds, including rising cost pressures and inflation, increasing community service demands, heavy reliance on grant funding, growth in non-core Council activities, and responsibility for a large asset base exceeding \$3 billion, which requires ongoing investment in renewal and maintenance.

Further pressure is expected from the staged implementation of the Locality Allowance, with 50 per cent anticipated to commence in the 2026–27 financial year, increasing to 100 per cent in 2027–28. While final dates and amounts are yet to be confirmed by the relevant commission, this represents a material future operating cost.

In relation to insurance, budget forecasts assume annual increases in line with CPI. However, in practice, insurance premiums may increase significantly depending on market conditions, claims experience, and disaster-related payouts made by insurers. This creates additional uncertainty in Council's medium- to long-term cost base.

Updated cash flow projections indicate that, as at November 2025, Council's available cash holdings have fallen below the legislated benchmark of four months' unrestricted cash reserves. This position is projected to persist over the forward estimates. Based on current projections, cash reserves are expected to be exhausted by July 2028, with liquidity pressures likely to emerge up to 12 months earlier.

This position could be further exacerbated by unforeseen events, including a major insurance claim, reductions in grant funding, increased compliance requirements, or additional requests for Council to undertake non-core activities. Maintaining liquidity and financial viability will therefore require careful cash flow management and a coordinated response across Council, the Executive Leadership Team, and Council officers.

2025/2026 BUDGET REVIEW AT A GLANCE

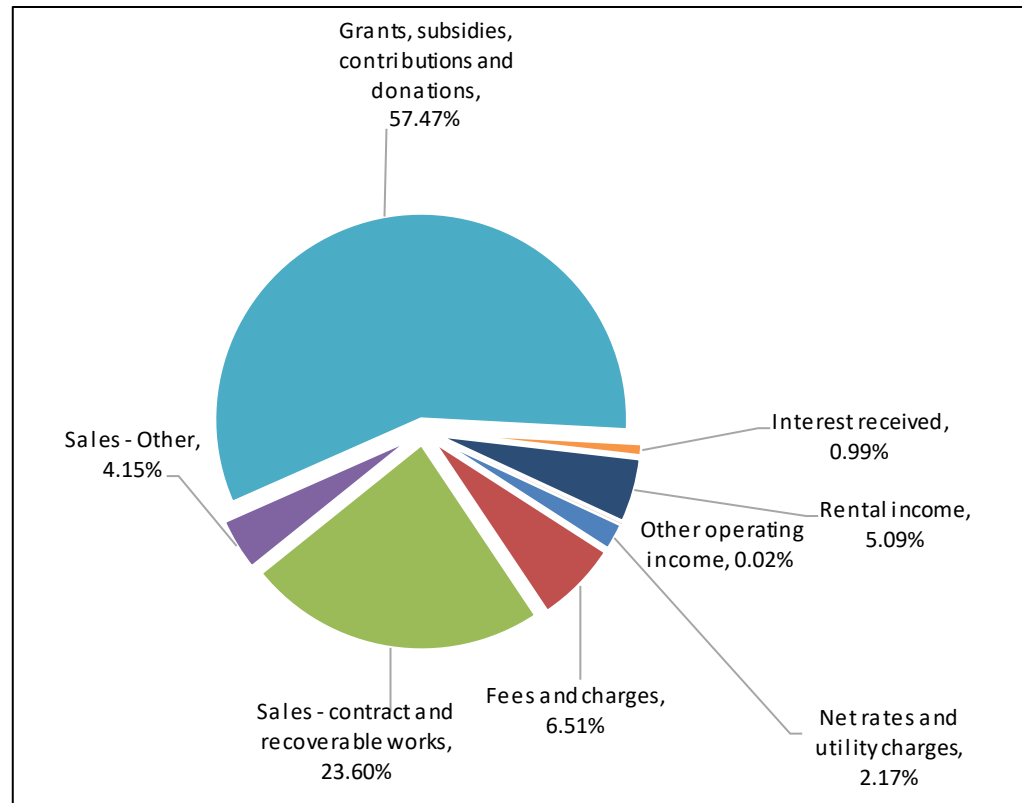
Statement of Income and Expenditure		\$'000
Operating Revenue		90,485
Operating Expenses(Excl Depn)		90,354
Net Operating Result(exc Depn)		131
Depreciation		86,075
Capital Revenue		69,467
Capital Expenses		3,487
Net Result		(19,965)
Capital Expenditure (\$'000)		
Capital Works Program		72,245

CONSOLIDATED PERFORMANCE

Operating Revenue

OPERATING REVENUE CATEGORIES 2025/26 Budget Review

Category	Budget \$'000
Net rates and utility charges	1,959
Fees and charges	5,895
Sales - contract & recoverable works	21,350
Sales - Other	3,757
Grants, subsidies, contributions and donations	51,998
Interest received	900
Rental income	4,605
Other operating income	21
Total Operating Revenue	90,485

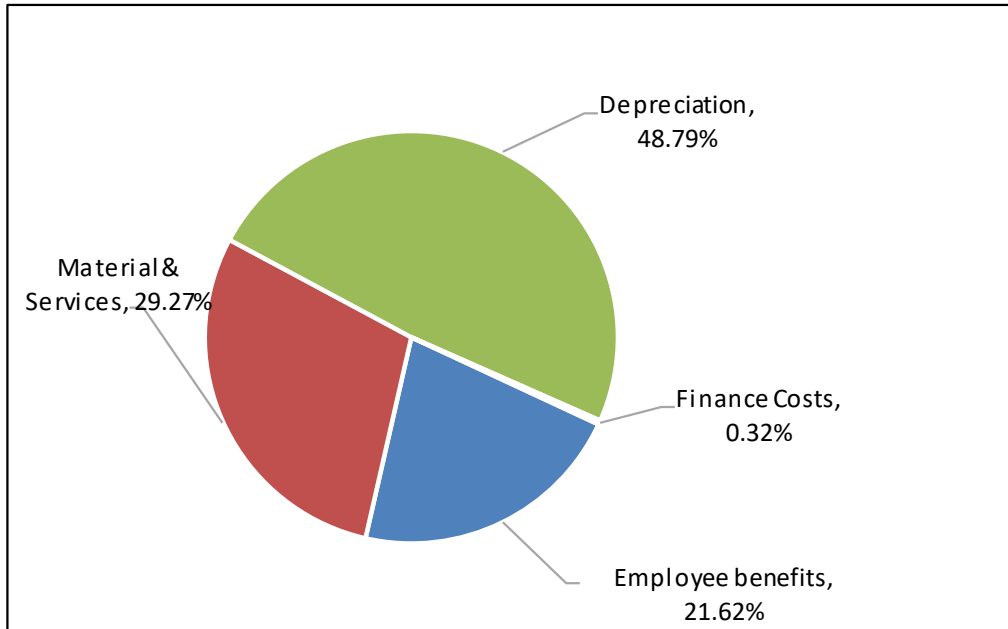


Contracts and recoverable works along with grants, subsidies, contributions, and donations continue to be the major source of income for Council at 23.60% and 57.47% of total operating revenue respectively.

Operating Expenditure

OPERATING EXPENSES CATEGORIES 2025/26 Budget Review

Category	Budget \$'000
Employee benefits	38,148
Material & Services	51,647
Depreciation	86,075
Finance Costs	560
Total Operating Expenses	176,429



Materials, services, and employee benefits together constitute 50.90% of the Council's projected total operating expenditure. The Council is responsible for providing water and waste services maintenance, as well as community, sport, and cultural services and infrastructure for the community.

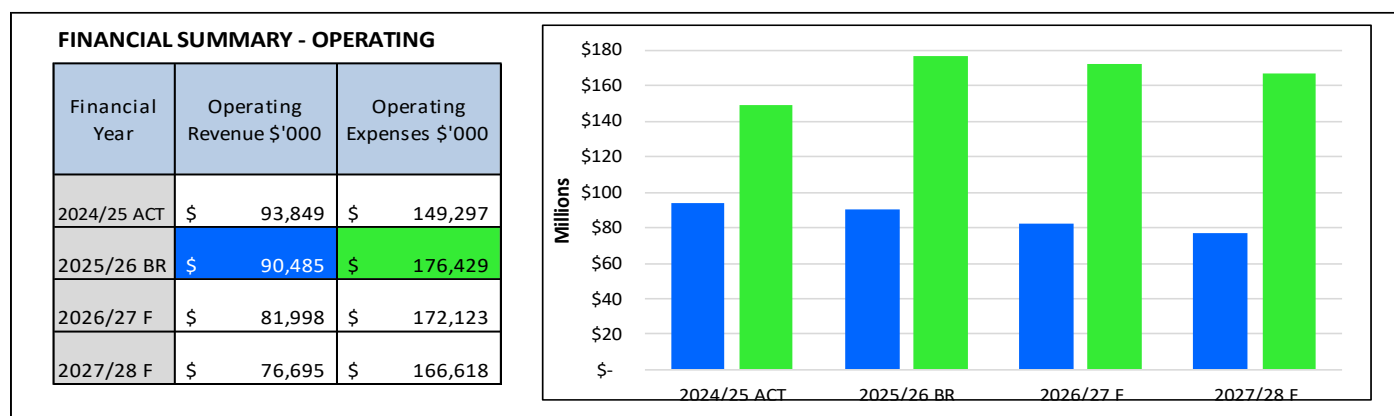
Additionally, depreciation accounts for 48.79% of the Council's planned expenditure. Depreciation reflects the allocation of an asset's usage or wear and tear over its expected useful life. It is influenced by factors such as the age, condition, usage patterns, and disposal of existing assets, as well as the acquisition and construction of new assets

Operating Capability

Council's budgeted Operating Capability (**before** depreciation) is budgeted as a marginal surplus of \$131K for 2025-2026 financial year.

Total budgeted depreciation expense for 2025-2026 Budget Review is forecast to be \$86.1M. The Operating Capability (**after** depreciation and **before** capital items) is a consolidated budgeted deficit position of \$86M.

The graph below summarises the estimated operating revenue and expenditure (including depreciation) for the previous financial year and the next three years.

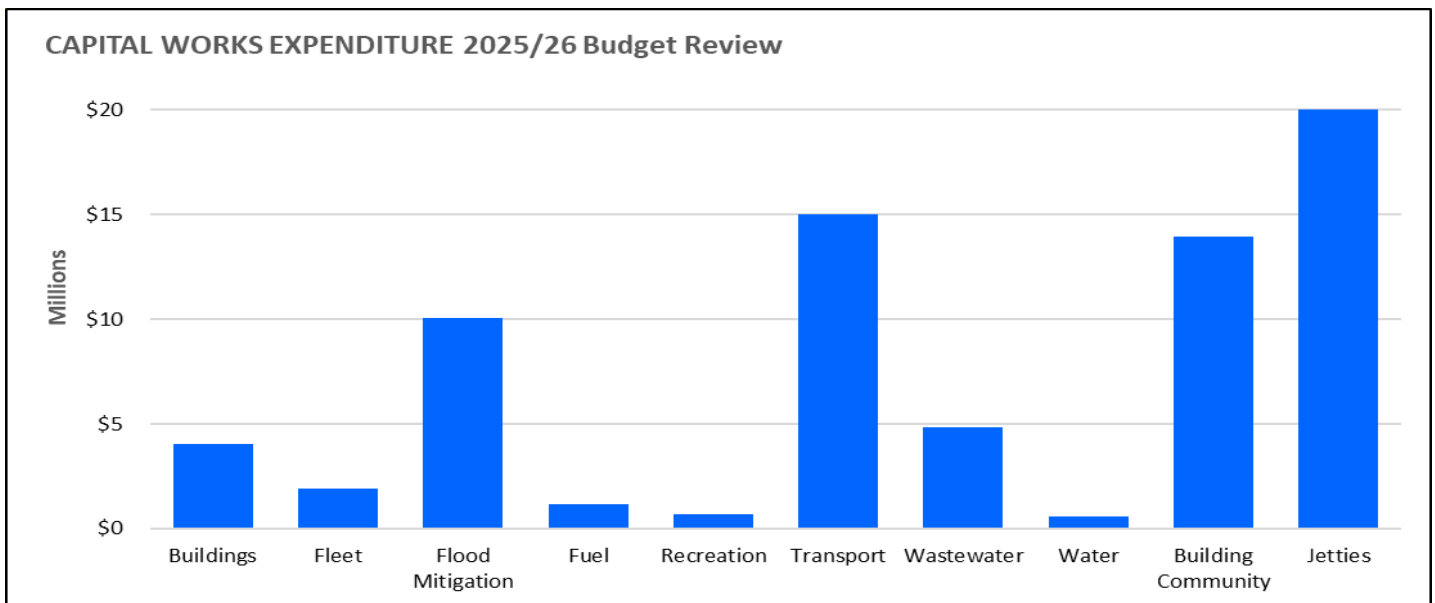


Capital Budget

The Capital Expenditure Budget for the 2025–26 financial year, as presented in the Budget Review, totals \$72.2M. Council will fund the capital program through a combination of operating revenue, capital grants, and capital contributions.

The table below provides a breakdown of the proposed capital works program for 2025–26 by asset category.

There have been no adjustments to the capital budget since the November 2025 workshop.



Council capital revenue for 2025-2026 Budget Review is budgeted to be \$69.5M.

LINKS WITH STRATEGIC PLANS

The budget review has been developed in accordance with Council's Operational and Corporate Plans.

STATUTORY REQUIREMENTS

The ***Local Government Regulation 2012*** requires:

S. 169 Preparation and content of budget

- (1) *A local government's budget for each financial year must—*
 - (a) *be prepared on an accrual basis; and*
 - (b) *include statements of the following for the financial year for which it is prepared and the next 2 financial years—*
 - (i) *financial position;*
 - (ii) *cash flow;*
 - (iii) *income and expenditure;*
 - (iv) *changes in equity.*
- (2) *The budget must also include—*
 - (a) *a long-term financial forecast; and*
 - (b) *a revenue statement; and*
 - (c) *a revenue policy.*
- (3) *The statement of income and expenditure must state each of the following—*
 - (a) *rates and utility charges excluding discounts and rebates;*
 - (b) *contributions from developers;*

- (c) *fees and charges;*
 - (d) *interest;*
 - (e) *grants and subsidies;*
 - (f) *depreciation;*
 - (g) *finance costs;*
 - (h) *net result;*
 - (i) *the estimated costs of—*
 - (i) *the local government's significant business activities carried on using a full cost pricing basis; and*
 - (ii) *the activities of the local government's commercial business units; and*
 - (iii) *the local government's significant business activities.*
- (4) *The budget must include each of the relevant measures of financial sustainability for the financial year for which it is prepared and the next 9 financial years.*
- (5) *The **relevant measures of financial sustainability** are the following measures as described in the financial management (sustainability) guideline—*
- (a) *council controlled revenue ratio;*
 - (b) *Population growth ratio;*
 - (c) *operating surplus ratio;*
 - (d) *operating cash ratio;*
 - (e) *unrestricted cash expense cover ratio;*
 - (f) *asset sustainability ratio;*
 - (g) *asset consumption ratio;*
 - (h) *asset renewal funding ratio;*
 - (i) *leverage ratio;*
- (6) *The budget must include the total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget.*
- (7) *For calculating the rates and utility charges levied for a financial year, any discounts and rebates must be excluded.*
- (8) *The budget must be consistent with the following documents of the local government—*
- (a) *its 5-year corporate plan;*

- (b) *its annual operational plan.*
- (9) *In this section—**financial management (sustainability) guideline** means the document called ‘Financial Management (Sustainability) Guideline 2024’, version 1, made by the department.*

S.170 Adoption and amendment of budget

- (1) *A local government must adopt its budget for a financial year—*
 - (a) *after 31 May in the year before the financial year; but*
 - (b) *before—*
 - (i) *1 August in the financial year; or*
 - (ii) *a later day decided by the Minister.*
- (2) *If the budget does not comply with section 169 when it is adopted, the adoption of the budget is of no effect.*
- (3) *The local government may, by resolution, amend the budget for a financial year at any time before the end of the financial year.*
- (4) *If the budget does not comply with the following when it is amended, the amendment of the budget is of no effect—*
 - (a) *section 169;*
 - (b) *the local government's decision about the rates and charges to be levied for the financial year made at the budget meeting for the financial year.*

CONSULTATION

There has been significant consultation on the framing of the 2025-2026 Budget Review including internal meetings/workshops with Executives and Managers coupled with liaisons with external funding agencies and lobbying government departments to secure funding commitments. Additionally, workshops were held with Councillors and Executive Officers throughout the budget process.

CONCLUSION

The Budget Review has been prepared in accordance with the aforementioned legislative requirements and recommended for adoption.

Recommended



Frank Barbieri
Acting Head of
Financial Services

Endorsed



Hollie Faithfull
Executive Director
Financial Services

Approved



James William
Chief Executive Officer

ATTACHMENTS:

Attached for Council endorsement:

Model – Same Service Level– Confirmed sources of capital funding only.

- *Statement of Financial Position;*
- *Statement of Cash Flow;*
- *Statement of Income and Expenditure;*
- *Statement of Changes in Equity;*
- *Long Term Financial Forecast;*
- *The relevant measures of financial sustainability;*
- *The total value of the change, expressed as a percentage, in the rates and utility charges levied for the financial year compared with the rates and utility charges levied in the previous budget;*
- *Capital Budget.*

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2025 to June 2028

Model - Same Service Level - Confirmed sources of capital funding.

ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000
Current assets				
Cash assets and cash equivalents	60,020	32,256	11,894	3,416
Inventories	394	394	394	394
Receivables	9,338	7,053	6,390	5,948
Prepayments	300	300	300	300
Other current assets	4,991	4,991	4,991	4,991
Total current assets	75,043	44,993	23,969	15,048
Non-current assets				
Property, plant and equipment	1,470,087	1,452,771	1,423,664	1,349,966
Intangible assets	-	-	-	-
Capital works in progress	-	-	-	-
Other non-current assets	14,217	14,217	14,217	14,217
Total non-current assets	1,484,305	1,466,988	1,437,882	1,364,184
Total assets	1,559,347	1,511,981	1,461,850	1,379,232
Current liabilities				
Overdraft	-	-	-	-
Trade and other payables	6,389	2,790	1,526	1,586
Borrowings	-	-	-	-
Other current liabilities	44,592	20,776	7,774	7,774
Provisions	4,142	-	-	-
Total current liabilities	55,123	23,566	9,300	9,360
Non-current liabilities				
Loans	-	-	-	-
Other non-current liabilities	1,417	1,417	1,417	1,417
Provisions	28,634	32,776	32,776	32,776
Total non-current liabilities	30,051	34,193	34,193	34,193
Total liabilities	85,174	57,759	43,493	43,554
Net community assets	1,474,174	1,454,222	1,418,357	1,335,678
Community equity				
Asset revaluation reserve	1,212,969	1,212,982	1,212,982	1,212,982
Retained surplus (deficiency)	261,204	241,240	205,375	122,696
Total community equity	1,474,173	1,454,221	1,418,356	1,335,678

Torres Strait Island Regional Council

Statement of Cashflow

For the period July 2025 to June 2028

Model - Same Service Level - Confirmed sources of capital funding.

ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000
Cash flows from operating activities:				
Receipts from customers	36,234	34,405	34,413	35,339
Receipt from rental income	4,525	4,727	4,710	4,829
Payment to suppliers and employees	(83,120)	(93,953)	(89,564)	(85,192)
	(42,361)	(54,821)	(50,441)	(45,024)
Interest received	1,181	900	365	132
Non-capital grants and contributions	53,516	53,383	43,833	37,514
Finance costs	-	-	-	-
Net cash inflow (outflow) from operating activities	12,336	(538)	(6,243)	(7,378)
Cash flows from investing activities:				
Payments for property, plant and equipment	(32,043)	(72,245)	(54,717)	(7,668)
Payments for intangible assets	-	-	-	-
Proceeds from sale of property, plant and equipment	-	13	-	-
Subsidies, donations and contributions for new capital expenditure	56,763	69,467	54,259	7,244
Other	547	(23,816)	(13,001)	-
Net cash inflow (outflow) from investing activities	25,267	(26,582)	(13,458)	(424)
Cash flows from financing activities				
Repayment of borrowings	-	-	-	-
Repayments made on leases	(629)	(645)	(661)	(677)
Net cash inflow (outflow) from financing activities	(629)	(645)	(661)	(677)
Net increase (decrease) in cash held	36,974	(27,764)	(20,362)	(8,479)
Cash at beginning of reporting period	23,045	60,020	32,256	11,894
Cash at end of reporting period	60,020	32,256	11,894	3,415
- Restricted Cash	36,818	13,001	-	-
- Unrestricted Cash	23,202	19,254	11,894	3,415
Legislated working capital (4 months) - (Includes restricted/unrestricted)	28,008	30,118	29,433	28,417
Cash Position Gap **	32,012	2,138	(17,539)	(25,002)

** Does not include Asset Management Plans

Torres Strait Island Regional Council

Statement of Income and Expenditure

For the period July 2025 to June 2028

Model - Same Service Level - Confirmed sources of capital funding.

ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000
Revenue				
Recurrent revenue:				
Net rates and utility charges	1,840	1,959	2,057	2,160
Fees and charges	5,974	5,895	6,042	6,193
Sales - contract and recoverable works	24,238	21,350	21,828	22,373
Sales - other	3,864	3,757	3,851	3,947
Grants, subsidies, contributions and donations	51,220	51,998	43,102	37,004
Interest received	1,264	900	365	132
Rental income	4,525	4,605	4,720	4,838
Other recurrent income	924	21	34	48
Total recurrent revenue	93,849	90,485	81,998	76,695
Capital revenue:				
Government subsidies and grants	33,986	69,467	54,259	7,244
Capital contribution	-	-	-	-
Developer contributions	-	-	-	-
Total capital revenue	33,986	69,467	54,259	7,244
Total income	127,835	159,951	136,258	83,939
Expenses				
Recurrent expenses:				
Employee benefits	29,919	38,148	39,787	41,466
Materials and services	53,516	51,647	47,948	43,217
Depreciation and amortisation	65,274	86,075	83,823	81,366
Finance costs	588	560	564	569
Total recurrent expenses	149,297	176,429	172,123	166,618
Capital expenses:				
Other capital expenses	24,796	3,487	-	-
Total capital expenses	24,796	3,487	-	-
Total expenses	174,093	179,916	172,123	166,618
Net operating surplus/(deficit) exc capital and depreciation	9,826	131	(6,301)	(8,557)
Net operating surplus/(deficit) inc depreciation	(55,448)	(85,944)	(90,124)	(89,923)
Net result attributable to Council	(46,258)	(19,965)	(35,865)	(82,679)

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2025 to June 2028

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2025 Actuals	1,474,173	261,204	1,212,969	-
Net result for the period	(19,965)	(19,965)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	13	-	13	-
		-	-	-
Balance at 30 Jun 2026 Budget Review	1,454,221	241,240	1,212,982	-
Net result for the period	(35,865)	(35,865)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2027 Forecast	1,418,356	205,375	1,212,982	-
Net result for the period	(82,679)	(82,679)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2028 Forecast	1,335,678	122,696	1,212,982	-

Torres Strait Island Regional Council

Statement of Financial Position

For the period July 2025 to June 2035

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 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	Forecast 30 June 2032 \$'000	Forecast 30 June 2033 \$'000	Forecast 30 June 2034 \$'000	Forecast 30 June 2035 \$'000
Current assets											
Cash assets and cash equivalents	60,020	32,256	11,894	3,416	-	-	-	-	-	-	-
Inventories	394	394	394	394	394	394	394	394	394	394	394
Receivables	9,338	7,053	6,390	5,948	6,019	6,174	6,333	6,479	6,665	6,837	7,014
Prepayments	300	300	300	300	300	300	300	300	300	300	300
Other current assets	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991	4,991
Total current assets	75,043	44,993	23,969	15,048	11,703	11,858	12,018	12,163	12,349	12,521	12,698
Non-current assets											
Property, plant and equipment	1,470,087	1,452,771	1,423,664	1,349,966	1,279,948	1,213,414	1,155,486	1,095,517	1,038,776	984,805	933,457
Intangible assets	-	-	-	-	-	-	-	-	-	-	-
Capital works in progress	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	14,217	14,217	14,217	14,217	14,217	14,217	14,217	14,217	14,217	14,217	14,217
Total non-current assets	1,484,305	1,466,988	1,437,882	1,364,184	1,294,165	1,227,632	1,169,703	1,109,735	1,052,993	999,022	947,674
Total assets	1,559,347	1,511,981	1,461,850	1,379,232	1,305,868	1,239,490	1,181,721	1,121,898	1,065,342	1,011,544	960,372
Current liabilities											
Overdraft	-	-	-	-	5,992	15,563	25,733	36,755	48,719	61,338	74,970
Trade and other payables	6,389	2,790	1,526	1,586	1,630	1,671	1,713	1,751	1,799	1,844	1,891
Borrowings	-	-	-	-	-	-	-	-	-	-	-
Other current liabilities	44,592	20,776	7,774	7,774	7,774	7,774	7,774	7,774	7,774	7,774	7,774
Provisions	4,142	-	-	-	-	-	-	-	-	-	-
Total current liabilities	55,123	23,566	9,300	9,360	15,397	25,008	35,220	46,280	58,293	70,956	84,635
Non-current liabilities											
Loans	-	-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,417
Provisions	28,634	32,776	32,776	32,776	32,776	32,776	32,776	32,776	32,776	32,776	32,776
Total non-current liabilities	30,051	34,193	34,193	34,193	34,193	34,193	34,193	34,193	34,193	34,193	34,193
Total liabilities	85,173.79	57,759	43,493	43,554	49,590	59,202	69,413	80,473	92,486	105,150	118,828
Net community assets	1,474,174	1,454,222	1,418,357	1,335,678	1,256,278	1,180,288	1,112,308	1,041,425	972,856	906,394	841,544
Community equity											
Asset revaluation reserve	1,212,969	1,212,982	1,212,982	1,212,982	1,212,982	1,212,982	1,218,286	1,218,286	1,218,286	1,218,286	1,218,286
Retained surplus (deficiency)	261,204	241,240	205,375	122,696	43,296 -	32,694 -	105,979 -	176,861 -	245,431 -	311,893 -	376,743
Total community equity	1,474,173	1,454,221	1,418,356	1,335,678	1,256,278	1,180,288	1,112,307	1,041,425	972,855	906,393	841,543

Torres Strait Island Regional Council

Statement of Cashflow

For the period July 2025 to June 2035

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding Increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 1 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	Forecast 30 June 2032 \$'000	Forecast 30 June 2033 \$'000	Forecast 30 June 2034 \$'000	Forecast 30 June 2035 \$'000
Cash flows from operating activities:											
Receipts from customers	36,234	34,405	34,413	35,339	36,275	37,258	38,261	39,300	40,345	41,443	42,564
Receipt from rental income	4,525	4,727	4,710	4,829	4,948	5,072	5,199	5,330	5,461	5,599	5,739
Payment to suppliers and employees	(83,120)	(93,953)	(89,564)	(85,192)	(86,272)	(88,274)	(90,471)	(92,882)	(95,335)	(97,564)	(100,148)
	(42,361)	(54,821)	(50,441)	(45,024)	(45,049)	(45,943)	(47,011)	(48,251)	(49,529)	(50,522)	(51,845)
Interest received	1,181	900	365	132	(15)	(129)	(618)	(1,220)	(1,874)	(2,574)	(3,322)
Non-capital grants and contributions	53,516	53,383	43,833	37,514	36,739	37,567	38,506	39,478	40,446	41,467	42,503
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from operating activities	12,336	(538)	(6,243)	(7,378)	(8,325)	(8,505)	(9,123)	(9,994)	(10,956)	(11,629)	(12,664)
Cash flows from investing activities:											
Payments for property, plant and equipment	(32,043)	(72,245)	(54,717)	(7,668)	(7,814)	(7,965)	(8,119)	(8,277)	(8,439)	(8,605)	(8,775)
Payments for intangible assets	-	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of property, plant and equipment	-	13	-	-	-	-	-	-	-	-	-
Subsidies, donations and contributions for new capital expenditure	56,763	69,467	54,259	7,244	7,425	7,611	7,801	7,996	8,196	8,401	8,611
Other	547	(23,816)	(13,001)	-	-	-	-	-	-	-	-
Net cash inflow (outflow) from investing activities	25,267	(26,582)	(13,458)	(424)	(389)	(354)	(318)	(281)	(243)	(204)	(164)
Cash flows from financing activities											
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Repayments made on leases	(629)	(645)	(661)	(677)	(694)	(711)	(729)	(747)	(766)	(785)	(805)
Net cash inflow (outflow) from financing activities	(629)	(645)	(661)	(677)	(694)	(711)	(729)	(747)	(766)	(785)	(805)
Net increase (decrease) in cash held	36,974	(27,764)	(20,362)	(8,479)	(9,408)	(9,571)	(10,169)	(11,022)	(11,965)	(12,618)	(13,633)
Cash at beginning of reporting period	23,045	60,020	32,256	11,894	3,415	(5,993)	(15,564)	(25,733)	(36,755)	(48,720)	(61,338)
Cash at end of reporting period(Split below - Un/Restricted)**	60,020	32,256	11,894	3,415	(5,993)	(15,564)	(25,733)	(36,755)	(48,720)	(61,338)	(74,971)
- Restricted Cash	36,818	13,001	-	-	-	-	-	-	-	-	-
- Unrestricted Cash	23,202	19,254	11,894	3,415	(5,993)	(15,564)	(25,733)	(36,755)	(48,720)	(61,338)	(74,971)
Legislated working capital (4 months) - (Includes restricted/unrestricted)	28,008	30,118	29,433	28,417	28,777	29,481	30,377	31,380	32,419	33,394	34,505
Cash Position Gap **	(4,806)	(10,864)	(17,539)	(25,002)	(34,770)	(45,045)	(56,110)	(68,135)	(81,139)	(94,733)	(109,476)

** Does not include Asset Management Plans

Torres Strait Island Regional Council

Statement of Income and Expenditure
For the period July 2025 to June 2035

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Actuals 30 June 2025 \$'000	Budget Review 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	Forecast 30 June 2032 \$'000	Forecast 30 June 2033 \$'000	Forecast 30 June 2034 \$'000	Forecast 30 June 2035 \$'000
Revenue											
Recurrent revenue:											
Net rates and utility charges	1,840	1,959	2,057	2,160	2,268	2,381	2,500	2,625	2,757	2,894	3,039
Fees and charges	5,974	5,895	6,042	6,193	6,348	6,507	6,670	6,836	7,007	7,183	7,362
Sales - contract and recoverable works	24,238	21,350	21,828	22,373	22,933	23,506	24,093	24,696	25,313	25,946	26,595
Sales - other	3,864	3,757	3,851	3,947	4,046	4,147	4,250	4,357	4,466	4,577	4,692
Grants, subsidies, contributions and donations	51,220	51,998	43,102	37,004	36,724	37,642	38,583	39,548	40,537	41,550	42,589
Interest received	1,264	900	365	132	-	-	-	-	-	-	-
Rental income	4,525	4,605	4,720	4,838	4,959	5,083	5,210	5,340	5,473	5,610	5,751
Other recurrent income	924	21	34	48	61	76	90	105	120	135	151
Total recurrent revenue	93,849	90,485	81,998	76,695	77,339	79,341	81,397	83,507	85,672	87,896	90,178
Capital revenue:											
Government subsidies and grants	33,986	69,467	54,259	7,244	7,425	7,611	7,801	7,996	8,196	8,401	8,611
Capital contribution	-	-	-	-	-	-	-	-	-	-	-
Developer contributions	-	-	-	-	-	-	-	-	-	-	-
Total capital revenue	33,986	69,467	54,259	7,244	7,425	7,611	7,801	7,996	8,196	8,401	8,611
Total income	127,835	159,951	136,258	83,939	84,764	86,952	89,198	91,503	93,869	96,297	98,789
Expenses											
Recurrent expenses:											
Employee benefits	29,919	38,148	39,787	41,466	42,503	43,566	44,655	45,771	46,915	48,088	49,291
Materials and services	53,516	51,647	47,948	43,217	43,238	44,169	45,274	46,559	47,873	48,919	50,296
Depreciation and amortisation	65,274	86,075	83,823	81,366	77,833	74,498	71,352	68,245	65,181	62,575	60,123
Finance costs	588	560	564	569	589	709	1,202	1,810	2,470	3,175	3,929
Total recurrent expenses	149,297	176,429	172,123	166,618	164,164	162,942	162,483	162,386	162,438	162,758	163,639
Capital expenses:											
Other capital expenses	24,796	3,487	-	-	-	-	-	-	-	-	-
Total capital expenses	24,796	3,487	-	-	-	-	-	-	-	-	-
Total expenses	174,093	179,916	172,123	166,618	164,164	162,942	162,483	162,386	162,438	162,758	163,639
Net operating surplus/(deficit) exc capital and depreciation	9,826	131	(6,301)	(8,557)	(8,992)	(9,102)	(9,734)	(10,633)	(11,585)	(12,287)	(13,338)
Net operating surplus/(deficit) inc depreciation	(55,448)	(85,944)	(90,124)	(89,923)	(86,825)	(83,601)	(81,086)	(78,879)	(76,766)	(74,863)	(73,461)
Net result attributable to Council	(46,258)	(19,965)	(35,865)	(82,679)	(79,400)	(75,990)	(73,285)	(70,883)	(68,570)	(66,462)	(64,850)

Torres Strait Island Regional Council

Statement of Changes in Equity

For the period July 2025 to June 2035

Model- Same Service Level - Confirmed sources of capital funding.

ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Total \$'000	Retained surplus \$'000	Asset revaluation reserve \$'000	Other reserves \$'000
Balance at 30 Jun 2025 Actuals	1,474,173	261,204	1,212,969	-
Net result for the period	(19,965)	(19,965)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	13	-	13	-
Balance at 30 Jun 2026 Budget Review	1,454,221	241,240	1,212,982	-
Net result for the period	(35,865)	(35,865)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2027 Forecast	1,418,356	205,375	1,212,982	-
Net result for the period	(82,679)	(82,679)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2028 Forecast	1,335,678	122,696	1,212,982	-
Net result for the period	(79,400)	(79,400)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2029 Forecast	1,256,278	43,296	1,212,982	-
Net result for the period	(75,990)	(75,990)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2030 Forecast	1,180,288	(32,694)	1,212,982	-
Net result for the period	(73,285)	(73,285)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	5,304	-	5,304	-
Balance at 30 Jun 2031 Forecast	1,112,308	(105,979)	1,218,286	-
Net result for the period	(70,883)	(70,883)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2032 Forecast	1,041,425	(176,861)	1,218,286	-
Net result for the period	(68,570)	(68,570)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2033 Forecast	972,855	(245,431)	1,218,286	-
Net result for the period	(66,462)	(66,462)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2034 Forecast	906,394	(311,893)	1,218,286	-
Net result for the period	(64,850)	(64,850)	-	-
Transfers to reserves	-	-	-	-
Transfers from reserves	-	-	-	-
Asset revaluation adjustment	-	-	-	-
Balance at 30 Jun 2035 Forecast	841,543	(376,743)	1,218,286	-

Torres Strait Island Regional Council

Measures of Financial Sustainability

For the period July 2025 to June 2035

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

Type	Measure	Rational	Target	Actuals 30 June 2025 \$'000	Budget Review 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	Forecast 30 June 2032 \$'000	Forecast 30 June 2033 \$'000	Forecast 30 June 2034 \$'000	Forecast 30 June 2035 \$'000
Financial Capacity	Council controlled revenue ratio	Capacity to generate revenue internally	Contextual	8.3%	8.7%	9.9%	10.9%	11.1%	11.2%	11.3%	11.3%	11.4%	11.5%	11.5%
	Population growth ratio *	Population growth/decline pressures	Contextual	0.0%	-0.4%									
Operating Performance	Operating surplus ratio	Holistic overview of operating performance	Contextual	-59%	-95%	-110%	-117%	-112%	-105%	-100%	-94%	-90%	-85%	-81%
	Operating cash ratio	Cash operating performance (less depreciation and other non-cash items)	Greater than 0%	9.4%	0.1%	-7.7%	-11.2%	-11.6%	-11.5%	-12.0%	-12.7%	-13.5%	-14.0%	-14.8%
Liquidity	Unrestricted cash expense cover ratio ***	Unconstrained liquidity available to council	Greater than 4 months	3	3	N/A for long-term sustainability statement								
Asset Management	Asset sustainability ratio	Capital renewals program performance	Greater than 90%	39.5%	38.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Asset consumption ratio	Extent to which assets are being consumed	Greater than 60%	46.7%	45.7%	43.7%	40.4%	37.3%	34.5%	32.1%	29.6%	27.4%	25.3%	23.4%
	Asset renewal funding ratio **	Asset replacement program performance	Contextual	N/A	The transission period for TSIRC to commence reporting on this ratio is 2027-28.									
Debt Servicing Capacity	Leverage Ratio	Ability to repay existing debt	0 - 3 times	Not Required - TSIRC does not currently have any external debt										

TSIRC is classified as a Tier 8 Group and relevant targets will apply.
Measures 1, 2, 3 and 8 are contextual measures and not subject to audit
* Council has used the compound Annual Growth Rate method for calculating this ratio. This method calculates the average annual growth rate for over a 10 year period based on the Queensland Government Statistician's Office population projections for the Torres Strait Island area for the period 2026 to 2036.
** The transition period for TSIRC to commence reporting on this ratio is 2027-28. TSIRC will continue to review and refine it's asset management plans and long term capital plans to meet this timeframe.
*** Estimated cash balance at budget. Figures values will change with actual end of financial year balance.

Torres Strait Island Regional Council

Rates and Utility charges

For the period July 2025 to June 2028

Model - Same Service Level - Confirmed sources of capital funding.
ICFP Funding increase 3 yrs only - Ends 25/26. Locality Allowance - \$684k(50%) FYE 26/27 - \$1.37M FYE 27/28 (100%)

	Budget Review 30 June 2025 \$'000	Budget Review 30 June 2026 \$'000	Forecast 30 June 2027 \$'000	Forecast 30 June 2028 \$'000
Rates and utility charges				
General rates	-	-	-	-
Separate rates	-	-	-	-
Levies	73	76	80	83
Water	513	431	453	475
Sewerage	1,129	1,186	1,245	1,307
Waste management	254	267	280	294
Other rates and utilities revenue	-			
Total rates and utility charge revenue	1,969	1,959	2,057	2,160
	Budget Review 30 June 2025 \$'000	Budget Review 30 June 2026 \$'000	Variance \$'000	Variance %
Rates and utility charges - value of change				
Gross rates and utility charges	1,969	1,959	-10	-1%

CAPITAL BUDGET BR 25/26															
Task Description			Funder	Sum of (Original Budget 25/26) Forecast Spend during 25/26	Sum of (Original Budget 25/26) COF Revenue in 25/26 \$	Sum of (OB 25/26) Grants Revenue in 25/26 \$	Sum of (OB 25/26) Combined Revenue in 25/26 \$	Sum of (BR 25/26) Forecast Spend during 25/26	Sum of (BR 25/26) COF Revenue in 25/26 \$	Sum of (BR 25/26) Grants Revenue in 25/26 \$	Sum of (BR 25/26) Combined Revenue in 25/26 \$	Sum of (BR 25/26) Forecast Spend during 26/27 and onwards	Sum of (BR 25/26) COF Revenue in 26/27 & after \$	Sum of (BR 25/26) Grants Revenue in 26/27 & after \$	
DepartmentBR 25/26															
Assets	TSIRC-W4Q4-004 Warraber Resort Upgrade	W4Q	-	-	-	-	-	754,655	-	754,655	754,655	-	-	-	
Assets	DTIS - Upgrade Basketball court Kubin	DTIS	64,015	-	64,015	64,015	64,015	206,099	-	206,099	206,099	-	-	-	
Assets	DTIS-Construct Volleyball court on Masig	DTIS	317,256	-	317,256	317,256	317,256	431,107	-	431,107	431,107	-	-	-	
Assets	W4Q.R5 24-27 - Mechanics Shed	W4Q	1,520,000	-	1,520,000	1,520,000	1,520,000	1,520,000	-	1,520,000	1,520,000	2,946,600	-	2,946,600	
Assets	Boigu Council Office Refurb QRA 0045	QRA	-	-	-	-	-	15,000	-	15,000	15,000	943,627	-	943,627	
Assets	Badu Office Generator - QRA 0046	QRA	-	-	-	-	-	110,462	-	110,462	110,462	-	-	-	
Assets	WHS Initiatives 25/26	Council own Funds	300,000	300,000	-	300,000	300,000	300,000	300,000	-	300,000	-	-	-	
Assets	Building Corporate Leased & Licensed Blds	Council own Funds	200,000	200,000	-	200,000	200,000	200,000	200,000	-	200,000	-	-	-	
Assets Total			2,401,271	500,000	1,901,271	2,401,271	2,401,271	3,537,323	500,000	3,037,323	3,537,323	3,890,227	-	3,890,227	
Assets/Community	Aragun Childcare Centre (Badu) \$300K	Dpt Education	300,000	-	300,000	300,000	300,000	300,000	-	300,000	300,000	-	-	-	
Assets/Community	Hammond Childcare Centre	Dpt Education	185,000	-	185,000	185,000	185,000	187,900	-	187,900	187,900	-	-	-	
Assets/Community	Queensland Remembers Memorial Badu	DPC	-	-	-	-	-	25,081	-	25,081	25,081	-	-	-	
Assets/Community	Aragun Childcare (Badu) major funding \$3.61M	Dpt Education	530,000	-	530,000	530,000	530,000	-	-	-	-	-	-	-	
Assets/Community Total			1,015,000	-	1,015,000	1,015,000	1,015,000	512,981	-	512,981	512,981	-	-	-	
BSU	BSU Revenue 25/26	Q Build	-	-	1,320,500	1,320,500	1,320,500	-	-	1,320,500	1,320,500	-	-	-	
BSU Total			-	-	1,320,500	1,320,500	1,320,500	-	-	1,320,500	1,320,500	-	-	-	
Engineering	Seawalls project	TMIOP TRUST	9,540,066	-	9,540,066	9,540,066	9,540,066	9,492,299	-	9,492,299	9,492,299	-	-	-	
Engineering	TSRA Marine Infra. Incentives (bal \$3.72M)	TSRA	591,049	-	591,049	591,049	591,049	591,049	-	591,049	591,049	-	-	-	
Engineering	Warraber SPS (Joint BOR TSRA)	BOR/COF	1,714,486	-	1,714,486	1,714,486	1,714,486	1,747,759	33,273	1,714,486	1,747,759	-	-	-	
Engineering	Badu & Mabuiag Water Network (1 contract, 2 CP codes)	BOR	-	-	-	-	-	243,558	-	243,558	243,558	-	-	-	
Engineering	SES Buildings	SES	-	-	-	-	-	8,990	-	8,990	8,990	-	-	-	
Engineering	Jetties - DITRDCA \$40M project	DITRDCA	20,000,000	-	20,000,000	20,000,000	20,000,000	20,000,000	-	20,000,000	20,000,000	19,123,495	-	19,123,495	
Engineering	QRA Erub Rds Betterment 0031	QRA	1,028,371	-	1,028,371	1,028,371	1,028,371	1,038,255	-	1,038,255	1,038,255	-	-	-	
Engineering	QRA Mabuiag Rds Betterment 0032	QRA	5,616,047	-	5,616,047	5,616,047	5,616,047	5,585,741	-	5,585,741	5,585,741	-	-	-	
Engineering	TIDS Iama 24/25 Aerodrome Security Fence	TMR TIDS	-	-	-	-	-	1,699	-	1,699	1,699	-	-	-	
Engineering	Roads to Recovery 24- 29	RZR	600,000	-	600,000	600,000	600,000	-	-	-	-	1,709,000	-	1,709,000	
Engineering	QRA 0044 Boigu Airport Apron Upgrade	QRA	-	-	-	-	-	3,770,650	-	3,770,650	3,770,650	3,766,060	-	3,766,060	
Engineering	Dauan Is. Barge Ramp \$2.21M 25/26	TMR TIDS	2,210,000	-	2,210,000	2,210,000	2,210,000	2,210,000	-	2,210,000	2,210,000	-	-	-	
Engineering	QRA 0043 - Boigu Esplanade Road Upgrade	QRA	-	-	-	-	-	2,350,248	-	2,350,248	2,350,248	2,350,248	-	2,350,248	
Engineering	Badu & Mabuiag Water Network (1 contract, 2 CP codes)	TSRA	-	-	-	-	-	57,893	-	57,893	57,893	-	-	-	
Engineering	Warraber SPS (Joint BOR TSRA)	TSRA	-	-	-	-	-	2,970,000	-	2,970,000	2,970,000	-	-	-	
Engineering	Emergent Wastewater 24/25	Council own Funds	-	-	-	-	-	25,000	25,000	-	25,000	-	-	-	
Engineering	Poruma - Water tanks	Council own Funds	150,000	150,000	-	150,000	150,000	150,000	150,000	-	150,000	-	-	-	
Engineering	Emergent Transport 25/26	Council own Funds	100,000	100,000	-	100,000	100,000	75,000	75,000	-	75,000	-	-	-	
Engineering	Emergent Wastewater 25/26	Council own Funds	100,000	100,000	-	100,000	100,000	100,000	100,000	-	100,000	-	-	-	
Engineering	Emergent Water 25/26	Council own Funds	100,000	100,000	-	100,000	100,000	100,000	100,000	-	100,000	-	-	-	
Engineering Total			41,750,019	450,000	41,300,019	41,750,019	41,750,019	50,518,141	483,273	50,034,868	50,518,141	26,948,803	-	26,948,803	
Executive	Elphinstone Close development	Council own Funds	922,782	922,782	-	922,782	922,782	922,782	922,782	-	922,782	-	-	-	
Executive	WHS Initiative	Council own Funds	500,000	500,000	-	500,000	500,000	-	-	-	-	-	-	-	
Executive Total			1,422,782	1,422,782	-	1,422,782	1,422,782	922,782	922,782	-	922,782	-	-	-	
Fleet	25/26 Fleet - Pooled	Council own Funds	1,000,000	1,000,000	-	1,000,000	1,000,000	1,630,055	1,630,055	-	1,630,055	-	-	-	
Fleet Total			1,000,000	1,000,000	-	1,000,000	1,000,000	1,630,055	1,630,055	-	1,630,055	-	-	-	
Fuel	Ugar Fuel Bowser	TSRA/COF	469,787	-	469,787	469,787	469,787	564,987	100,000	464,987	564,987	-	-	-	
Fuel	Fuel Facilities Emer Power-QRA 0047	QRA	-	-	-	-	-	135,269	-	135,269	135,269	-	-	-	
Fuel	Mer Fuel Facility COF	Council own Funds	422,717	422,717	-	422,717	422,717	463,147	463,147	-	463,147	-	-	-	
Fuel Total			892,504	422,717	469,787	892,504	892,504	1,163,403	563,147	600,256	1,163,403	-	-	-	
Housing	IRCP Interim Remote Capital Program	DHPW	-	-	-	-	-	300,000	-	300,000	300,000	213,211	-	213,211	
Housing	Forward Remote Capital Program- DCHDE	DHPW	3,340,000	-	3,340,000	3,340,000	3,340,000	3,740,000	-	3,740,000	3,740,000	8,670,616	-	8,670,616	
Housing	Forward Remote Capital Program- DCHDE (P J Management)	DHPW	-	-	-	-	-	13,582	-	13,582	13,582	-	-	-	
Housing	SHAP 1 Social Housing Accelerated Program	DHPW	2,161,074	-	2,161,074	2,161,074	2,161,074	4,277,685	-	4,277,685	4,277,685	681,898	-	681,898	
Housing	SHAP 2 Social Housing Accelerated Program	DHPW	-	-	-	-	-	-	-	-	-	6,787,150	-	6,787,150	
Housing	BSU Capitalisations Jul 25- Jun26	Q Build	5,629,500	-	5,629,500	5,629,500	5,629,500	5,629,500	-	5,629,500	5,629,500	-	-	-	
Housing Total			11,130,574	-	11,130,574	11,130,574	11,130,574	13,960,767	-	13,960,767	13,960,767	16,352,874	-	16,352,874	
Grand Total			59,612,150	3,795,499	57,137,151	60,932,650	60,932,650	72,245,451	4,099,257	69,466,694	73,565,951	47,191,905	-	47,191,905	



DIRECTORATE: *Financial Services*

AUTHOR: *Acting Head of Financial Services*

COUNCILLOR SUPERANNUATION

OFFICER RECOMMENDATION:

Council resolves that:

1. Pursuant to Section 226 of the *Local Government Act 2009* (Qld), Council establish a superannuation scheme for its Councillors that complies with the *Superannuation Industry (Supervision) Act 1993* (Cth) to commence this financial year 25/26;
2. The superannuation payable to the Councillors' superannuation scheme will be calculated at the same rate as superannuation paid to Council's employees from time to time;
3. Superannuation be calculated and paid from 1 July 2025.

EXECUTIVE SUMMARY:

The purpose of this paper is to consider the options for Councillors to receive superannuation.

Pursuant to Section 150EF of the *Local Government Act 2009*, Chapter 5B relating to Councillor's Conflict of Interest does not apply to this item because this matter relates solely to the provision of superannuation entitlements for Councillors which is excluded under Section 150EF(1)(g)(ii) of the *Local Government Act 2009*.

Background:

The relevant background to this Report is as follows:

1. Councillors presently do not receive any superannuation and requested officers consider whether superannuation could be paid to Councillors.
2. At the Councillor workshop that occurred on 17 November 2025 presented in conjunction with MacDonnells Law, Councillors were advised that there were two separate options available under which superannuation could be paid to Councillors being:
 - a) Option 1 - If the Council resolves that its members are subject to PAYG withholding pursuant to Section 446-1 of Schedule 1 of the *Taxation Administration Act 1953* (Cth); or
 - b) Option 2 - If the Council resolves to establish a superannuation scheme for its Councillors pursuant to Section 226 of the *Local Government Act 2009* (Qld).
3. A summary of the Options are below.

Option 1

If Council intends that its members are subject to PAYG withholding pursuant to the *Taxation Administration Act 1953* (Cth) then:

- It must make a unanimous resolution;

- Councillors would become entitled to superannuation under the *Superannuation Guarantee (Administration) Act 1992* (Cth);
- It must notify the ATO of its resolution and commence payments within 28 days after the date of the resolution;
- Councillors would be treated as employees for taxation purposes meaning Council officers must withhold tax from Councillors' remuneration; and
- Council would be required to pay fringe benefit tax for any benefits received by Councillors.

Option 2

If Council intends to establish a voluntary superannuation scheme pursuant to the *Local Government Act 2009* (Qld) then:

- It must resolve to establish a superannuation scheme at a rate no greater than applied to its employees;
- Payment of superannuation would commence as resolved provided that sufficient funds are budgeted;
- Superannuation would be payable from Council's operating fund;
- There would be no other changes to Councillors' taxation obligations and those issues remain a personal issue for each Councillor;
- The Superannuation payable would not form part of the remuneration cap given Section 244(3)(b) of the *Local Government Regulation 2012* (Qld).

Recommendation

It is recommended that if Councillors wish to receive superannuation that they establish a superannuation scheme under Section 226 of the *Local Government Act 2009* (Qld) in accordance with Option 2 above, as discussed with Council at the November 25 workshop.

Consultation:

Internal:

- Executive Leadership Team
- Finance Department
- Governance and Risk
- People & Wellbeing
- Elected Councillors

External:

- MacDonnells Law

COMPLIANCE / CONSIDERATIONS:

Statutory:	<ul style="list-style-type: none"> • <i>Local Government Act 2009 (Qld)</i> • <i>Local Government Regulation 2012 (Qld)</i> • <i>Taxation Administration Act 1953 (Cth)</i> • <i>Superannuation Industry (Supervision) Act 1993 (Cth)</i> • <i>Superannuation Guarantee (Administration) Act 1992 (Cth)</i>
Budgetary:	<p>See Agenda Item 8.3 demonstrating sufficient provision is provided in Council's operating budget.</p> <p>There will be additional administration costs required to establish the superannuation scheme but minimal ongoing administrative obligations.</p>
Policy:	Updates will be required to the Councillor Remuneration Policy to clarify superannuation.
Legal:	Legal advice was obtained from MacDonnells Law
Risk / Risk Mitigation:	<p>Financial Risk: Capped and budgeted for.</p> <p>Governance Risk: Clarified roles, responsibilities and reporting obligations to prevent misinterpretation of Councillor employment status.</p>
Links to Strategic Plans:	N/A
<i>Malungu Yangu Wakay</i> (Masig Statement):	N/A
Standing Committee Consultation:	Consulted with full Council at the 2025 November Workshop
Timelines:	N/A

Recommended:


Frank Barbiari
Acting Head of Financial Services

Endorsed


Hollie Faithfull
Executive Director, Financial Services

Approved:


James William
Chief Executive Officer



DIRECTORATE: *Financial Services*

AUTHOR: *Executive Director Financial Services*

SUBMISSION TO THE COMMONWEALTH LOCAL GOVERNMENT FUNDING AND FISCAL SUSTAINABILITY INQUIRY

OFFICER RECOMMENDATION:

Council:

- (a) notes the proposed submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport Inquiry into Local Government Funding and Fiscal Sustainability; and**
 - (b) resolves to delegate to the Chief Executive Officer the power to finalise the submission, reflecting any changes necessary to facilitate comments provided by Councillors at this meeting.**
-

EXECUTIVE SUMMARY:

The House of Representatives Standing Committee on Regional Development, Infrastructure and Transport (the Committee) is undertaking an inquiry into local government funding and fiscal sustainability, examining interactions between governments, funding sources, impacts and effectiveness, previous inquiry findings, and other relevant matters. A copy of the Terms of Reference (ToR) for the inquiry is at [Attachment A](#).

Council officers have prepared a proposed submission ([Attachment B](#)) which primarily addresses Matter 3 (*impacts and effectiveness*) of the ToR, outlining how shifting capital funding from a project-based model to a program-based approach can significantly improve efficiency and delivery outcomes.

Council will also provide, for consideration under Matter 4 (*previous inquiry*) of the ToR, a copy of its submission dated 30 May 2024 to the Committee's previous inquiry ([Attachment C](#)).

Background:

The Committee under the previous parliament, conducted a 2024 inquiry into Local Government Sustainability.

The Committee has been subsequently tasked with undertaking a further inquiry into local government funding and fiscal sustainability, with particular focus on:

1. Interactions between governments
2. Identification of all funding sources
3. Impacts and effectiveness
4. Previous inquiry, and
5. Other relevant matters

Inquiry submission:

Whilst several matters in the proposed submission are addressed in the ToR, the submission primarily focuses on Matter 3 (*impacts and effectiveness*), highlighting the efficiency and effectiveness gains available by shifting capital funding arrangements from a project-based model to a program-based approach.

COMPLIANCE / CONSIDERATIONS:

Statutory:	Council submission is being made in accordance with Commonwealth guidelines in relation to submission to parliamentary committees
Budgetary:	There are no current budget implications relating to the submission
Policy:	NA
Legal:	NA
Risk:	Reputational risk – if Council does not submit a submission to this inquiry noting Council’s concerns regarding funding and their financial sustainability.
Links to Strategic Plans:	2025-26 Operational plan This submission aligns with the following operational plan focus areas: <ul style="list-style-type: none">• Focus area 1: Strengthening our communities• Focus area 2: Maintaining and renewing our infrastructure
Masig Statement:	NA
Standing Committee Consultation:	NA
Timelines:	Submission is due for lodgement by 3 February 2026

Other Comments:

Nil

Recommended:

Hollie Faithfull
Executive Director Financial Services

Approved:

James William
Chief Executive Officer

ATTACHMENTS:

- | | |
|---------------|---|
| Attachment A: | Inquiry Terms of Reference |
| Attachment B: | Proposed inquiry submission |
| Attachment C: | Previous TSIRC May 2024 Submission - Inquiry into Local Government Sustainability |

Attachment A: Terms of Reference

The House of Representatives Standing Committee on Regional Development, Infrastructure and Transport will inquire into and report on local government funding and fiscal sustainability, with a particular focus on:

1. Interactions between Governments

- i. Assess the nature and scale of Australian, state and territory government funding provided to local government, both directly and through Commonwealth-state agreements.
- ii. Examine the legislative and policy frameworks underpinning Commonwealth financial support to local government.

2. Identification of All Funding Sources

- i. Identify and map all sources of funding received by local government from the Australian Government and state/territory governments, including:
 - a. Untied grants (e.g., Financial Assistance Grants).
 - b. Tied/specific-purpose grants and project-based programs, co-contribution requirements and competitive grant processes.
 - c. Revenue sharing arrangements (e.g., stamp duty, rates capping subsidies, GST-related disbursements where applicable).
 - d. Emergency, disaster recovery and resilience funding.
 - e. One-off or ad hoc funding streams.
- ii. Examine local government own-source revenue (such as rates, fees, charges and commercial activities).

3. Impacts and Effectiveness

- i. Evaluate how funding arrangements, including indexation freezing, influence the financial sustainability, service delivery capacity and infrastructure investment of local governments.
- ii. Consider whether existing funding mechanisms are addressing the evolving responsibilities of local governments.
- iii. Identify barriers to infrastructure service delivery, including trends in attracting and retaining a skilled workforce, impediments to security for local government workers and impacts of labour hire practices.
- iv. Explore opportunities to improve productivity and coordination of local government.

4. Previous Inquiry

- i. Consider evidence provided to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport of the 47th Parliament [Inquiry into Local Government Sustainability](#).

5. Other relevant matters

Submission to the House of Representatives Standing Committee on Regional Development, Infrastructure and Transport Inquiry into Local Government Funding and Fiscal Sustainability

The Torres Strait Island Regional Council (TSIRC) operates in one of the most remote, high-cost, and logistically challenging environments in Australia. TSIRC serves 15 island communities with a small yet culturally rich population of approximately 4200 people, the vast majority of whom are of Torres Strait Islander and Aboriginal heritage. TSIRC is responsible not only for the full suite of local government services but also for delivering functions ordinarily provided by either the private sector, due to market failure, or by the State and Commonwealth governments.

These communities are vibrant, resourceful, and culturally strong, yet they face profound and persistent structural disadvantages, including isolation, high and escalating costs, limited access to essential services, severe skills shortages, high unemployment, and very low household incomes. These conditions significantly amplify the impacts of funding arrangements, positive or negative, on TSIRC's ability to deliver essential infrastructure and services.

Within this context, TSIRC is responsible for an asset base valued at approximately \$3.1 billion, distributed across its 15 remote island communities. The scale, dispersion, and complexity of this asset portfolio is not matched by TSIRC's own-source revenue capacity, resulting in a strong reliance on government funding to support both capital delivery and long-term asset sustainability.

TSIRC has consistently reported and advocated to all levels of government that its limited ability to generate sufficient own-source revenue constrains long-term financial sustainability. The inability to self-fund capital works also introduces inefficiencies in delivery, as TSIRC must rely on fragmented, project-by-project funding models. These inefficiencies could be significantly reduced through funding models that better align with the scale of TSIRC's asset base, delivery environment, and long-term infrastructure responsibilities.

This misalignment between responsibility and revenue underpins the challenges outlined in the sections below.

Response to Inquiry Terms of Reference 3 – Impacts and Effectiveness

Funding Challenges

Against this backdrop, the impacts and effectiveness of current Commonwealth funding mechanisms available to TSIRC are highly constrained. While the traditional project-by-project funding model may be suitable for larger councils with substantial resources and less reliance on government grants for operational and capital delivery, it

creates considerable inefficiencies for a grant-reliant, remote, high-cost, and logistically complex region like the Torres Strait.

This funding approach prolongs the time between funding announcements and the delivery of essential infrastructure, increases administrative and procurement burden, and limits Council's ability to coordinate works efficiently. As a result, the overall benefits realised by communities are reduced, despite substantial public investment.

Strategic Investment Plan, Asset Base and Delivery Realities

In response to these challenges, TSIRC has invested significant time, effort, and resources into the development of a Strategic Investment Plan (SIP), which identifies its five-year asset and infrastructure requirements.

The SIP was developed to clearly articulate the magnitude of infrastructure needed and to inform discussions with funding bodies regarding the structural gap between existing funding models and the cost of managing assets in a remote operating environment. A growing proportion of TSIRC's assets are approaching or have reached end-of-useful-life, increasing pressure on limited funding and delivery capacity.

Need for a Program-of-Works Funding Model

A move away from the traditional project-by-project funding model to a program-of-works funding model is needed. A program-of-works model provides long-term (3–5 years), flexible funding to deliver a planned and coordinated package of infrastructure projects, rather than requiring separate grants for each individual project.

Reforming this traditional funding approach to a program-of-works model is essential to ensure that:

- communities receive the greatest possible value from every funding dollar, with investment directed toward outcomes rather than administrative and transactional overheads, and
- benefits are delivered sooner, allowing funding to generate more immediate and meaningful improvements in the lives of our community members.

Advantages of a Program-of-Works Funding Model

1. Leverages economies of scale

A program-of-works-funding approach allows council to manage multiple projects holistically rather than negotiating and delivering them individually. Leveraging these economies of scale reduces delivery costs through:

- attracting larger constructors to the region, by enabling scalable and efficient operations in a limited market. For example, for large-scale marine infrastructure projects, such as recent \$40 million jetty works, many experienced contractors avoid the region due to

distance, mobilisation requirements, and perceived risk. TSIRC has sought to mitigate these constraints through implementing longer-term contract arrangements and by encouraging new market entrants, including suppliers from southern regions. Expanding the supplier base over time can further reduce costs and improve delivery outcomes, particularly when supported by multi-year program funding.

- maximising barging efficiency and logistics, reducing the region's single largest cost input through consolidated freight movements, and
- reducing mobilisation and demobilisation costs, achieved through longer, continuous delivery programs rather than project-by-project deployments. In the region, mobilisation and demobilisation can account for approximately 45–50 per cent of total project costs, substantially reducing the funding available for construction activity. This reinforces the importance of funding models that support efficient, program-based delivery.

2. Reducing Red Tape to Enhance Effectiveness and Accountability

A program-of-works-funding approach maximises the benefit of every funding dollar through reducing layers of 'red-tape' through:

- reducing administrative overhead in obtaining funding, ensuring more funding goes to delivering outcomes
- enhancing accountability on achieving outcomes through simplicity of funding arrangements, and
- streamlines governance, reporting, and oversight of funding arrangements while maintaining strong assurance mechanisms.

3. Faster Delivery of Community Benefits

A program-of-works-funding approach improves delivery timeframes, providing needed community benefits sooner through:

- strengthening internal delivery capacity, facilitating workforce attraction, retention, and job security through long-term capital program funding certainty, promoting sustained performance and capability growth
- accelerating pre-construction activities by streamlining planning and procurement, and
- optimising delivery scheduling across all 15 islands, enabling coordinated sequencing to ensure projects are delivered sooner and at lower cost.

Summary

The current project-by-project funding model for infrastructure constrains impact, increases costs, and delays outcomes, particularly in regions with a high reliance on government funding. Transitioning to a program-or-works funding model will substantially improve the efficiency and effectiveness of every Commonwealth funding dollar invested, enabling faster delivery of essential infrastructure and generating greater benefits for Torres Strait communities.



TORRES STRAIT ISLAND REGIONAL COUNCIL

SUBMISSION TO HOUSE OF REPRESENTATIVES STANDING COMMITTEE REGIONAL DEVELOPMENT, INFRASTRUCTURE AND TRANSPORT INQUIRY INTO LOCAL GOVERNMENT SUSTAINABILITY

Executive Summary

The Torres Strait Island Regional Council (TSIRC) is unique, serving 15 island communities in the Torres Strait, providing a full range of council services as well as services traditionally delivered by State and Federal Governments. The total population is small (4286) and predominantly Torres Strait Islander and Aboriginal. The communities are unique, culturally rich, vibrant and resourceful yet face severe disadvantages, including isolation, high and spiralling costs, lack of access to services, skills shortages, high levels of unemployment and very low incomes.

Our current financial situation can best be described as grim. Our operating position for the year ended 30 June 2023 was a deficit of \$55,453,017. For that year we received \$65,933,887 in operating revenue, largely grants and subsidies, while our expenses totalled \$121,386,904.

We see no prospect of improvement under current funding models, but have plans to increase our autonomy and sustainability.

We believe, however, the funding models used by the Commonwealth and Queensland Governments are not sustainable and do not meet the needs of rural and remote communities and councils, particularly First Nations councils and very small or remote councils. In particular, the funding models do not recognise the difficulties experienced in delivering high quality services in remote locations, with limited revenue and increasing costs and the challenges of climate change. Both levels of government provide additional funding through one-off and non-recurring grants. However, these grants often compel under-resourced councils to compete against each other for funding needed for essential services, such as safety upgrades to remote airstrips and emergency service vehicles and facilities.

TSIRC acknowledges the efforts of both levels of government to improve their funding models, but believes more can and should be done to deliver greater equity, certainty, stability and long term sustainability and to recognise and embrace the challenges and strengths of remote and First Nation communities.

The Torres Strait Island Regional Council and communities have a strong Vision and Mission and seek an appropriate level of support for our communities and Council to become autonomous, prosperous and sustainable through a funding model that:

- recognises and values our unique strengths, challenges and opportunities
- respects our human rights
- guarantees equitable access to appropriate care, services and housing
- supports the delivery of equitable outcomes
- is transparent
- is stable
- allows an appropriate level of autonomy and flexibility
- recognises and rewards effort, excellence and innovation
- acknowledges the need for accountability.

We have a proud history of delivery and achievement and the commitment, passion and expertise to build on that. We acknowledge that determining the most appropriate funding models to ensure sustainability for local government is not the route through which we can Close the Gap, but equally we do not wish to see outdated and inappropriate means of financing essential services and unfunded cost shifting continue to serve as a barrier.

Introduction

Councils across Australia are struggling to provide services to their communities in the face of rapidly escalating costs (particularly fuel, labour and insurances); labour shortages; supply shortages; unfunded population growth; rising levels of community disadvantage; ageing populations; homelessness and crime (including property crime); increasing consumer expectations; ageing infrastructure; cost shifting between levels of government and climate change (including severe and damaging weather events). Even traditionally well-resourced councils, such as the Brisbane City Council are cutting costs to cope with inflation and rising expenses (<https://www.abc.net.au/news/2023-10-17/brisbane-city-council-budget-cut-10-per-cent/102985060>).

Rural and remote councils have a significantly lower rates and revenue base and yet are expected to respond to all of these challenges and the added complications and cost burdens of distance and isolation. These burdens include additional freight costs; higher insurance premiums; greater labour and skills shortages; lack of access to essential services such as health, education and aged care; higher power costs; unreliable internet and telecommunications; physical isolation which is exacerbated in weather extremes; greater exposure to climate change induced weather extremes and higher levels of community disadvantage.

For Indigenous councils these complications and costs burdens are significantly greater and are not fully compensated for through special funding arrangements. The Torres Strait Island Regional Council (TSIRC) is unique among the 16 Indigenous Councils in Queensland. It is Australia's most northerly municipality and serves 15 unique and discrete island communities of the Torres Strait. These islands lie within 42,000² klm of ocean, so the waterways are literally our highways and roads.

We serve a largely lower socio-economic population and the geographic challenges of operation across 15 separate locations, coupled with the remoteness and the ever-present difficulties in accessing the islands, means the responsibility of many social and support services normally delivered by other levels of government rests with Council. In addition, our proximity to international shipping routes and the international border with Papua New Guinea, has resulted in the temporary or permanent hosting of marine pilotage providers, protective and emergency personnel, all of which require the usage of Council infrastructure, however without the ability to derive adequate cost recovery.

Current system

The Torres Strait Island Regional Council receives the bulk of its funding through Financial Assistance Grants (Commonwealth funding via the State Government), State Government grants (Indigenous Councils Funding Program) and one-off or non-ongoing grants from both levels of government and other bodies. As indicated, it has a small rates base and very limited revenue raising capacity at this point yet is facing increasing costs, growing cost pressures and growing demands for services.

Council contends that the current hybrid funding model is neither sustainable or equitable.

Key issues and challenges

The key issues and challenges encountered by the Torres Strait Island Regional Council and communities not addressed, or not adequately addressed, through current funding models include:

Cost shifting: In addition to performing traditional council functions, TSIRC and other councils frequently step in as providers filling service gaps left by the State and Federal governments or private operators. The Local Government Association of Queensland (LGAQ) reports that nationally councils deliver 33% of the services with only 3% of the direct taxation funding¹. A survey undertaken by LGAQ confirmed that Queensland councils were providing a wide range of community service obligations including airports and aerodromes (\$4.3 million), disaster management (\$18.4 million), housing services (\$6.7 million), environmental health services (\$42.8 million), library services (\$25.7 million), and biosecurity services (\$\$19.7 million). The survey estimated the value of this 'cost shift' at \$360 million in 2020-21.

TSIRC provides all the mentioned services, along with others including childcare at an unfunded cost of \$172,632, outside school care at \$68,599, and libraries at \$134,258. The maintenance of the supporting infrastructure for these services is

¹ [Local Government Association of Queensland, A fairer funding deal for Queensland communities, LGAQ Cost Shifting Report](#)

falling behind, with approximately 65% of buildings past or nearing end of life. We do not consider ourselves to be providers of 'last resort' as this does not appropriately reflect our capacity to deliver culturally appropriate services tailored to the needs of our unique communities. Our aim is to have our service delivery acknowledged and resourced.

High reliance on discretionary or non-ongoing grants: Like many Councils, TSIRC receives a substantial portion of its revenue from discretionary grants. While such funding is always welcome, its short-term nature does not support long term strategic planning. In addition, Council has to compete for funds against other councils or private sector organisations, often for funding for essential services such as safety upgrades for airstrips or SES vehicles. This creates fiscal uncertainty and imposes additional costs on Council in terms of preparing competitive grant submissions. In addition, grants of this nature often come with onerous reporting obligations, lack flexibility in terms of delivery and fail to recognise the many complexities of remote service delivery.

Low rate/revenue base: In addition to insecure funding, TSIRC has a very low rates base with a small and financially disadvantaged population with high service needs. The LGAQ estimates that 60% of Queensland councils are at risk of being financially unsustainable² – TSIRC is well beyond the 'at risk' category. In the last financial year, TSIRC received \$1,832,135 in rates revenue, while its expenses including depreciation were \$121,386,904.

High levels of disadvantage: While our communities are culturally rich, 100% of our population is in the most disadvantaged quintile of the Index of Relative Socio-Economic Disadvantage – compared with 20% for Queensland as a whole. We have a median total personal income of \$21,371 per year compared with \$40,924 for Queensland and a median total family income of \$47,996 per year compared with \$105,248 for Queensland. Our unemployment rate was 26.8% in December quarter 2023 compared with a rate of 4% for Queensland. This level of disadvantage places higher demands on services – many of which are traditionally delivered by State or Commonwealth Governments but which are provided by Council or not provided at all.

High costs: Like all rural and remote councils, our costs are higher than urban councils with 'remote loadings' of 300%-400% added to infrastructure quotes. Freight costs are 4 times higher than those paid by urban communities, with all goods required to be transported by barge or air. Fuel costs are 2 times higher. Insurance costs have risen 27% in the past two years and we have budgeted to pay \$6,636,367 for the 24/25 Financial year. These problems are all compounded by lack of competition.

Like many First Nation communities, the TSIRC communities are powered by isolated micro-grids or networks powered by centralised diesel power stations. The transition to renewable energy is dependent upon the availability of dynamic solar PV connections – until these are available TSIRC will continue to be exposed to the risks and costs of diesel power and is unable to fully participate in the clean energy transformation. TSIRC notes and endorses the Guiding Principles set out in the Australian Government's First Nations Clean Energy Strategy Consultation Paper 2023 that 'Access to reliable clean energy is a human right'. Unfortunately for the TSIRC and other communities, accessing this human right requires funding from competitive grants.

Labour: TSIRC, like all rural and remote areas, faces skills and labour shortages. These problems are exacerbated by the isolation of our island communities, with access hazardous or impossible in certain areas climatic conditions. The labour shortage impacts service delivery, costs of services and community outcomes and quality of life.

Service access: While TSIRC provides many services traditionally delivered by State and Commonwealth Governments, it is not able to provide the full range of services available to residents of larger towns and cities. As for the many residents of rural and remote communities throughout Australia, our communities suffer adverse impacts from the lack access to dedicated aged care, health care and education. These impacts can be amplified in already disadvantaged communities.

Overcrowding and degraded social housing: The islands of TSIRC have limited space for further construction, and much of the housing is in poor condition and over-crowded. The costs of new construction are prohibitive, and even demolishing degraded, contaminated and condemned housing costs between \$500K - \$1M – this is a case by case evaluation and incurs additional construction costs associated with new builds. The overcrowding across our communities, with some dwellings housing up to 12 people, represents another failure to achieve the Closing the Gap targets of Aboriginal and Torres Strait Islander people secure appropriate and affordable housing aligned to their

² [Ibid](#)

priorities and need, and of increasing the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88 per cent (Outcome 9).

Council has applied for funds in a competitive grant round to assist in addressing the critical issue of inappropriate housing stock and insufficient supply.

Poor state of infrastructure: The Torres Strait Island Regional Council (TSIRC) oversees approximately \$2.1 billion worth of assets, many of which have reached their end of life, are approaching their end of life, or are in very poor condition. A significant example is the 13 finger jetties constructed by the State Government before the formation of TSIRC. These jetties have now reached the end of their useful life, with four jetties currently closed, posing major health and safety risks to both the community and staff. Moreover, they do not comply with the access requirements outlined in the Disability Discrimination Act 1992. Without reliable marine infrastructure, travel and access are compromised between the 15 Divisions that comprise Torres Strait Island Regional Council. This negatively impacts health, education, traditional hunting, basic groceries, and services and can present discrimination liabilities.

In addition to the jetties, several other key infrastructure assets urgently require repair or replacement. The roads within many communities are in very poor condition, exacerbating safety concerns and accessibility issues. Many communities are also under boiled water notices, highlighting the critical state of the water supply infrastructure. Deteriorating sewage treatment plants further compound public health risks, necessitating immediate intervention. Furthermore, childcare centres under TSIRC management need immediate attention, with an estimated repair cost of \$2.1 million for one facility.

In some communities, garbage has to be loaded onto trailers manually due to the lack of working garbage trucks. This not only places an additional burden on the staff but also poses significant health risks. Addressing these infrastructure issues is critical to ensuring the safety, accessibility, and well-being of the community.

Due to environmental conditions within the Torres Straits combined with reactive maintenance practices resulting from a lack of funding to maintain a \$2.1 billion asset base, TSIRC experiences shorter useful lives for their assets compared to mainland Councils.

Asset Type	TSIRC Useful Life	Typical Useful Life	Difference
Buildings – Roof	25 years	40 years	-15 years
Buildings – Fitout	15 years	30 years	-15 years
Corporate Buildings	50 years	80 years	-30 years
Road – Bitumen Seal	15 years	40 years	-25 years
Road – Concrete	50 years	100 years	-50 years
Water/Sewer – Electrical Components	15 years	20-25 years	-5 to -10 years
Water/Sewer – Mechanical Components	15 years	20-25 years	-5 to -10 years
Water/Sewer – Pumps	7 years	10-15 years	-3 to -8 years
Water/Sewer – Mains	50 years	80 years (depending on material)	-30 years
Water/Sewer – Structural Components STP	25 years	40-50 years	-15 to -25 years
Finger Jetties	25 years	40 years	-15 years

Climate change: The communities of the Torres Strait are highly vulnerable to the impacts of climate change and rising sea levels, with whole communities at risk of tidal flooding or total submersion. In addition, the islands are exposed to the extreme weather events associated with climate change, with risks ranging from tropical storms and cyclones, to flooding, heat wave and bushfires. These risks also increase the costs of insurance and construction.

International borders and border security: Due to its proximity to international shipping routes and the international border with Papua New Guinea, TSIRC has temporarily or permanently hosted marine pilotage providers and protective service and emergency personnel. Council expects to continue to host these services in the future but has not been able to fully recover costs for the use of its infrastructure. These issues will need to be addressed and infrastructure adequately maintained if Australia wishes to maintain a high level of border and biosecurity.

Cost of short-term funding

Our current reliance on one-off grants and short-term funding does not allow us to plan ahead and adds significantly to our project costs. Our project budgets are determined by the size of the grant available, which means that essential projects are often split in two – in most cases significantly increasing costs associated with transportation of equipment via barge, labour, administration, insurances and approvals. This extra cost is far from insignificant, when our site mobilisation and demobilisation cost for barging equipment can add an additional 25-50% to each project, over the cost in most rural and remote areas. We believe that boosting our capacity to develop and deliver on 10 year forward plan of confirmed infrastructure funding would enable us to increase our efficiency and outputs.

Commonwealth Financial Assistance Grants

At the outset, Council reiterates its support for the position previously expressed by both the Australian Local Government Association and the Local Government Association of Queensland that the Financial Assistance Grant be restored to at least 1% of Commonwealth taxation revenue – noting that the grants are now at 36% in real terms of their value in 1996. In supporting this overall policy position, Council emphasises that it does not support the current funding model which it believes should be comprehensively reviewed and revised – see below.

Council (TSIRC) believes that the two primary components of the Financial Assistance Grants Program (general purpose and local road funding) do not adequately serve our community's needs. The general purpose component of the program allocates funds on a per capita basis, which disadvantages our small population by failing to account for the higher costs of service delivery and the lower revenue base.

Funding on a per capita basis may seem straightforward and fair at first glance, but it results in inequitable outcomes. This simplistic approach does not consider the unique challenges faced by our region, such as the increased cost of delivering services across remote and dispersed islands.

Moreover, the useful life of assets in our region is significantly shorter than in mainstream councils due to environmental conditions and the distance from suppliers and services. This results in higher maintenance costs and the need for more frequent replacement of infrastructure. Consequently, more financial resources are required to maintain our assets to an acceptable standard.

The local road funding component is also problematic. According to the Financial Assistance Grants Program, the identified road component should be allocated to local governing bodies based on the relative needs for road expenditure and the preservation of road assets. This includes considerations such as the length, type, and usage of roads in each local governing area. However, the funding provided does not meet our operational requirements due to the high cost of doing business on the islands. Transportation of materials and labour significantly increases the expenses associated with road maintenance and improvement, far exceeding the funding allocated.

As a result, the current funding model falls short in providing the necessary support for critical infrastructure and services including road maintenance. To truly meet the needs of our community, the funding model must be revised to incorporate factors beyond population size and road statistics, ensuring a more equitable distribution of resources that reflects the actual costs and challenges of serving our region.

The local road component significantly disadvantages our 15 island based 'highway waterway' communities who must grapple with the dual challenges of navigating poorly maintained roads on the islands and the often treacherous waterways. The current system, however, does not provide sufficient funds to maintain the roads given the high costs, and delivers nothing to maintain our marine infrastructure which effectively serves as our roads. We believe the ongoing emphasis on road funding is highly inequitable for sea locked communities such as ours, and argue that the rationale underpinning the funding of road maintenance should apply equally to funding the maintenance of marine waterways and infrastructure used for essential transport.

We also consider that the strong emphasis on road funding for local government fails to reflect the growing shift to other more sustainable modes of transport. In our view, the Australian Government should consider addressing road funding in a more holistic manner and develop a new transport infrastructure funding model which takes into account sustainability, emissions, road and transport safety, freight, access to essential services, user equity, public transport, and future transport needs.

Equally importantly, Council believes the national principles for the allocation of grants under the *Local Government (Financial Assistance) Act 1995* are long overdue for revision and do not adequately reflect the social, economic, structural, equity and climatic realities confronting councils today, and most particularly those experienced by rural and remote councils and Indigenous councils.

In relation to principle of *Horizontal equalisation*, Council has previously indicated its support for the intent behind this principle in seeking to recognise that the cost to perform functions and capacity to raise revenue is not consistent between councils. While continuing to support the intent, Council believes this principle is not being met and emphasises the need for urgent research and analysis of the costs associated with local government service provision in Indigenous and remote footprints in comparison with their counterparts. The current and past allocations to TSIRC do not adequately reflect the exceptionally high costs of service delivery associated with our unique geography, our low revenue raising capacity, degraded infrastructure, overall level of disadvantage and service delivery expectations beyond those normally associated with local government.

Council supports the concept of *Effort neutrality*, but notes the need to avoid any implication that the delivery by Council of services not generally delivered by local government does not necessarily reflect choice, but rather necessity. As discussed above, Council notes the impact of cost shifting on all local governments. We consider ourselves to be more than capable of delivering high quality, culturally appropriate services and seek to have our service provision adequately resourced rather than any reversal of the 'cost shift'.

Council clearly endorses the principle that financial assistance be allocated in a way which recognises the needs of *Aboriginal and Torres Strait Islanders* within their boundaries – but challenges any notion that this principle is adequately met through past and current allocation methods.

Queensland distribution of Financial Assistance Grants

The Queensland Local Government Grants Commission undertook a review of the allocation methodology used to distribute the State's share of the Commonwealth Government's Financial Assistance Grant to councils in 2021. This review recognised that councils with population of less than 20,000 do not have the capacity to derive sufficient revenue to meet their cost base, and that these councils have incurred net operating deficits. While the review has resulted in a new allocation model that better recognises the issues and challenges that TSIRC and other small, remote or First Nations councils are required to deal with, it will be implemented over a three year period from 2022-23 meaning fiscal relief will not be immediate.

Queensland Indigenous Council Funding Programs

The Queensland Government undertook a review of the funding arrangements for Indigenous Councils in 2020 and developed a new funding allocation methodology that it claims considers the main factors impacting service delivery costs in Indigenous local government areas (population, remoteness and dispersion and revenue raising potential), reduces administration burdens and provides a transparent and equitable basis for funding allocations.

Following the review, the Queensland Government allocated TSIRC an additional \$5 million in funding for the 2023-24 financial year. This funding was both necessary and welcome. It enabled us to maintain our financial stability and liquidity for one more year.

The Queensland Government has not committed to sustaining this increased level of funding, potentially exacerbating the problems associated with short term funding outlined above.

Proposals for future funding models

The Torres Strait Island Regional Council has a **vision**:

For our Communities and Council to be Autonomous, Prosperous and Sustainable

For youmpla ples ene Council for meke something youmpla self sor long we can gad fruit them thing we makem e praper ene las long time

Our Mission is:

To improve our Communities liveability in all we do

For youmpla for strete ples blo youmpla ene weis kaine youmpla stap lor pless blo youmpla

Our Values include Respect, Courage, Accountability, Resilience and One, and our actions and delivery pillars include actively seeking opportunities to continuously improve and bring growth to our region; we take pride in our work and pursue a standard of service excellence; we ensure accessibility to community support services; we plan effectively for the future of our individual communities and regions; we manage our council affairs responsibly to the benefit of our communities; we invest in the retention of key skills within our region and we bring opportunity to our region and put our culture on the world stage.

To support us in delivering on our Vision and Mission, and meeting the needs and expectations of our communities, we need a funding model that, at a minimum:

- recognises and values our unique strengths, challenges and opportunities
- respects our human rights
- guarantees equitable access to appropriate care, services and housing
- supports the delivery of equitable outcomes
- is transparent
- is stable
- allows an appropriate level of autonomy and flexibility
- recognises and rewards effort, excellence and innovation
- acknowledges the need for accountability.

As indicated above, we believe the current Financial Assistance Grant model is no longer fit for purpose, and is actively contributing to the present situation where some 60 per cent of Queensland councils are at risk of being financially unsustainable.

We support the general direction of Government's in moving to acknowledge the issues associated with smaller rate populations and the high costs associated with service delivery in remote areas and areas with dispersed populations, but emphasise the need for funding stability, flexibility and long-term planning to improve business efficiencies.

In emphasising the need for stability into the future, however, we wish to also highlight the need for catch-up funding to address critical infrastructure backlogs – in all communities.

We thank you for the opportunity to contribute to the Inquiry into the Financial Sustainability and Funding of Local Government.

Yours sincerely



Phillemon Mosby, Mayor
Torres Strait Island Regional Council
30 May 2024



James William | Chief Executive Officer
Torres Strait Island Regional Council
30 May 2024

Background

The Torres Strait Island Regional Council (TSIRC) is the largest of three Indigenous councils in the Torres Strait region, representing the 'outer' island communities of the Torres Strait, including Badu, Boigu, Dauan, Erub, Kirriri, Iama, the Kubin community at Moa, Mabuia, Masig, Mer, Poruma, Saibai, the St Pauls community at Moa, Ugar, and Warraber.

The Torres Shire Council (TSC) represents Thursday Island, Prince of Wales, Horn Island and immediate surrounding islands, and the Northern Peninsula Area Council (NPARC) represents the Cape communities of Injinoo, Umagico, Bamaga, New Mapoon and Seisa.

Unlike most local councils, TSIRC service fifteen separate communities spread out across 42,000 square kilometres, each with its own unique characteristics and service requirements such roads, ports, airports, water, sewerage, waste, environmental health, social housing, childcare, aged care, community spaces.



The Council was formed in 2008 as part of the Queensland Government's amalgamation policy and operates under the *Local Government Act (Qld)*. Prior to 2008, the area was under the jurisdiction of the *Community Services (Torres Strait) Act 1984 (Qld)* and each community had its own independent Island Council.

The Council is one of 16 discrete Indigenous Councils in Queensland.

Much of the land in TSIRC region is recognised as being under Native Title, and a former resident of Mer (Murray) Island, Mr Eddie Mabo, won the landmark Native Title case.

More than 90 per cent of the population in the Local Government Area identify as Aboriginal or Torres Strait Islander, with more than 73 per cent identifying as Torres Strait Islander (*ABS Census of Population and Housing, 2021*).

Demographic information

The following information is drawn from the Queensland Regional Profiles series – *Torres Strait Island Local Government Area ASGS 2021*, Queensland Government Statistician's Office, accessed 19 May 2024. Most of the data is based on Australian Bureau of Statistic Australian Statistical Geography Standard, July 2021.

In summary, the Torres Strait LGA is very remote, with a small, highly disadvantaged, predominantly Torres Strait Islander population located across 15 islands.

The Torres Strait Island Local Government Area (LGA):

- Is classified as Very Remote Australia (Accessibility/Remoteness Index of Australia classification), with 100% of the population located in Very Remote Australia compared with 1% for Queensland
- Has an estimated resident population of 4,286 as at 30 June 2023
- Has a young population, with a median age of 29 years as at 30 June 2022 compared with 38.6 years for Queensland and 31.5% aged 0-14 years compared with 18.8% for Queensland
- Has a predominantly Torres Strait Islander identifying population, with 90.6% identifying as Aboriginal and Torres Strait Islander, 73% identifying as Torres Strait Islander, 1.1% as Aboriginal and 15.9% as both Aboriginal and Torres Strait Islander. 4.6% of the Queensland population identify as Aboriginal or Torres Strait Islander
- 86.5% of the population speak a language other than English at home, with 83.2% speaking Australian Indigenous Languages. 16.4% of the population indicate they do not speak English well or at all
- Has a very low rate of home ownership, with 6.2% of private dwellings fully owned, compared with 29.1% for Queensland, and 89.4% being rented compared with 33.1% for Queensland
- Has a high rate of homelessness, with 300 homeless persons per 10,000 persons compared with 43.2 for Queensland
- Is significantly disadvantaged, with 100% of the population in the most disadvantaged quintile of the Index of Relative Socio-Economic Disadvantage compared with 20% for Queensland
- Has a median total personal income of \$21,371 per year compared with \$40,924 for Queensland and a median total family income of \$47,996 per year compared with \$105,248 for Queensland
- Had an unemployment rate of 26.8% in December quarter 2023 compared with a rate of 4% for Queensland
- Has 52.1% of families with children under 15 had no parent employed compared with 11.4% for Queensland
- Has 21.3% of developmentally vulnerable children in two or more domains, and 36.3% in one or more domains compared with 24.7% and 13.2% for Queensland.

Funding

Budget(Draft) - 24/25

Recoverable Works	\$	18,920,000.00
Grants	\$	38,258,848.00
Rates & Utility charges	\$	1,969,374.00
Rental Income	\$	4,709,481.00
Fees and Charges	\$	5,350,640.00
Other Sales Revenue	\$	4,014,409.00
TOTAL Operating Revenue	\$	73,222,752.00

Employee Benefits	\$	33,214,853.00
Materials & Services	\$	44,276,207.00
Finance Costs	\$	710,699.00
Depreciation	\$	58,483,682.00
TOTAL Operating Expenses	\$	136,685,441.00

Operating Deficit	-\$	63,462,689.00
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Service provision

The services provided by the Torres Strait Islander Council include:

- social housing
- childcare and aged care
- ports, roads and airports
- planning
- environmental health
- Indigenous Knowledge Centres
- roads
- water, waste and sewerage
- climate change adaptation
- health and wellbeing
- emergency services
- community spaces and events
- Native Title advice and support

Response to Inquiry Terms of Reference 4 – Previous Inquiry

Previous submission

TSIRC previously made a submission to the earlier inquiry on 30 May 2024, and a copy of that submission is attached for ease of reference. The challenges outlined in that submission remain prevalent today and, in many cases, have intensified. The continued absence of meaningful action has deepened the pressures facing our communities, and we strongly urge the Commonwealth Government to act with urgency, as further delays will only exacerbate the problems.

DRAFT



DIRECTORATE: Corporate Services

AUTHOR: Executive Director Corporate Services

RESOLUTION TO CLOSE THE MEETING TO THE PUBLIC

OFFICER RECOMMENDATION:

Council resolves to close the meeting to the public pursuant to section 254J of the *Local Government Regulation 2012* to allow the Council to discuss items listed on the agenda for closed discussion and for the reasons outlined under those items.

EXECUTIVE SUMMARY:

A local government meeting is open to the public unless the local government or committee has resolved that the meeting is to be closed.

Section 254J of the *Local Government Regulation 2012* allows the Council to close its meeting to the public 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;
- (j) an investigation report given to the local government under chapter 5A, part 3, division 5 of the Act.

Section 254J(6) of the *Local Government Regulation 2012* stipulates that 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.

Interested Parties/Consultation:

N/A

Background / Previous Council Consideration:

N/A

COMPLIANCE / CONSIDERATIONS:

Statutory:	Section 254J of the <i>Local Government Regulation 2012</i>
Budgetary:	N/A
Policy:	<i>TSIRC Standing Orders (Meeting Procedures) Policy – August 2024</i>
Legal:	N/A
Risk:	Council breach of its Statutory requirements above.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 3– A Proactive & Responsible Council ➤ <i>3.1 Provide good governance & leadership</i>
<i>Malungu Yangu Wakay</i> (The Masig Statement):	<i>In keeping with Article 4 of the United Nations Declaration on the Rights of Indigenous Peoples, in exercising our right to self-determination, we have the right to autonomy or self-government in matters relating to our internal and local affairs, as well as ways and means for financing their autonomous functions.</i>
Standing Committee Consultation:	N/A
Timelines:	Standard Procedure at each Monthly Council Meeting

Other Comments:

Nil.

Recommended:

Vicki Bishop
Executive Director Corporate Services

Approved:

James William
Chief Executive Officer

ATTACHMENTS:

Nil.



ORDINARY MEETING

28 JANUARY 2026

Agenda Item

16

DIRECTORATE: Corporate Services

AUTHOR: Executive Director Corporate Services

RESOLUTION TO RETURN THE MEETING TO OPEN DISCUSSION

OFFICER RECOMMENDATION:

Council resolves to move out of closed discussions pursuant to Section 254I of the *Local Government Regulation 2012*.

EXECUTIVE SUMMARY:

Section 254I of the *Local Government Regulation 2012* stipulates that a local government meeting is open to the public unless the local government or committee has resolved that the meeting is to be closed.

Interested Parties/Consultation:

N/A

Background / Previous Council Consideration:

N/A

COMPLIANCE / CONSIDERATIONS:

Statutory:	Section 254I of the <i>Local Government Regulation 2012</i>
Budgetary:	N/A
Policy:	TSIRC Standing Orders (Meeting Procedures) Policy – August 2024
Legal:	N/A
Risk:	Council breach of its Statutory requirements above.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 3– A Proactive & Responsible Council ➤ 3.1 Provide good governance & leadership
Malungu Yangu Wakay (The Masig Statement):	<i>In keeping with Article 4 of the United Nations Declaration on the Rights of Indigenous Peoples, in exercising our right to self-determination, we have the right to autonomy or self-government in matters relating to our internal and local affairs, as well as ways and means for financing their autonomous functions.</i>
Standing Committee Consultation:	N/A
Timelines:	Standard Procedure at each Monthly Council Meeting

Other Comments:

Nil.

Recommended:



Vicki Bishop
Executive Director Corporate Services

Approved:



James William
Chief Executive Officer

ATTACHMENTS:

Nil.



ORDINARY MEETING

28 JANUARY 2026

Agenda Item

17

DIRECTORATE: Corporate Services

AUTHOR: Executive Director Corporate Services

CONSIDERATION OF MATTERS DISCUSSED IN CLOSED SESSION

OFFICER RECOMMENDATION:

For the Council to formally resolve on the matters discussed in its Closed Session.

EXECUTIVE SUMMARY:

Section 254J(6) of the *Local Government Regulation 2012* stipulates that a local government or a committee of 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.

The open meeting must resume to pass a resolution if any decisions are necessary following the closed-meeting discussion.

Interested Parties/Consultation:

N/A

Background / Previous Council Consideration:

N/A

COMPLIANCE / CONSIDERATIONS:

Statutory:	Section 254J(6) of the <i>Local Government Regulation 2012</i>
Budgetary:	N/A
Policy:	<i>TSIRC Standing Orders (Meeting Procedures) Policy – August 2024</i>
Legal:	N/A
Risk:	Council breach of its Statutory requirements above.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 3– A Proactive & Responsible Council ➤ <i>3.1 Provide good governance & leadership</i>
Malungu Yangu Wakay (The Masig Statement):	<i>In keeping with Article 4 of the United Nations Declaration on the Rights of Indigenous Peoples, in exercising our right to self-determination, we have the right to autonomy or self-government in matters relating to our internal and local affairs, as well as ways and means for financing their autonomous functions.</i>
Standing Committee Consultation:	N/A
Timelines:	Standard Procedure at each Monthly Council Meeting

Other Comments:

Nil.

Recommended:



Vicki Bishop
Executive Director Corporate Services

Approved:



James William
Chief Executive Officer

ATTACHMENTS:

Nil.



ORDINARY MEETING 28 JANUARY 2026

Agenda Item

18

DIRECTORATE: Corporate Services

AUTHOR: Executive Director Corporate Services

ITEMS ARISING

OFFICER RECOMMENDATION:

For Council to formally resolve to consider those items arising after the agenda for the meeting has been made public.

EXECUTIVE SUMMARY:

Section 254D(4) of the *Local Government Regulation 2012* allows for a local government or a committee of local government to discuss or deal with (at any meeting) items arising after the agenda for the meeting has been made available to Councillors.

Standard practice is that business not on the published agenda, or not fairly arising from the agenda, should not be considered at any local government meeting unless permission for that purpose is given by the local government at the meeting ([Source: TSIRC Standing Orders Policy – August 2024](#))

Council will need to make a formal resolution to consider/discuss any items nominated for this agenda item.

Interested Parties/Consultation:

N/A

Background / Previous Council Consideration:

N/A

COMPLIANCE / CONSIDERATIONS:

Statutory:	Section 254D(4) of the <i>Local Government Regulation 2012</i>
Budgetary:	N/A
Policy:	<i>TSIRC Standing Orders (Meeting Procedures) Policy – August 2024</i> applies.
Legal:	N/A
Risk:	Council breach of its Statutory requirements above.
Links to Strategic Plans:	TSIRC Corporate Plan 2025-30 Focus Area 3– A Proactive & Responsible Council ➤ <i>3.1 Provide good governance & leadership</i>
Malungu Yangu Wakay (The Masig Statement):	<i>In keeping with Article 4 of the United Nations Declaration on the Rights of Indigenous Peoples, in exercising our right to self-determination, we have the right to autonomy or self-government in matters relating to our internal and local affairs, as well as ways and means for financing their autonomous functions.</i>
Standing Committee Consultation:	N/A
Timelines:	Standard Procedure at each Monthly Council Meeting

Other Comments:

Nil.

Recommended:


Vicki Bishop
Executive Director Corporate Services

Approved:


James William
Chief Executive Officer

ATTACHMENTS:

Nil.



DIRECTORATE: Building Services

AUTHOR: Executive Director Building Services

BUILDING SERVICES REPORT (December 2025)

OFFICER RECOMMENDATION:

Council receives and notes the Building Services Report for December 2025.

EXECUTIVE SUMMARY:

This report provides an overview of the ongoing activities carried out by the Building Services Unit (BSU) during the reporting period of December 2025.

Interested Parties/Consultation:

- Building Services Executive Director
- Building Services Management
- Business Services Accountant
- Building Services Construction Software

Upgrade & HO Program:

BSU continues to initiate the delivery process for this financial year, Upgrade Works & Home Ownerships. Regular meetings continue with funding partners and are being held to address challenges related to high delivery costs, extended timeframes for project completion, and tender awarding.

Current Status (as of 31 December 2025)

Upgrade and HO Program - Revenue Comparison Dec

2024/2025	2025/2026	Variance
\$ 7,551,198.43	\$ 7,213,969.76	-\$ 337,228.67

The above figures are based upon actual invoices and do not include accruals.

Priority Upgrade works, in the HWS, Stove replacements, Vacant and Dis-Mod (OT) work types, has been initiated for enhanced visibility and priority actions.

Strategies are continuing the implementation of planning for the delivery of the NAHA Upgrade program and Home Ownerships. These strategies encompass:

- Reviewing contractors' existing workloads
- Prioritising essential works
- Conducting bulk tendering for all upgrades in each community
- Reviewing and modifying contracts to mitigate risk to TSIRC (e.g., material, freight, flights, etc.)

R&M Program:

The realignment of the Tier 1 stream has continually improved service delivery to our customers and most importantly our communities. This reshape has also led to increased revenue for TSIRC and decreased delivery timeframes.

As of 31 December 2025, there is a backlog of maintenance work comprising of approx. 800 tasks with a total value of approximately \$2 million that has been pending for over 30 days.

Current Status (as of 31 December 2025)

R&M Program - Revenue Comparison Dec			
2024/2025		2025/2026	Variance
\$	10,966,234.77	\$ 9,980,873.34	-\$ 985,361.43
The above figures are based upon actual invoices and do not include accruals.			

Dept of Housing has continued to bank non essential maintenance requests (not releasing to TSIRC) which is impacting work for our contractors and TSIRC trade staff that is based locally within the remote isolated communities. We have continued to follow up with the Dept of Housing with several letters from the CEO to the DDG and with Cr Fell and the ED of BSU and Communities, meeting face to face with Dept of Housing (16 September 2025) to express and identify the urgency to release this banked maintenance works as it affects employment, community liveability and requests from tenants to reduce rent due to maintenance requests not being addressed.

Our social housing infrastructure is becoming aged and therefore requires increased maintenance/upgrades to maintain to a liveable and safe standard – TSIRC has expressed concerns to Dept of Housing and the need to work in partnership to develop communication protocols to our 15 divisions to address community frustration. To date Dept of Housing continue to work in silo!

Housing Investment Plan (Capital Housing Program) - \$14.4M:

Stage 1 funding was released on September 27, 2022. In October 2023 Council resolved to deliver the program through a staged approach and in partnership with QBuild. Working closely with Community Services and identifying the priorities for deliveries (domestic violence, disability services and overcrowding) the Communities of Erub, Iama, Mabuig, Saibai and Warraber have been identified as priority 1.

Continuing to communicate with PBC's to build partnerships and progress through the ILUA/compensated 24 JAA process to deliver program.

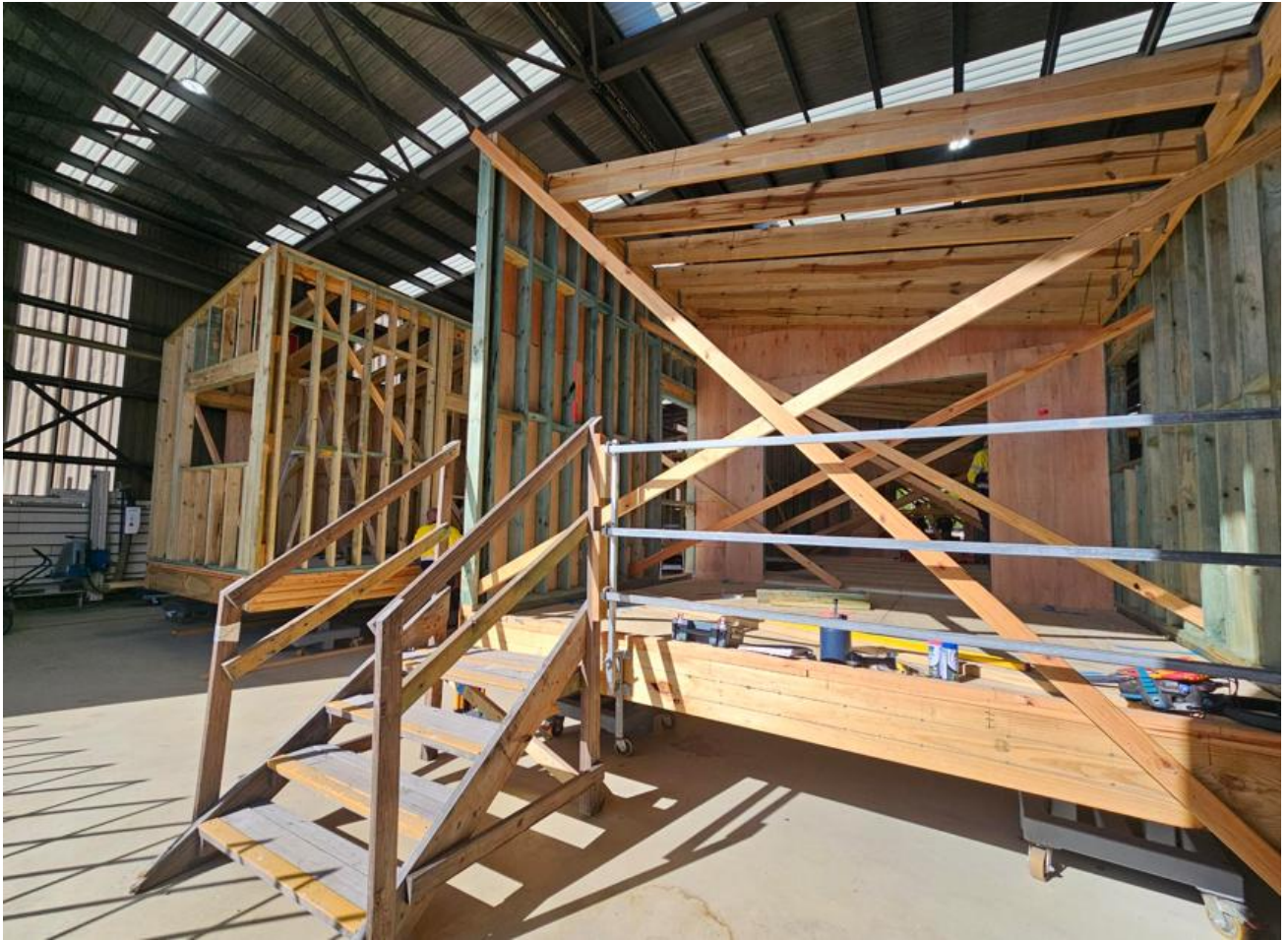
Mabuig ILUA finalised in April 2025 and construction to commence in factory in Cairns in November with a planned hand over date 30 June 2026..

Both Mabuig residences have commenced construction in the Cairns MMC. With works still on program target.

Photos as of 12 December 2025:

Mabuiag Lot 89 (3 Bedroom)





Mabuiag Lot 64 (2 Bedroom)



Additionally, as per the resolution passed in October 2023, CEO has delegation and approved a variation to construct 3 x new dwellings on Badu to ensure funding milestones are met and TSIRC does not lose the funding. Meeting held with tenants (10 September), building designs and siting plans discussed, currently following up with designers and architects regarding these tenants queries.

Costs have increased significantly with the proposed new Modern Methods of Construction (MMC), BSU has reached out to several private MMC's contractors to build partnership and explore options to reduce costs.

TSIRC has also raised with Dept of Housing the need to partner together to develop a rolling program and ensure a Economy of Scale approach to ensure we are getting value for money and not what is currently happening with the small release of funds to deliver two social housing assets than further funding released.

Business Relationships:

Meetings between BSU and key stakeholders (QBuild) continue on a weekly basis.

TSIRC BSU and Communities are working together in partnership to improve the delivery of service to our communities to ensure we are improving the livability within each Division.

Logistics:

TSIRC Contract documentation continually reviewed and updated to establish contractor accountability for the projects they undertake. Timely project delivery is a priority for TSIRC.

Reviewing current reporting processes to streamline and further reduce risk to TSIRC.

COMPLIANCE / CONSIDERATIONS:

Statutory:	<ul style="list-style-type: none">• <i>Local Government Act 2009</i>• <i>Local Government Regulation 2012</i>• <i>National Construction Code Building Act 1975</i>• <i>Building Regulation 2006</i>• <i>Queensland Building and Construction Commission Act 1991</i>• <i>Queensland Building and Construction Commission Regulation 2018</i>
Budgetary:	N/A
Policy:	N/A
Legal:	N/A
Risk:	<p>Risk Management</p> <ul style="list-style-type: none">• Continued review of scheduled works for this financial year to clarify projects and their financial impact.• Ongoing review of departmental structure, resourcing, and processes to enhance service delivery across all levels.• Regular monitoring of performance to manage revenue, expenses, service delivery, and community outcomes
Links to Strategic Plans:	<p>Corporate Plan 2025-2030</p> <ul style="list-style-type: none">• Maintaining and Renewing our Infrastructure
Masig Statement:	N/A
Standing Committee Consultation:	N/A
Timelines:	N/A

Other Comments:

Nil.

Recommended:

Wayne Green
Executive Director Building Services

Approved:

James William
Chief Executive Officer

ATTACHMENTS:

Nil



DIRECTORATE: *Community Services*

AUTHOR: *Dawson Sailor, Executive Director Community Services*

COMMUNITY SERVICES INFO REPORT - 11 DEC 2025 to 20 JAN 2026

OFFICER RECOMMENDATION:

That Council receives and notes this report.

EXECUTIVE SUMMARY:

To provide Council an update on the functional areas within the Community Services department for operational activities undertaken during the period stated above. The officers' comment in this report provides an outline of key strategic and operational activities, including notable and significant works for Community Services during reporting period.

Background / Previous Council Consideration:

From a combination of councils' own-source and external-source funding, the Community Services department delivers a diverse range of programs including:

- Community Care (child, aged and disability)
- Environment and Health
- Health and Wellbeing /Indigenous Knowledge Centre
- Housing Services
- Operation of Divisional Offices
- Events Coordination

Officers Comment:

Strategic: Key strategic items of significance is outlined below. These tasks are usually led by Executive Director and Head of Community Services. Operational updates are can be provided verbally or will be taken on notice.

- **Environment and Health matters**

- Undergoing procurement process to engage consultant to develop community-based Animal Management Plan for Badu. Aim to have the EOI published prior to end of January 2026.
- Current funding agreement under the ATSIPHP program expires in June 2026. Management have been engaged with Qld Health November & December 2025 of future of the program. The funding provides salaries for 23 positions and delivers various public health related program and partnerships across the region.

- **Housing Matters**

- Various housing matters that are ongoing which have been escalated to the Executive for direction. These matters are of a sensitive nature which requires consultation with PBC's and/or directly with tenants.
- Housing Policies and Procedures will be presented for Council adoption in January Ordinary Meeting. Following this, Housing will undertake a roadshow to socialize the updates and increase awareness and engage with all stakeholders to deliver effective tenancy management.
- New KPIs for Executive Director includes strategic Housing projects, to establish long term sustainable solutions to address social determinants by overcrowding and deliver effective management of tenancies.

- **Climate Resilience Project**

- Successful appointment of 4 Climate Resilience Officers (Badu, Boigu, Masig & Warraber)
- Induction workshop and project introduction occurred 12-16 Jan 2026
- Training scheduled for 4th Feb with Dept of Climate and agencies ie GBK, TSC

- **Health and Wellbeing**

- Agreement executed to establish 4 x new IKCs (Masig, Mer, Saibai & St Paul). Management currently undergoing procurement to purchase modular kit buildings for the services.
- Recruitment drive for Manager and Coordinators role due to resignations
- Finalisation of draft Community Health Plans, to be presented to Committee and then Council Ordinary Meeting for adoption

Interested Parties/Consultation:

- Head of Community Services
- Community Services Managers

COMPLIANCE / CONSIDERATIONS:

Statutory:	<i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i> In addition, Community Services functional areas are subjected to a range of Local, State and Commonwealth legislation relevant to roles and teams.
Budgetary:	Ongoing monitoring and process improvement to achieve financial governance, including austerity measures, is being implemented to strengthen budget management within each functional area of Community Services. The department continues to consider opportunities to increase revenue through the supply of services and submission for external-source funds.
Policy:	N/A
Legal:	N/A
Risk:	Day-to-day risk is considered low however closely monitored and mitigated by the application of adherence to policy and procedures.
Links to Strategic Plans:	TSIRC Corporate Plan 20258-2030 (<i>Bisnis Plan</i>) Outcome 1: We preserve cultural heritage, history, and place. Outcome 3: We ensure accessibility to community support services. Outcome 4: We are a transparent open and engaging council. Outcome 10: We advocate and foster regional prosperity through enterprise development.
Malungu Yangu Wakay (The Masig Statement):	N/A
Standing Committee Consultation:	N/A
Timelines:	N/A

Other Comments:

That Council resolves to note the Community Services Information Report.

Recommended:


Dawson Sailor
Executive Director Community Services

Approved:


James William
Chief Executive Officer



Corporate Services Directorate

AUTHOR: *Executive Director Corporate Services*

CORPORATE SERVICES INFORMATION REPORT FOR THE MONTH OF DECEMBER 2025

OFFICER RECOMMENDATION:

Council receives and notes the Corporate Services Information Report for the month of December 2025.

EXECUTIVE SUMMARY:

To provide Council with an update on the functional areas within the Corporate Services directorate and updates on projects progress for the month of December 2025.

INTERESTED PARTIES/CONSULTATION:

Managers and SMEs Corporate Services.

REPORT:

The Corporate Services directorate delivers a diverse range of internal and external services. A snapshot of work undertaken as well as operational highlights is provided below and in the attachments.

Administration and Communication

The draft Cultural Awareness resource for the People and Wellbeing team, embedding Torres Strait Islander principles and practical guidance to support respectful workplace practices is now going through the approval.

During the Christmas Period the team finalised the Annual Report document for distribution and maintained our social media content, sharing posts and stories with the community and our stakeholders.

Economic Development

TSRA issued a draft six-month extension for the Hammond Island Ferry subsidy contract for review. The Economic Development Team will review further when TSRA provides the agreement.

No news has been received from TSRA in relation to funding for the Phase 2 project – ‘Advancing the Torres Strait Community-Led Economic Strategic Action Plan’. The Economic Development Team will continue to advocate funding support from TSRA for Phase 2.

Over the month ahead, outstanding financial reporting information for the Phase 1 project and Hammond Island Ferry subsidy reporting will be provided to TSRA to close out both projects. It is also anticipated, the Economic Development Community Engagement Phase 1 report will be released to key stakeholders, and a media release will be provided.

Furthermore, a series of meetings will be initiated over the coming months to discuss and develop a decision-making framework for Council’s property divestment.

Governance, Risk, Legal, Land Tenure and Native Title

Trustee Policy/Home Ownership leases

- **SHAP (social housing accelerated program) stage 1** -native title consent for the SHAP program for Masig, Warraber and for St Pauls is complete, and the final project notices under the Infrastructure and Housing ILUAs were issued in November 2025. The sites are cleared from a native title perspective.

Focus on month ahead

- **SHAP (social housing accelerated program) stage 2**-land tenure and native title assessments to be undertaken for stage 2;
- **Trustee Policy/Home Ownership leases** Trustee lease community consultation in accordance with the Trustee Policy for St Pauls proposed for the week of 24th February.
- **Trustee Policy/Home Ownership leases** prioritising Hammond EOIs, to categorise applications that can proceed to the next step (final land assessment, Councillor consultation and potentially Trustee decision).
- **Quickstarts**-stage 2 consultation to nominate specific lots (*subject to funding being received from the State*)
- **Mer Ancillary Agreement**-recommence engagement with MGL to ensure the provisions of the agreement stay on track.

Risk Management

- Updating Industrial Special Risk cover following asset revaluation.
- Preliminary work commenced in preparation for FY2026/27 insurance renewal

Governance and Insurance

- Progressing Council to CEO delegations review with incorporation of all 2024/25 legislative changes relevant to TSIRC operations;
- Preliminary meeting with Department of State Development Infrastructure and Planning - Regional Planning Team to discuss scoping the Cape York Regional Plan Review The team is working to finalise a detailed scope brief which will be shared with Council in the next few weeks. This will further frame up approach to the regional plan and supporting infrastructure plan. The team will then work through with Council the key policy settings for the Torres region along with visioning and local government narratives.
- Coordinating Q2 Operational Plan Reporting for Council
- Preliminary discussions with Department of State Development Infrastructure and Planning on Planning Capability Framework
- The initial budgetary saving on FY2025/26 Industrial Special Risk insurance cover has meant the cost of the additional industrial special risk cover following asset revaluation was met within the existing insurance budget allocation and delivered a positive insurance budget variation (underspend) of \$1.877m or 30.5%.
- Progress discussions with State Government, LGAQ and State member on request for Task Force to address outstanding legacy matters arising from amalgamation and documented in the submission to the Minister for Local Government on the expiring JLOMA regulation.
- Confirm arrangements for Councillor briefings on Regional Plan Review and pending changes to the Local Government Act 2009 (Qld).

Complaints

Complaint assigned	Beginning of December	New	Closed	End of December
Building Services				
Community Services	20			20
Corporate Services	2			2
Engineering Services	3			3
Total	25			25

Table 2 – Complaints by directorate

Complaint type	Beginning of December	New	Closed	End of December
Staff	16			16

Complaint type	Beginning of December	New	Closed	End of December
Local Laws (dogs)	3			3
Housing	3			3
Other	3			3
Total	25			25

IT Security:

IT Services continue to monitor network activity in relation to cyber-security whilst also continuing to implement further security measures where possible, particularly with the integration of all devices into Microsoft InTune.

The Manager, Information Technology Services, is working with Marsh and JLT Risk Solutions in relation to developing a number of cyber security implementations including:

- **Cyber Risk Training and Awareness**
A tailored session designed to build cyber risk awareness and foster a resilient security culture among staff and leadership. This will address the current training resource constraints and logistical challenges, delivering practical, culturally appropriate content.
- **Incident Response Plan (IRP) Development Workshop**
A facilitated workshop to assess Councils' current incident response capabilities and co-develop a customised IRP. This will help establish a clear, actionable plan to manage ransomware and other cyber incidents effectively.
- **Incident Response Plan Testing (Next Step)**
As a follow-up, scenario-based testing can be conducted to validate and enhance the IRP, ensuring Council's readiness and confidence in responding to cyber events.
- **Collaboration Opportunity**
Ian Barton, the dedicated LGMS Risk & Resilience Coordinator (RRC) for Torres Strait Island Regional Council, has planned initiatives with the executive team in October. Building on his work, Marsh have the opportunity to deliver a focused cyber risk workshop that provides a detailed analysis of cyber risks and their management, offering comprehensive support to Council and IT Services.

The Manager, Information Technology Services, is also working with Queensland Government's Cyber Security Unit in conjunction with KnowBe4 to implement a twelve-month funded cyber-security learning platform. Subscription provides access to KnowBe4's Diamond platform which will enable IT Services to provide covert cyber-security exercises to staff to gain a better understanding of staff knowledge with regards to cyber safety.

This platform has now been implemented and now being tailored for use. Exercises and education to follow.

Microsoft Teams Calling:

The Teams Calling project completed successfully on 17/12/2026

Hammond Island Office Connectivity Issues

IT Services visited the Hammond Island buildings on 03 - 05/12/2025. Connectivity was restored where possible and new equipment installed to improve performance.

Full connectivity could not be restored to two of the buildings due to an obstruction by a large palm tree. IT Services have put together a solution that will negate the need to cut the tree down. Equipment will be purchased and sent up for a contractor to install which based on availability, is hoped will be completed by the end of January or early February 2026.

First Nations Grant & Community Wi-Fi Strategy

Still no announcement regarding the TSIRC fund application.

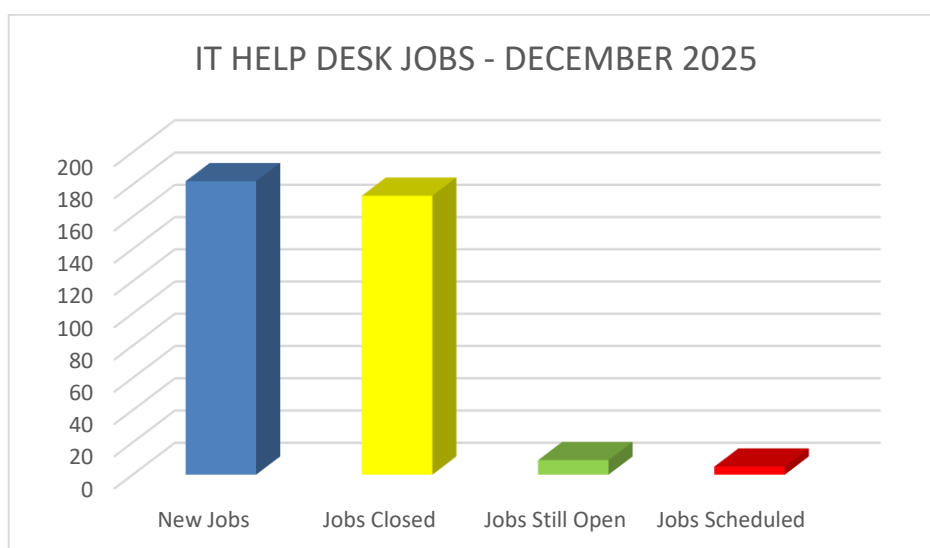
Elphinstone Close Building – IT Infrastructure and Security System

As building works commence on the new Elphinstone Close building, IT Services have identified IT requirements to implement a local network to then connect to the corporate Wide Area Network (WAN). These devices include WiFi Access Points, printers, network switch equipment, SD WAN VeloCloud, CCTV security cameras with NVR, a Point-to-Point WiFi bridge to the Logistics building and a high-speed NBN connection. IT Services also advised that all existing network cable infrastructure be tested and repaired where necessary.

Helpdesk:

During December 2025, 182 new IT Help desk tickets were created. Of these, 173 were closed, 9 remained open and 5 scheduled.

(Note: Whilst many requests for assistance are lodged via email to the help desk, there are many jobs that are attended to by telephone and therefore sometimes not logged into the ticketing system so the total number of requests and closures can be higher than the reported numbers provided. Also, BAU tasks such as equipment procurement, preparation, distribution and destruction, network administration etc., often do not get attributed to these figures).



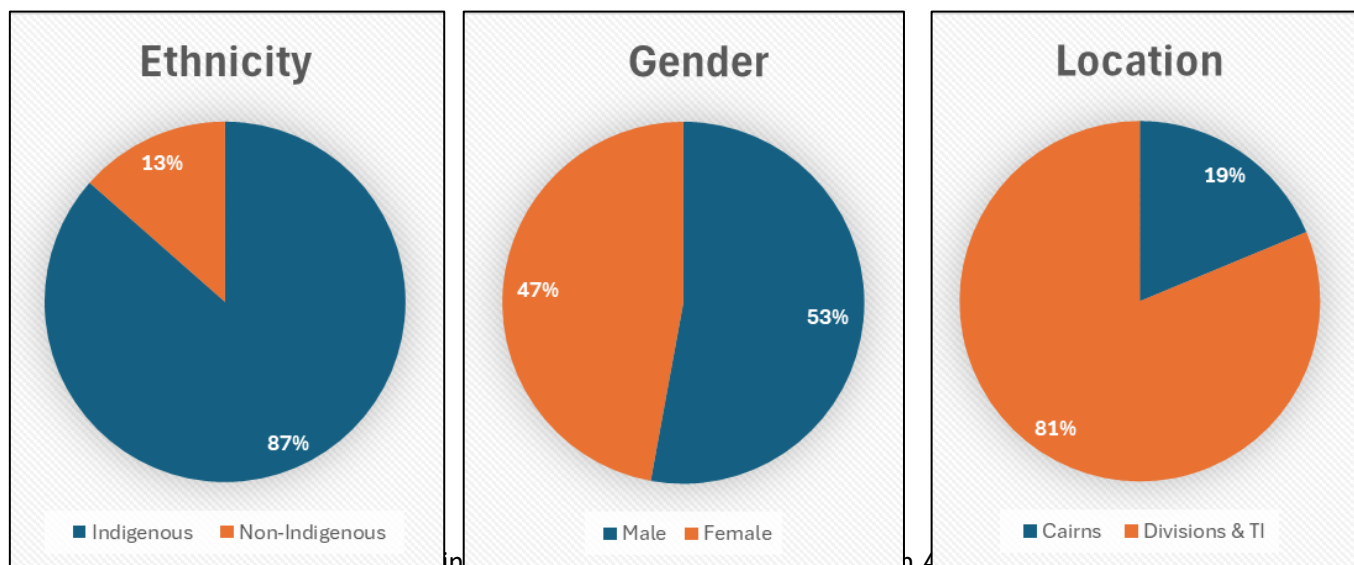
Fuel and Fleet

- Completing SIP white fleet acquisitions and delivery to recipient divisions.
- New CCTV System installed at Elphinstone Close Depot
- Developing reporting process for COMPAC/Fuel infrastructure faults
- Finalising review of Fleet Maintenance supplier (meeting 29 January 2026)
- Review of all divisional workshops and working with assets to resolve identified risks
- Provision of replacement spill kits and extinguishers for all fuel infrastructure
- Follow up with TSRA regarding extension of SFA for Ugar Fuel Depot Project
- Overhaul of Compactor Trucks (including shipping to TI) to maximise usable service life.
- Migration of white fleet to Councils Data Base (Technology One) including work orders to track maintenance costs
- Monthly meeting with Divisional Managers and Divisional Engineering Officers to discuss Fuel and Fleet matters

People and Wellbeing

TSIRC Employee Statistics

As of 31 December 2025, Council has a total of 363 staff members, with 314 of them being Indigenous, representing 87% of the workforce. The graph below provides additional insights into key employee statistics within the Council.



Safety and Wellbeing

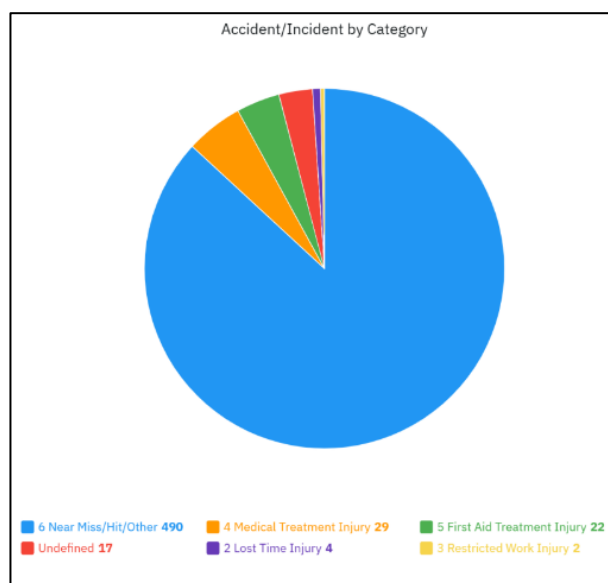
On going improvements to WHSMS required across TSIRC. Detailed and specific improvements across TSIRC to be monitored and documented going forward. This includes:

System Improvements

- Developing or upgrading the overall WHS management system to align with legislative requirements (e.g. WHS Act 2011).
- Implementing a digital WHS reporting platform.
- Establishing clearer accountability and reporting structures for safety responsibilities.

Policy Development & Review

- Drafting or updating WHS policies such as fatigue management, drug and alcohol, or workplace bullying policies.
- Integrating WHS policies with Council's broader governance or HR frameworks.



Procedures & Work Instructions

- Creating or refining safe work procedures for high-risk tasks (e.g., working at heights, vehicle use, remote area travel).
- Developing clear incident response procedures and communication plans.
- Documenting risk assessment and hazard reporting processes

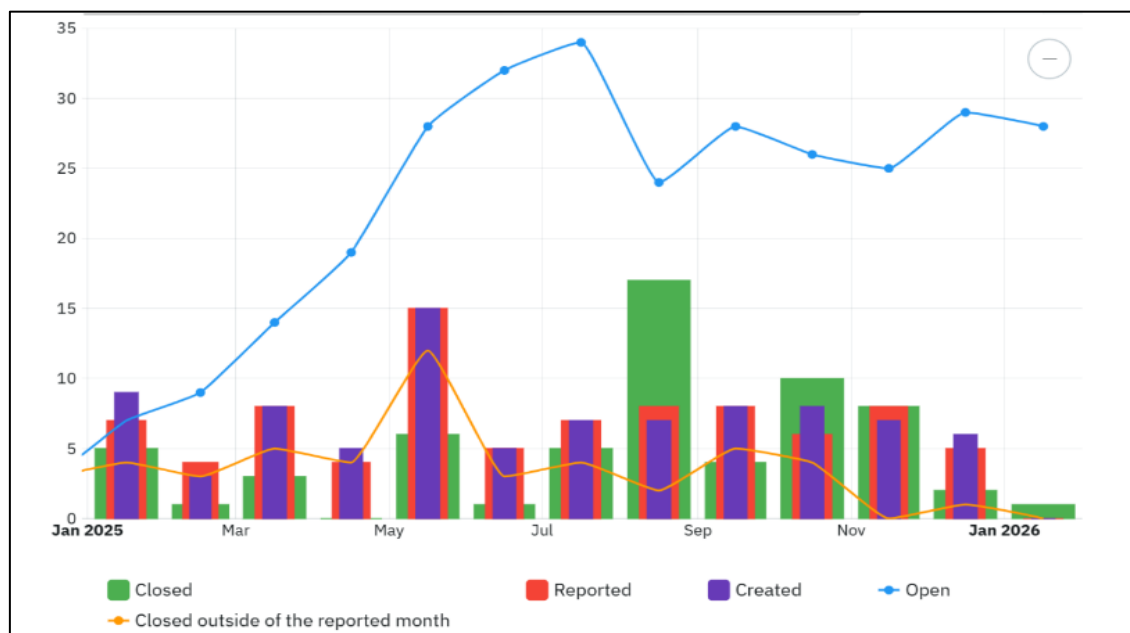
Monitoring, Review & Continuous Improvement

- Conducting regular workplace inspections and safety audits & reviewing incident data and trends to identify priority areas.

Emerging Risks / Concerns

- Audiometric Testing-Policy-Procedure- Training- Rollout, Psychosocial Policy- Procedure- Training- Rollout, WHSMP Approval from Council and sign off by CEO, Risk involving workers across TSIRC engaged in High-Risk Work

No Reportable Incidents lodged for December 2025.



Organisational Development

- New Topic – How to take Great Photos will be active in January. This topic is to assist the Communications Team with collecting images/videos from the region for media purposes. An alternative cost-effective solution to minimise travel costs.
- Internal monitoring of Tribal Habits LMS – includes position titles changes, integration of newly created position, audit of staffing cessations, overdue notifications, assessment retakes, e-learning requests for new starters.
- Monthly professional development with Tribal Habits training consultants on new features.

Training Activities

- Engineering Department staff will be undertaking the following training in March 2026:
 - Confined Spaces
 - Working at Heights
 - Gas Test Atmospheres

Funding received through the ICBP will be used to cover training. Training to be delivered by ProLift in Cairns over

- Working with Head of Building Services on the following training requirements –
 - Stand Right No Bite Dog Safety Program
 - Working at Heights
 - Asbestos Removal
 - Confined Spaces - working to establish which staff may require this training
 - Machinery training

Funding though Construction Skills Queensland can potentially be used to cover training costs.

- Second meeting was held with EnviroTech to further progress the dual Certificate II in Conservation & Ecosystem Management and Marine Habitat Conservation & Restoration. Training. TSIRC to work with EnviroTech to identify appropriate subjects which will be aligned with the Climate Resilience Officers workplans and objectives of the project.
- Discussions are ongoing regarding potential collaboration with a Cairns-based hotel to deliver training to Community Services cleaning staff.
- Working with Departments to identify suitable training which could utilise funding received through the ICB Project.

- First Aid/CPR training for designated First Aid officers. Safety team to provide final names to Training Officer. Once all nominated parties have been identified, we will identify a training provider to deliver the training.
- Sourcing quotes for Aerodrome Reporting Officer training. Training to be delivered early 2026.
- Engineering staff member to complete the Professional Certificate of Competency of Practical Troubleshooting & Problem Solving of PLCs and SCADA Systems, February 2026.
- Communications Officer to complete Remote Pilot Licence. Completion of this training will allow the officer to legally operate TSIRC's drone. Training will be completed in Cairns, March 2026.
- All water officers to complete training for Water Operations cards. As TSIRC is a member of QldWater, there are no costs involved in completing the training. All training is online and includes Aqua, Teal and Brown Cards. A/g Manager Engineering Operations to provide names of staff required to complete this training in early 2026.

Tribal Habits Online E-Learning

User Data	By Departments
Total Users: 29 Total Staff Enrolments: 361 Recruitment Agency Staff Enrolled: 1 Total Staff Accessing Platform in December: 28	Community Services: 18 users Engineering Services: 3 users Building Services: 2 users Corporate Services: 3 users Financial Services: 1 user



OTHER COMMENTS:

This report is for noting by Council.

Recommended:

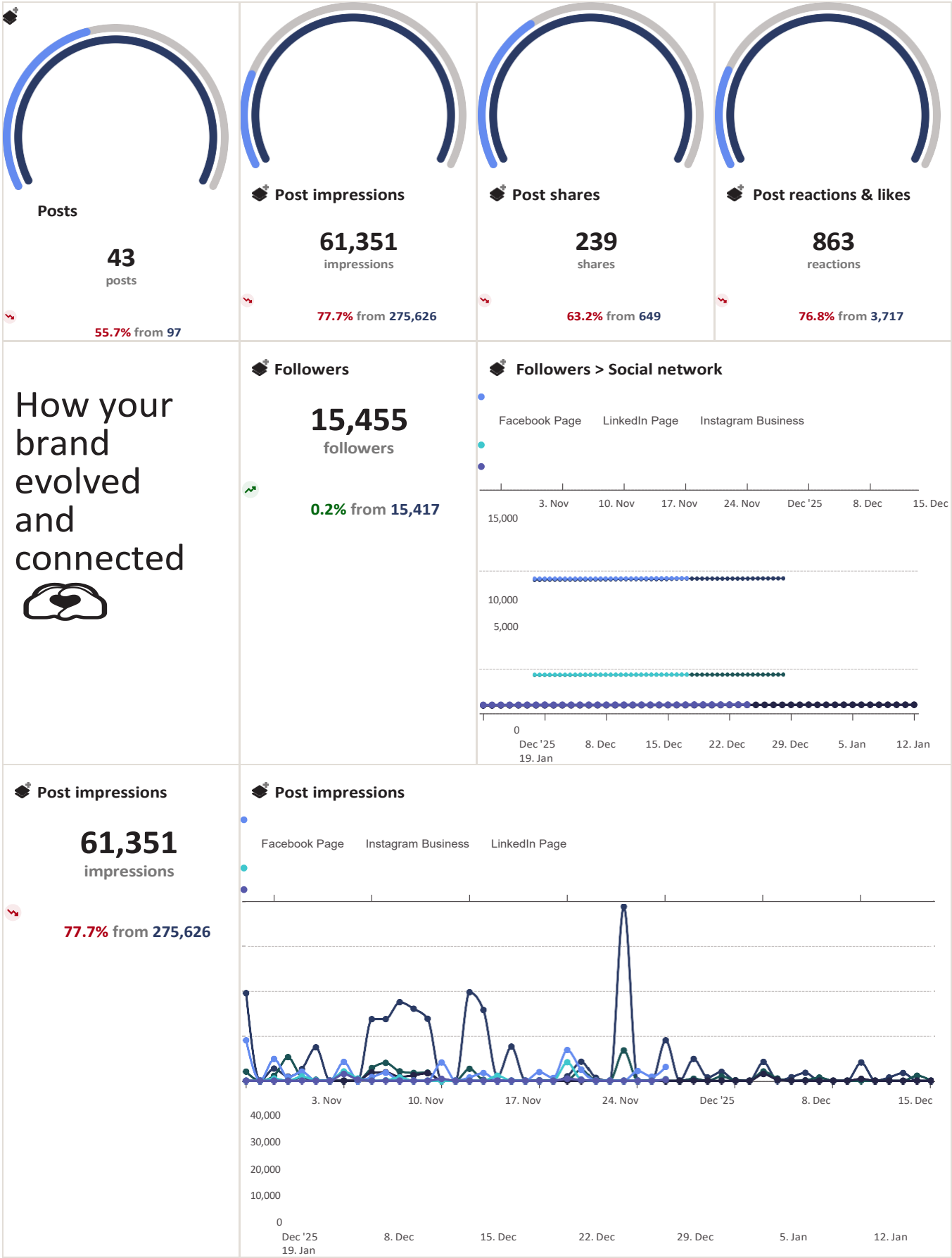
Vicki Bishop
Executive Director Corporate Services

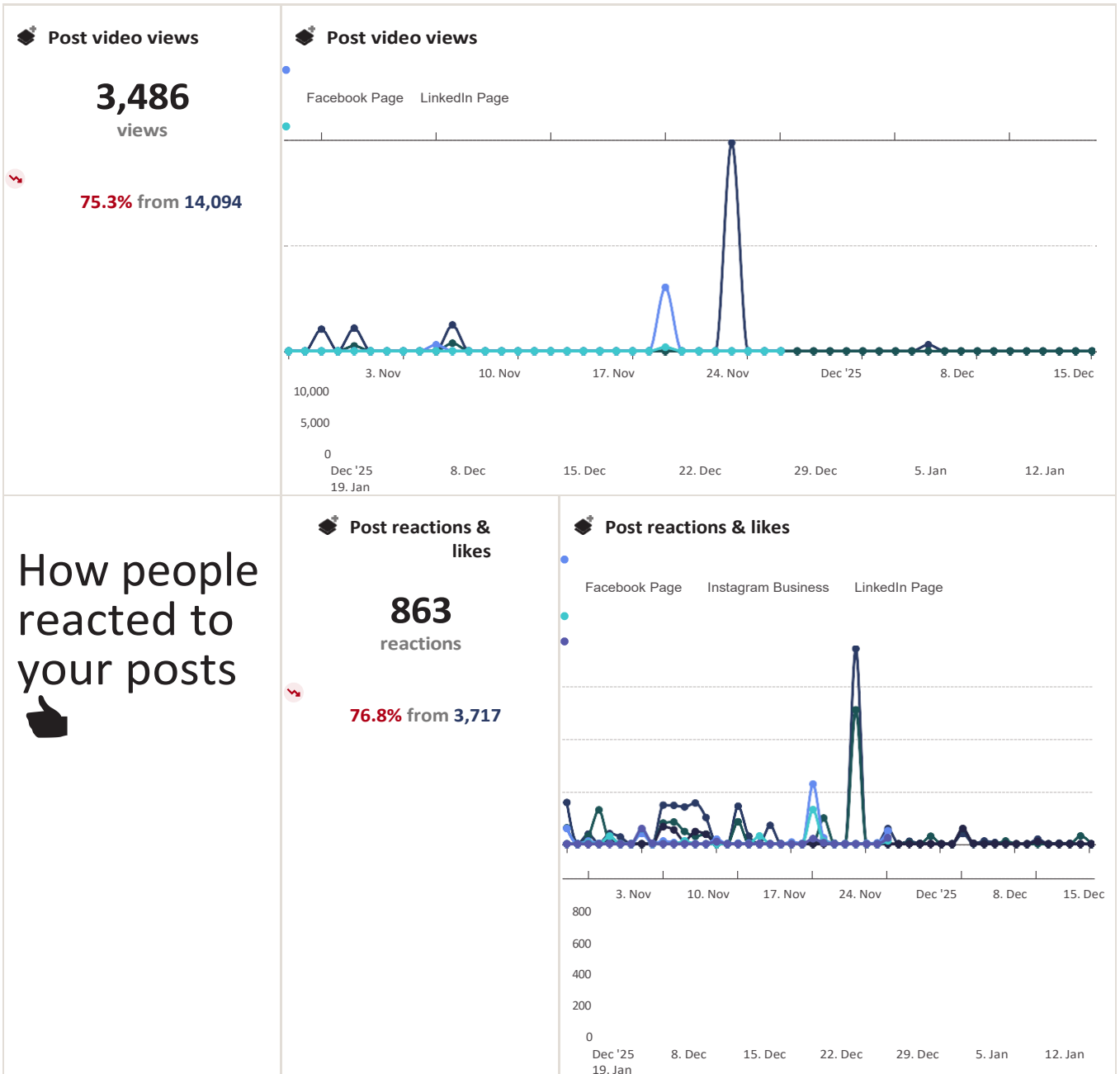
Approved:

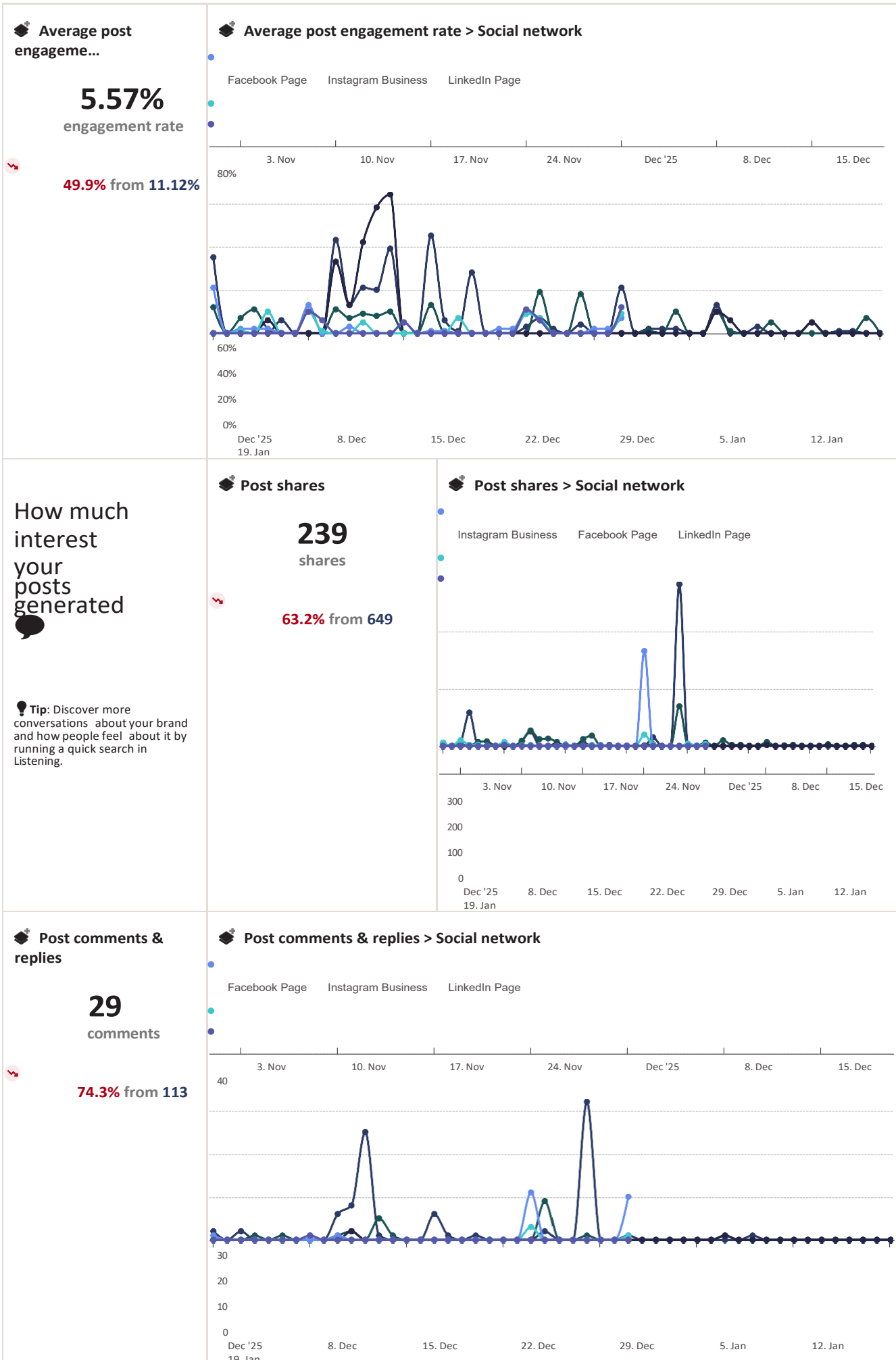
James William
Chief Executive Officer

ATTACHMENTS:

- Attachment 1: Social Media Report
- Attachment 2: Fuel Infrastructure Capital Project Review
- Attachment 3: Recruitment and Safety Report







Attachment 2 – Fuel Infrastructure Capital Project Review

Community	Funding Source and Expiry Date	Funding Value	Expenditure to Date	Remaining Funding (Forecast)	Work Completed	Tender History	Tender Value	Status
Boigu	W4Q - 30/06/2024	\$400,000.00	\$321,672.72	\$5,000	100%	Contract	\$294,236.10	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified, contract securities are still held by TSIRC. Residual funds reallocated.
Dauan	LGGSP - 30/09/2024	\$400,000.00	\$0	\$49,371.80	100%	Contract	\$322,773.20	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified, contract securities are still held by TSIRC.
Saibai	BOR -	\$1,006,600.00	\$890,607.66	\$115,992.34	100%			Install completed DRP completed Backup generator and transfer switch on site waiting for connection.

Community	Funding Source and Expiry Date	Funding Value	Expenditure to Date	Remaining Funding (Forecast)	Work Completed	Tender History	Tender Value	Status
Mabuiag	W4Q - 30/06/2024	\$400,000.00	\$315,379.64	\$9,000	100%	Contract	\$294,356.15	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified, contract securities are still held by TSIRC. Residual funds reallocated.
Badu	N/A	Transtanks			100%			Diesel and ULP for TSIRC use only Project complete. Defects are still being rectified. Contract securities are still held by TSIRC.
Arkai (Kubin)	N/A	Transtanks			100%			Diesel and ULP for TSIRC use only
Wug (St Pauls)	N/A	Transtanks						IBIS ULP, Diesel from bulk tank
Hammond	LGGSP 30/09/2024	\$400,000.00	\$161,642.86	TBC	Stage 1 solar 100%	Stage 2 Tender closed Contract awarded SHAS	\$145,000.00	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified. Contract securities are still held by TSIRC.
Iama	N/A	Transtanks - Diesel			100%			ULP External Card, trans tank for Diesel installed

Community	Funding Source and Expiry Date	Funding Value	Expenditure to Date	Remaining Funding (Forecast)	Work Completed	Tender History	Tender Value	Status
Warraber	N/A	Transtanks - Diesel			100%			ULP External Card, trans tank for Diesel installed
Poruma	LGGSP 30/09/2024	\$400,000.00	\$0	\$65,555.39	100%	Contract TICW	\$309,573.20	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified. Contract securities are still held by TSIRC.
Masig	N/A	Transtanks - Diesel						IBIS ULP, Diesel from bulk tank
Ugar	TSRA- 30/06/2023	\$572,718.00	\$89,974.16	\$482,743.84		Tender closed - 10/01/2023	\$890k - \$1.92m	Still on drums, Compac system approved, material ordered. Concept designs received. Installation date yet to be confirmed. Considerable cost escalations have been flagged with the funding body for additional grant funding.

Community	Funding Source and Expiry Date	Funding Value	Expenditure to Date	Remaining Funding (Forecast)	Work Completed	Tender History	Tender Value	Status
Erub	W4Q 30/06/2024	\$400,000.00	\$341,717.63	\$0	98%	Awarded – SHAS, October Install	\$294,236.10 \$480k-\$770k	Install completed DRP completed Backup generator and transfer switch on site waiting for connection. Defects are still being rectified, contract securities are still held by TSIRC. Residual funds reallocated.
Mer	Council Own	\$572,718.00	\$41,698.70	\$531,019.30		Awarded – SHAS, September Install		Still on drums, Compac system approved, material ordered. Contractor mobilising once equipment is on site. Ongoing barging delays due to Seaswift capacity problems. PBC and Town Planning completed.

Attachment 3– Recruitment, Safety, Learning and Development Report
RECRUITMENT

Transition Readiness Rating (TRR) Key:

TRR	Criteria
1	Certificate
2	Diploma
3	Bachelor
4	Post-Graduate/ Masters

Successful Appointments in December: Total [2]				
TRR	Position	Location	Status/Comments	Appointment Type
1	Healthy Lifestyle Officer	Division 5, Badu	Successful appointment – 8/12/2025	External
1	Casual Aged Care Worker	Division 15, Mer	Successful appointment – 1/12/2025	External

Long Term Vacancies Corporate Services	Time To Fill	Comments
Manager, Administration and Communications	Vacant since March 2025	Interviews held November. Awaiting advice re: outcome of interviews.
Manager, People and Wellbeing	Vacant since November 2025	Waiting advice on recruitment to role.
People and Wellbeing Officer	Vacant since November 2025	Waiting advice on recruitment to role.
Executive Director, Corporate Services	Vacant since November 2025	Waiting advice on recruitment to role. Currently filled by agency personnel. On hold.

Long Term Vacancies Financial Services	Time To Fill	Comments
Administration Officer, Assets	Vacant since September 2024	No further progress
Team Leader, Creditors	Vacant since June 2024	Internal staff member on higher duties.
1 x Finance Officer, Payroll	Vacant since December 2024	Temp Staff in the interim
Creditor's Officer	Vacant since December 2024	Temp Staff in the interim
Rates and Debt Recovery Officer	Vacant since October 2025	To be re-advertised January 2026 following unsuccessful campaign in December 2025.

Long Term Vacancies Building Services	Time To Fill	Comments
R & M Supervisor	Over 12 months	Temp Staff has now moved into Assets role. This position is now vacant.
Team Leader – BSU	Over 12 months	Temp Staff in the interim
Project Supervisor Operations x 2	Vacant since July 2024/25	Advertised. Closing date 12.12.25. Short-listing commenced in December 2025 but stalled due to

Long Term Vacancies Building Services	Time To Fill	Comments
		COI. Will recommence in January 2026 when all panel members are back from leave.

Long Term Vacancies – Manager Housing	Time To Fill	Comments
Housing Officer – Hammond	Over 12 months	No further progress

Long Term Vacancies – Community Services	Time To Fill	Comments
Aged Care Support Worker – St Paul's	Vacant since September 2024	Recruitment finalised. Recommendation stage. As at Dec. still waiting on Rec Memo. and further instructions from hiring manager.
Aged Care Support Worker – Hammond	Vacant since December 2024	Position re-advertised. Closing date: 21.11.25. All applications declined. Waiting on instructions from hiring manager.
Casual Aged Care Worker – Mabuiag	Vacant since September 2024	Position re-advertised, closing date 21.11.25. One international candidate and one suitable candidate who then withdrew application. Waiting on instructions from hiring manager.
Childcare – CSW – Mixed Age, Badu	Vacant since 2023	Recruitment process finalised. Recommendation stage. As at Dec. still waiting on Rec Memo. and further instructions from hiring manager.
Childcare Cook, Badu (casual)	Vacant since 2023	Position advertised. Closing date 24.09.25. Interviews held 28.10.25. Waiting on advice from hiring manager re: outcome.
Childcare – Cleaner/Yardsman, Badu	Vacant since February 2024	No further progress
Healthy Lifestyle Officer – Hammond	Vacant since September 2023	No further progress
Healthy Lifestyle Officer – Kubin	Over 12 months	Position advertised. Closing date 29.10.25. No applications received. No further progress.
Healthy Lifestyle Officer – Saibai	Over 12 months	No further progress
Divisional Manager – Ugar	Over 12 months	No further progress
MSAO Erub PT		Advertised November 2025. Interviews held. Successful candidate to commence 12.1.2025.
Aged Care Support Worker – Masig	Vacant since November 2024	No further progress
Aged Care Support Worker – Kubin	Vacant since 2022	No further progress

Long Term Vacancies – Engineering Services	Time To Fill	Comments
Project Engineer – Capital Works	Vacant since February 2024	No further progress. Lack of candidates due to salary and availability.

Graduate Engineer – Water & Wastewater	12 months	No further progress. Internal secondees has returned to substantive role. Recruitment to recommence once advised.
Casual Labourer – Civil Crew	12 months	No further progress
Engineering Officer – Ugar	Vacant since 2024	No further progress. Recruitment campaigns are not attracting applicants.

Engineering Services

ENGINEERING OPERATIONS

OFFICER RECOMMENDATION:

Council receives and notes this report.

EXECUTIVE SUMMARY:

Council's Engineering Services is committed to undertake and deliver a range of operational and maintenance activities which provide high quality engineering services, public facilities, and amenities, including but not limited to.

- Roads, drainage, and ancillary works.
- Parks, gardens, and reserves
- Water and Wastewater (Sewerage) operations/schemes
- Collection and treatment of solid waste
- Airport facilities
- Marine facilities
- Preparedness and Preparation for disaster events.

Interested Parties/Consultation:

Executive Director Engineering Services, Manager Engineering Operations, Manager Water & Wastewater, Manager Capital Works, Manager Fuel & Fleet, Divisional Engineering Officers

Background:

Division 1: Boigu

Operations

- Rectify minor issue on the creek mono pumps.
- Monsoon weather preparation and block off low areas in the community.
- Grass maintenance on Runway strip and gable markers.
- Maintain access road to Landfill and general maintenance inside the fenced area.
- Empty and clean sewer pump station baskets and hose.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held –
- Local Community Disaster Coordinator visit – No

Division 2: Dauan

Operations

- Contractor currently in progress on the Boat Ramp Remedial works.
- Monsoon weather preparing and trim off overhanging branches on the road.
- Grass maintenance around council assets complete.
- Rectify and monitor chlorine analyser.
- Housekeeping at landfill in progress.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 3: Saibai

Operations

- Backfill and temp works completed on a sinkhole on the culverts near the church.
- Repair minor chlorine issues with assistance from Tech Officer via phone.
- Attend to low areas and placed sandbags for the recent king tides.
- Maintaining aerodrome tree trimming on the flight path.
- Grass maintenance completed around council assets.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 4: Mabuiag

Operations

- Attend to few burst water mains in the community.
- Rectify minor sewer issues with assistance from Tech Officers.
- Maintenance works completed inside the landfill area (green, white and general waste).
- Grass maintained around the community with assistance from local business.
- Remove and trimmed overhanging trees across the road due to strong winds.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held –
- Local Community Disaster Coordinator visit – No

Division 5: Badu

Operations

- General maintenance and grass maintained around all council parks.
- Monitor and attend to RAAF exercise on the 5th of December.
- Water main flushing and testing completed through the community.
- General works around sewer pump stations and the ponds.
- Grass maintenance around aerodrome lights, gables and waiting shed.

Disaster Management

- Satellite Phone: Test not completed
- HF Radio: Test not completed
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 6: Kubin

Operations

- Aerodrome clearance works completed pending final inspection with contractor.
- Manual handling twice weekly garbage collections with trailer.
- Grass cutting on roadside in community completed.
- Monthly in-house water samples sent.
- Monthly sewer samples sent to Cairns.
- Grass cutting around community hall completed.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test not completed – Technical Issues
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 7: St Pauls

Operations

- Monthly sewer sample sent to Cairns
- Repair pothole in front of IBIS.
- Manual handling twice weekly garbage collections with trailer
- Community grass cutting completed.
- Cemetery clean up completed.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 8: Hammond

Operations

- Water samples sent to Cairns.
- Green and white goods waste collection completed.
- Clean waiting shed at jetty.
- Grass maintenance and housekeeping around council office.
- Clean up storm drains along waterfront.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 9: Iama

Operations

- White goods and green waste collection with trailer.
- Monthly sewer samples sent to Cairns.
- Grass cutting around apron area at aerodrome.
- Cemetery clean up completed.
- Grass cutting outside fence of sewer pump stations.
- Assisting BSU with installing 2 new solar overhead apron lights at aerodrome.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 10: Warraber

Operations

- Grass cutting around water lagoons and reservoir.
- Grass cutting inside and outside landfill fence line.
- Cleaning the drying beds at sewer treatment plant.
- Cut and remove two trees near airport fence.
- Grass cutting on side of roads in community.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 11: Poruma

Operations

- Sewer yard maintenance completed.
- ARO grass maintenance fenceline and helipad completed.
- Community cleanup completed.
- Main community centre area cleanup and housekeeping completed.
- Water and sewer sample sent.

Disaster Management

- Satellite Phone: Test not completed – Technical Issues
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 12: Masig

Operations

- Yard maintenance completed around water office/plant compound area.
- Sewer block fixed bottom of Johnson screen
- Grass cutting throughout community completed.
- Grass cutting around waiting shed and garden areas at aerodrome.
- White goods and green waste collection completed.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 13: Ugar

Operations

- Landfill maintenance completed, inside and outside.
- Helipad grass cutting completed.
- Community grass cutting and housekeeping completed.
- Cemetery cleanup and prep for upcoming funeral.
- Support workers (Joseph Blanco and Aken Baragud) been on ground for two weeks to provide assistance at Ugar in preparation for upcoming funeral.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 14: Erub

Operations

- Mogor water pump maintenance completed.
- Community grass cutting completed.
- Windsock replacement installed.
- Identifying and fix water leaks.
- Sewer pump station grass maintenance completed.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test not completed – Technical issues
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

Division 15: Mer

Operations

- White goods run throughout community completed.
- Lagoon grass cutting started, still in progress.
- Aerodrome toilet tank maintenance completed.
- Community roadside grass cutting completed.
- Desal raw water pump maintenance completed.

Disaster Management

- Satellite Phone: Test completed and Operational.
- HF Radio: Test completed and Operational.
- Community Disaster Meeting Held – No
- Local Community Disaster Coordinator visit – No

COMPLIANCE / CONSIDERATIONS:

Statutory:	Local Government Act 2009, Disaster Management Act 2003
Budgetary:	Operating Costs as per approved Budget.
Policy:	
Legal:	
Risk:	Our communities are safe, healthy, and active.
Links to Strategic Plans:	Corporate/Operational Plan TSIRC Community Plan (2009-2029)
Masig Statement:	
Standing Committee Consultation:	NIL
Timelines:	

Other Comments:

- All king tide preparations and pre-cyclone activities were completed prior to the December 2025 shutdown; however, these activities continued into the new year due to ongoing severe weather events.
- Severe weather warning updates were consistently issued to all LDMG and TSLDMG members during these events, including throughout the formation of Cyclone Koji.
- Attendance was maintained at all District Disaster Management Group meetings, where regular updates were provided on Council-affected communities.

**Authored:**

Amanda Pearce
Acting Manager, Engineering Services

**Recommended:**

Adeah Kabai
Head of Engineering

**Endorsed:**

David Baldwin
Executive Director, Engineering Services

**Approved:**

James William
Chief Executive Officer

Action Officer Contact Details: Amanda Pear
Acting Manager Engineering Operations.
0438 938 808
amanda.pearce@tsirc.qld.gov.au

ATTACHMENTS:

Attachment 1 – SATPHONE Serviceability Checks
Attachment 2 – HF Radio Serviceability Checks

SAT PHONE SERVICEABILITY CHECK													
		2025			2026								
Island Community	SAT Phone Number	October	November	December	January	February	March	April	May	June	July	August	September
Boigu	0147 181 217	✓	✓	✓	✓								
Dauan	0147 181 228	✓	✓	✓	✓								
Saibai	0147 169 314	✓	✓	✓	✓								
Mabuiag	0147 169 325	✓	✓	✓	✓								
Badu	0147 181 778	X	✓	✓	X								
Kubin	0147 181 178	✓	U/S	✓	✓								
ST Paul's	0147 169 653	✓	✓	✓	✓								
Hammond	0147 181 490	✓	U/S	✓	✓								
Iama	0147 181 295	✓	✓	✓	✓								
Warraber	0147 168 409	✓	✓	✓	✓								
Poruma	0147 180 275	✓	✓	✓	✓								
Masig	0147 181 972	✓	✓	✓	✓								
Ugar	0147 167 527	✓	U/S	✓	✓								
Erub	0147 168 918	✓	U/S	U/S	✓								
Mer	0147 168 220	✓	✓	✓	✓								
TI Office	0147 168 689	✓	✓	✓	X								
TI Engineering	0147 183 853	✓	✓	✓	X								
Cairns	0147 186 884	✓	✓	✓	X								

HF RADIO SERVICEABILITY CHECK												
	2025			2026								
Island Community	October	November	December	January	February	March	April	May	June	July	August	September
Boigu	✓	✓	✓	✓								
Dauan	✓	✓	✓	✓								
Saibai	✓	✓	✓	✓								
Mabuiag	✓	✓	✓	✓								
Badu	✓	✓	✓	X								
Kubin	✓	U/S	✓	✓								
ST Paul's	✓	✓	✓	✓								
Hammond	✓	U/S	U/S	✓								
Iama	✓	✓	✓	✓								
Warraber	✓	✓	✓	✓								
Poruma	✓	✓	✓	✓								
Masig	✓	✓	✓	✓								
Ugar	✓	U/S	U/S	✓								
Erub	✓	U/S	U/S	U/S								
Mer	✓	U/S	✓	✓								

✓	Indicates successful test
✓	Indicates test undertaken - no connection.
U/S	Indicated Equipment Issue
X	Indicates test was not completed
NA	Not HF Radio Available



ENGINEERING SERVICES – WATER AND WASTEWATER

OFFICER RECOMMENDATION:

Council receives and notes this report.

EXECUTIVE SUMMARY:

To provide Council with a status update of the water and wastewater scheme operations. This report contains additional details for communities with water security concerns.

Background:

Council is committed to undertake and deliver a range of maintenance, operations and planning activities associated with Council's water and wastewater schemes. This includes but is not limited to:

- Maintaining an adequate and safe potable water supply for the communities, which meets Australian Drinking Water Guidelines and regulatory requirements.
- Effective operation of the water treatment plants, water storage lagoons, reservoirs, water reticulation and associated plant and equipment.
- Effective operation of the wastewater treatment plant, pumping stations, sewerage reticulation and associated plant and equipment.
- Promoting the importance of water conservation to the community and promoting the importance of clean, safe water supply as an essential aspect of community wellbeing.
- Planning for and seeking future funding to ensure the security and reliability of water and wastewater services.
- Undertaking effective preventative and emergency repairs as required to ensure system reliability for both water and wastewater operations.

Officer Comments:

In addition to the attached monthly Water & Wastewater Report, additional information has been attached for communities where water security is being closely monitored due to current and forecasted lagoon levels, high usage and network leaks. Also included are communities where there are regular movements between the Torres Strait Islands and Papua New Guinea under the coastal treaty.

Interested Parties/Consultation:

- Engineering Staff
- Councillors as appropriate
- Regulators
- Funders

COMPLIANCE / CONSIDERATIONS:

Statutory:	<ul style="list-style-type: none">• Water Supply (Safety and Reliability) Act 2008• Public Health Act 2005• Environmental Protection Act 1994
Budgetary:	If an asset is being proposed (expenditure >\$10,000) whether there are capital funds available. For Operating costs - If resources are required to be spent whether the operating funds are available.

Risk:	Detail risk management process planned to be undertaken, key identified risks and how these risks are proposed to be managed. Include financial risk, technical risk, reputational risk, legal risk, participation, and completion risk and or political risk.
Links to Strategic Plans:	Corporate Plan 2025-2030: 2.1 Provide safe and reliable drinking water Operational Plan: Objective No. 47 Sustainable Water and Wastewater Management Project.

Other Comments:

Please refer to the Monthly Water and Wastewater Report attached for December 2025.

Author:



Cale Murphy
Senior Water and Wastewater Engineer

Recommended:



Emma Evans
Manager Water and Environmental Engineering

Endorsed:



David Baldwin
Executive Director Engineering Services

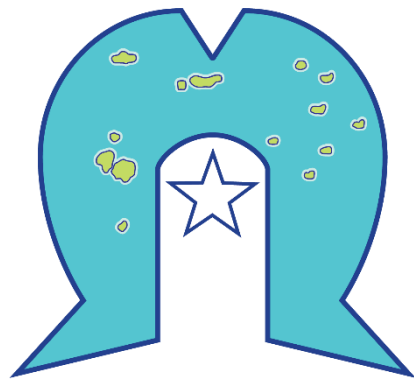
Approved:



James William
Chief Executive Officer

ATTACHMENTS:

- Monthly Water & Wastewater Report



Torres Strait Island
REGIONAL COUNCIL

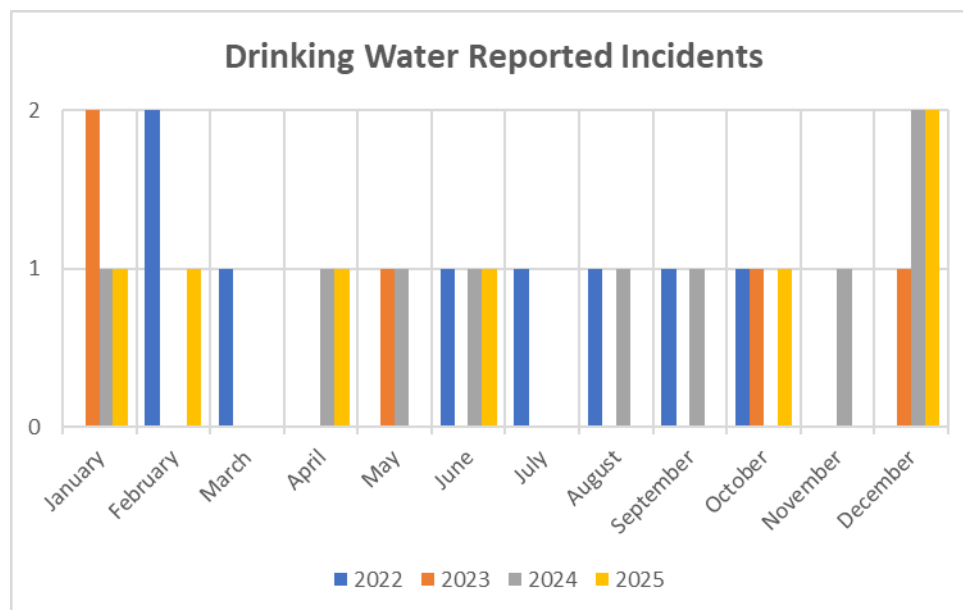
Engineering Services

MONTHLY WATER & WASTEWATER REPORT

December 2025

Author	Reviewer	Revision	Date
Cale Murphy	Emma Evans		16/01/26

STATUS OF WATER ALERTS



Kubin

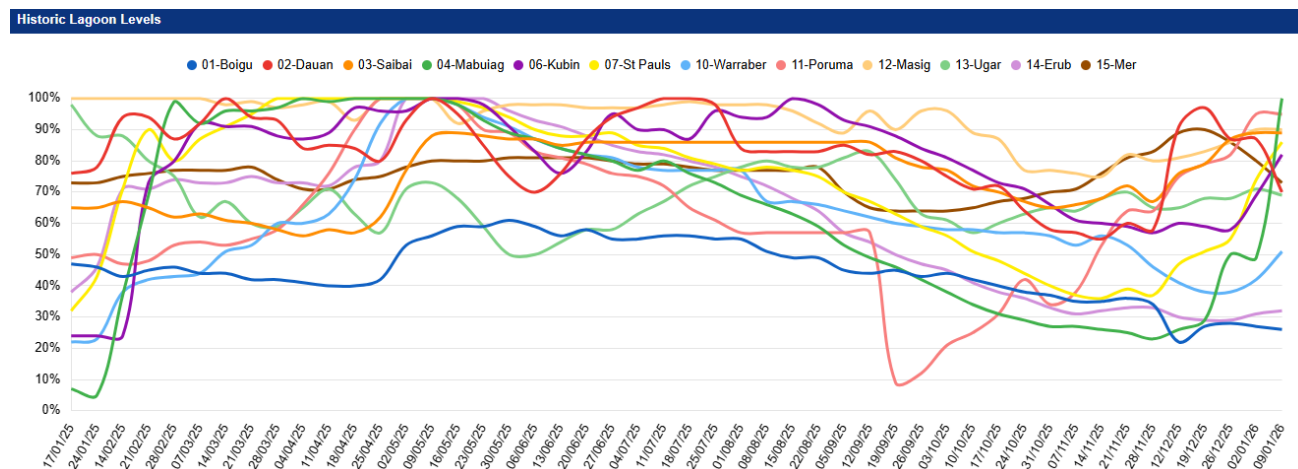
A Boil Water Alert was issued on 22nd December 2025, due to equipment failure not allowing continuous dosing of chlorine. This BWA will be lifted on the successful completion of In-house E. coli testing and Cairns NATA Laboratory E. coli testing.

St Pauls

A Boil Water Alert was issued on 31st December 2025, due to a power outage causing the chlorine level to drop below a safe level. This BWA will be lifted on the successful completion of In-house E. coli testing and Cairns NATA Laboratory E. coli testing.

WATER SECURITY UPDATE

Water restrictions have been implemented in several communities to safeguard the water supply. This measure along with recent rainfall on some islands has resulted in a positive impact on water storage in each community, as depicted in the graph below:



Water security information as of Friday 16th January 2026 is summarised below.

Community	Water remaining	Primary Issue	Work being done to address security
01 – Boigu	6+ months' supply	Network/property leaks and high groundwater table	Level 4 Water Restrictions – Water available between 07:00-08:30, 12:00-13:00, and 16:00-19:30 only. Repairs to be done on the desalination units to improve lagoon levels.
02 – Dauan	6+ months' supply	Network leak	Level 2 Water Restrictions – No outdoor use.
03 – Saibai	6+ months' supply	Network/property leaks	Level 3 Water Restrictions – Overnight Flow Reduction and no outdoor use.
04 – Mabuiag	6+ months' supply	Network/property leaks Repairs to 70kL emergency desal	Level 3 Water Restrictions – Overnight Flow Reduction and no outdoor use.
05 – Badu	Groundwater source (assume 6+ months' supply)	High consumption, Network/property leaks	Level 3 Water Restrictions – Overnight Flow Reduction and no outdoor use.
06 – Kubin	6+ months' supply	Network/property leaks	Level 3 Water Restrictions – Overnight Flow Reduction and no outdoor use.
07 – St Pauls	6+ months' supply	Network/property leaks	Level 3 Water Restrictions – Water available between 07:00-21:00 only.
08 – Hammond	Chlorinated water supplied from TI	Network/property leaks	Level 2 Water Restrictions Outdoor use restricted to Saturday & Sunday 08:00-09:00 and 17:00-18:00
09 – Iama	Solely reliant on desalinated water	Network/property leaks	Level 4 Water Restrictions – Water available between 07:00-08:30, 12:00-13:00, and 16:00-19:30 only. Leaks investigations.
10 – Warraber	6+ months' supply	Network/property leaks	Level 3 Water Restrictions – Overnight Flow Reduction and no outdoor use.
11 – Poruma	6+ months' supply	Network/property leaks	Level 2 Water Restrictions – No outdoor use.
12 – Masig	6+ months' supply	Network/property leaks	Level 2 Water Restrictions – No outdoor use.

Community	Water remaining	Primary Issue	Work being done to address security
13 – Ugar	6+ months' supply	Network/property leaks	Level 2 Water Restrictions – No outdoor use.
14 – Erub	6+ months' supply	Network/property leaks	Level 3 Water Restrictions – Water available between 07:00-21:00 only.
15 – Mer	3+ months' supply	Network/property leaks	Level 4 Water Restrictions – Water available between 07:00-08:30, 12:00-13:00, and 16:00-19:30 only. The raw water pumps are in the process of being replaced.

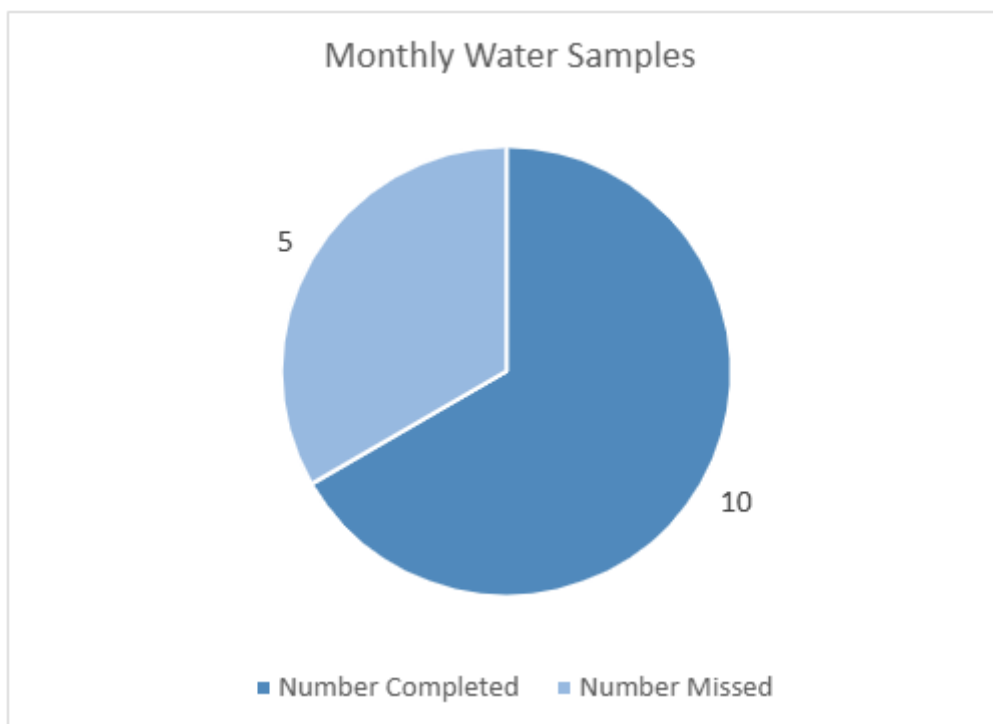
Note: Months of water remaining are calculated on the previous 4 weeks of consumption and production data, and does not include potential rainfall. The months of remaining water can change very quickly if a desalination plant is offline for an extended period of time.

WASTEWATER STATUS

#	Island	Comments
1	Boigu Island	• Normal operation. Repairs required.
2	Dauan Island	• No Sewage Treatment Plant
3	Saibai Island	• Normal operation. Repairs required.
4	Mabuiag Island	• Not operational. Repairs/full upgrade required.
5	Badu Island	• Normal operation.
6	Kubin Community	• Normal operation.
7	St Pauls Community	• Normal operation.
8	Hammond Island	• No Sewage Treatment Plant
9	Iama Island	• Normal operation. Repairs/full upgrade required.
10	Warraber Island	• Normal operation. Repairs required.
11	Poruma Island	• Not operational. Repairs/full upgrade required.
12	Masig Island	• Normal operation. Repairs required.
13	Ugar Island	• No Sewage Treatment Plant
14	Erub Island	• Normal operation.
15	Mer Island	• Normal operation. Repairs required.

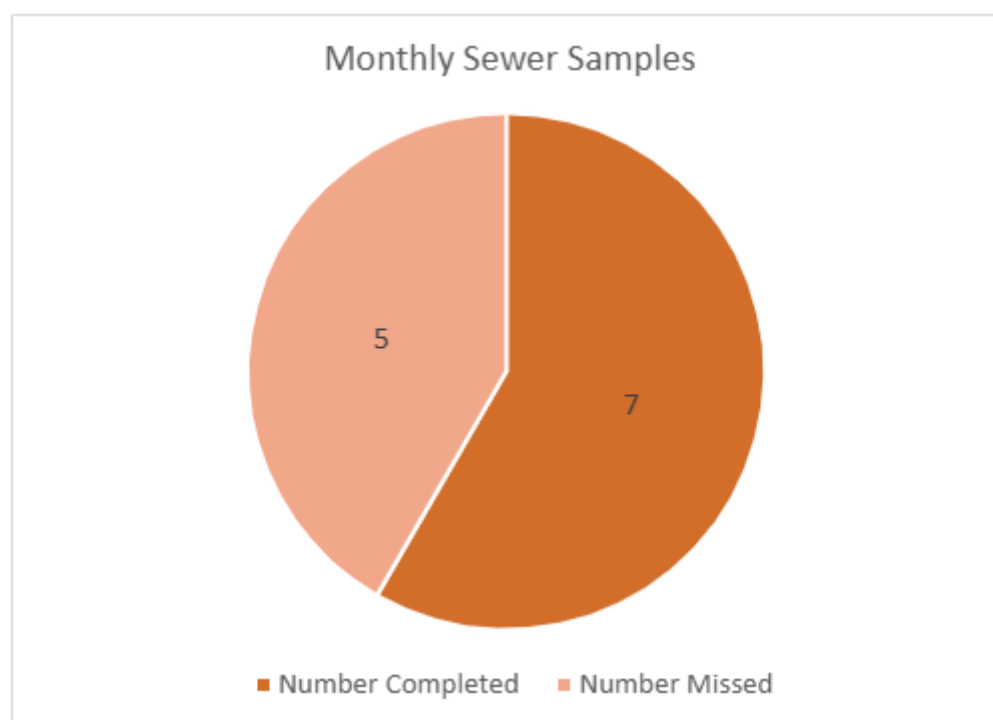
WATER AND WASTEWATER SAMPLING

Water



Monthly Water E Coli samples from 10 communities were completed and all passed.

Sewer



Monthly wastewater samples for December were collected and analysed in the Cairns NATA laboratory from 7 communities and samples from 5 communities missed or still unconfirmed as sampled as of 16 January 2026.