

**MINUTES OF THE SPECIAL COUNCIL MEETING OF THE DOUGLAS SHIRE COUNCIL
HELD AT THE DOUGLAS SHIRE COUNCIL CHAMBERS, 64-66 FRONT STREET,
MOSSMAN ON TUESDAY, 21 OCTOBER 2014 COMMENCING AT 3.00 PM**

PRESENT

Cr Julia Leu, Cr Abigail Noli, Cr David Carey, Cr Bruce Clarke, Cr Terry Melchert, Linda Cardew (Chief Executive Officer), Darryl Crees (General Manager Corporate Services), Paul Hoye (General Manager Operations), John Rehn (Manager Finance & IT), Donna Graham (Manager Development and Environment), Jenny Elphinstone (Senior Planning Officer), Rebecca Assman (Manager Governance), and Nicole Barton (Mayor and Councillor Support Officer)

ACKNOWLEDGEMENT OF COUNTRY

Cr Leu acknowledged the Kuku Yalanji people who are the Traditional Custodians of the Land and paid respect to their Elders both past and present and extended that respect to other Indigenous Australians present.

MINUTE SILENCE

One minute of silence was observed as a mark of respect for the passing of former Prime Minister of Australia, Gough Whitlam.

CONFLICT OF INTEREST/MATERIAL PERSONAL INTEREST

Cr Melchert declared a Material Personal Interest (as per Section 173 of the *Local Government Act 2009*) in Closed Session Item 4.1 Prejudicial Matter Port Douglas Waterfront due to his association with Marano Enterprises Pty Ltd, MFS Bale Resorts, and other lessees in the Marina area and stated that it is his intention to withdraw from the meeting when the matter is being discussed.

3.1 IMPLEMENTATION OF WATER RESTRICTIONS

Paul Hoye General Manager Operations

Moved Cr Melchert

Seconded Cr Carey

That Council resolves to:-

1. *immediately implement Level 1 Water Restrictions as detailed in Schedule 1 of this report across all water supply schemes in the Douglas Shire in accordance with sections 41 and 43 of the Water Supply (Safety and Reliability) Act 2008 ("the Act"); and*
2. *delegate to the Mayor and Chief Executive Officer (CEO) the authority to implement, if required, Level 2 Water Restrictions as described in Schedule 1 of this report in accordance with sections 41 and 43 of the Act; and*
3. *delegate to the Mayor and CEO the power under section 41(1)(b) of the Act to restrict the volume of water taken by or supplied to a customer or type of customer in accordance with sections 41 and 43 of the Act; and*
4. *delegate to the Chief Executive Officer the power under section 45 of the Act, to appoint Authorised Persons.*

Carried unanimously.

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**3.2 RECONFIGURING A LOT (1 LOT INTO 2 LOTS & BALANCE LOT) –
CODE ASSESSMENT – 905L COOYA BEACH ROAD, BONNIE DOON**

Neil Beck: ROL 382/2014 SEDA: 427577

Moved Cr Carey

Seconded Cr Clarke

- A That Council approves the request for Reconfiguring a Lot over land described as Part of Lot 905 on SP264287 being proposed Lot 4 on Draft SP270331 located at Bayil Drive, Bonnie Doon, subject to the following:**

APPROVED DRAWING(S) AND / OR DOCUMENT(S)

The term 'approved drawing(s) and / or document(s)' or other similar expressions means:

Drawing or Document	Reference	Date
ROL Plan	As submitted with the Development Application	29 July 2014

ASSESSMENT MANAGER CONDITIONS

1. Carry out the approved development generally in accordance with the approved drawing(s) and/or document(s) and in accordance with:
 - a. The specifications, facts and circumstances as set out in the application submitted to Council;
 - b. The following conditions of approval and the requirements of Council's Planning Scheme and the FNQROC Development Manual.

Except where modified by these conditions of approval.

Timing of Effect

2. The conditions of the Development Permit must be effected prior to issue of a Compliance Certificate for the Plan of Survey, except where specified otherwise in these conditions of approval.

Future Houses

3. The Houses to be constructed on Lot 4A and 4B must be contained within the approved Building Envelopes for each allotment as detailed on the Approved Plan contained at Appendix 2.

The applicant / owner must also ensure that the endorsed building envelope plans are made known to all prospective purchasers of the lots.

Water Supply and Sewerage Works Internal

4. Undertake the following water supply and sewerage works internal to the subject land:
 - a. Extend the water main to locate on the eastern side of Bayil Drive to enable a water connection to each lot in accordance with the FNQROC Development Manual;

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- b. *Extend the sewer main and provide a connection to proposed Lot 4B in accordance with the FNQROC Development Manual. The new sewer must maintain a minimum setback of 1.5 metres from the approved Building Envelope for Lot 4A.*

All the above works must be designed and constructed in accordance with the FNQROC Development Manual.

All works must be carried out in accordance with the approved plans, to the requirements and satisfaction of the Chief Executive Officer prior to the issue of a Compliance Certificate for the Plan of Survey.

Damage to Infrastructure

5. *In the event that any part of Council's existing sewer/water infrastructure is damaged as a result of construction activities occurring on the site, including but not limited to, mobilisation of heavy earthmoving equipment, stripping and grubbing, the applicant/owner must notify Water & Waste immediately of the affected infrastructure and have it repaired or replaced by Council, at the developer's cost, prior to the issue of a Compliance Certificate for the Plan of Survey.*

External Works

6. *Undertake the following works external to the subject land at no cost to Council:*
 - a. *Provision of concrete crossovers and aprons to Proposed Lots 4A & 4B in accordance with FNQROC Development Manual Standard Drawing 1015;*

All works must be carried out prior to the issue of a Compliance Certificate for the Plan of Survey.

Lawful Point of Discharge

7. *The applicants/owners must ensure that the flow of all external stormwater from the property is directed to a lawful point of discharge such that it does not adversely affect surrounding properties or properties downstream from the development, all to the requirements and satisfaction of the Chief Executive Officer.*

Electricity and Telecommunications

8. *The applicants/owners must provide written evidence of negotiations with electricity and telecommunications authorities stating that services are/will be provided to the development. Such evidence must be provided prior to the issue of a Compliance Certificate for the Plan of Survey.*

FURTHER ADVICE

1. *This approval, granted under the provisions of the Sustainable Planning Act 2009, shall lapse two (2) years from the day the approval takes effect in accordance with the provisions of section 339 and section 341 of the Sustainable Planning Act 2009.*

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2. *All building site managers must take all action necessary to ensure building materials and / or machinery on construction sites are secured immediately following the first cyclone watch and that relevant emergency telephone contacts are provided to Council officers, prior to commencement of works.*
3. *This approval does not negate the requirement for compliance with all other relevant Local Laws and other statutory requirements.*

Infrastructure Charges Notice

4. *A charge levied for the supply of trunk infrastructure is payable to Council towards the provision of trunk infrastructure in accordance with the Adopted Infrastructure Charges Notice, a copy of which is attached for reference purposes only. The original Adopted Infrastructure Charges Notice will be provided under cover of a separate letter.*

The amount in the Adopted Infrastructure Charges Notice has been calculated according to Council's Adopted Infrastructure Charges Resolution.

Please note that this Decision Notice and the Adopted Infrastructure Charges Notice are stand-alone documents. The Sustainable Planning Act 2009 confers rights to make representations and appeal in relation to a Decision Notice and an Adopted Infrastructure Charges Notice separately.

The amount in the Adopted Infrastructure Charges Notice is subject to index adjustments and may be different at the time of payment. Please contact the Development and Environment Branch at Council for review of the charge amount prior to payment.

The time when payment is due is contained in the Adopted Infrastructure Charges Notice.

5. *For information relating to the Sustainable Planning Act 2009 log on to www.dsdp.qld.gov.au. To access the FNQROC Development Manual, Local Laws and other applicable Policies log on to www.douglas.qld.gov.au.*

B That the following notation be placed on the property file for Proposed Lots 4A & 4B:

Building Envelope

1. *The future House must be sited within the building envelope as detailed on the Building Envelope Plan held by Council (Council document reference 429137). The land use definition of House includes car accommodation and outbuildings. A copy of the Building Envelope Plan is available from Council's planning department.*

Carried unanimously.

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**3.3 RECONFIGURING A LOT (1 LOT INTO 2 LOTS & BALANCE LOT) –
CODE ASSESSMENT – 905L COOYA BEACH ROAD, BONNIE DOON**

Neil Beck: ROL 385/2014 SEDA: 427603

Moved Cr Melchert

Seconded Cr Noli

- A. *That Council approves the request for Reconfiguring a Lot over land described as Part of Lot 905 on SP264287 being proposed Lot 144 on Draft SP270331, located at Bayil Drive, Bonnie Doon, subject to the following:*

APPROVED DRAWING(S) AND / OR DOCUMENT(S)

The term 'approved drawing(s) and / or document(s)' or other similar expressions means:

<i>Drawing or Document</i>	<i>Reference</i>	<i>Date</i>
<i>ROL Plan</i>	<i>As submitted with the Development Application</i>	<i>29 July 2014</i>

ASSESSMENT MANAGER CONDITIONS

1. *Carry out the approved development generally in accordance with the approved drawing(s) and/or document(s) and in accordance with:*
 - a. *The specifications, facts and circumstances as set out in the application submitted to Council;*
 - b. *The following conditions of approval and the requirements of Council's Planning Scheme and the FNQROC Development Manual.*

Except where modified by these conditions of approval.

Timing of Effect

2. *The conditions of the Development Permit must be effected prior to issue of a Compliance Certificate for the Plan of Survey, except where specified otherwise in these conditions of approval.*

Future Houses

3. *The Houses to be constructed on Lot 144A and 144B must be contained within the approved Building Envelopes for each allotment as detailed on the Approved Plan contained at Appendix 2.*

The applicant / owner must also ensure that the endorsed building envelope plans are made known to all prospective purchasers of the lots.

Water Supply and Sewerage Works Internal

4. *Undertake the following water supply and sewerage works internal to the subject land:*

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- a. *Extend the sewer main and provide a connection to proposed Lot 144B in accordance with the FNQROC Development Manual. The new sewer must maintain a minimum setback of 1.5 metres from the approved Building Envelope for Lot 144A.*

All the above works must be designed and constructed in accordance with the FNQROC Development Manual.

All works must be carried out in accordance with the approved plans, to the requirements and satisfaction of the Chief Executive Officer prior to the issue of a Compliance Certificate for the Plan of Survey.

Damage to Infrastructure

5. *In the event that any part of Council's existing sewer/water infrastructure is damaged as a result of construction activities occurring on the site, including but not limited to, mobilisation of heavy earthmoving equipment, stripping and grubbing, the applicant/owner must notify Water & Waste immediately of the affected infrastructure and have it repaired or replaced by Council, at the developer's cost, prior to the issue of a Compliance Certificate for the Plan of Survey.*

External Works

6. *Undertake the following works external to the subject land at no cost to Council:*
 - a. *Provision of concrete crossovers and aprons to Proposed Lots 144A & 144B in accordance with FNQROC Development Manual Standard Drawing 1015;*

All works must be carried out prior to the issue of a Compliance Certificate for the Plan of Survey.

Lawful Point of Discharge

7. *The applicants/owners must ensure that the flow of all external stormwater from the property is directed to a lawful point of discharge such that it does not adversely affect surrounding properties or properties downstream from the development, all to the requirements and satisfaction of the Chief Executive Officer.*

Electricity and Telecommunications

8. *The applicants/owners must provide written evidence of negotiations with electricity and telecommunications authorities stating that services are/will be provided to the development. Such evidence must be provided prior to the issue of a Compliance Certificate for the Plan of Survey.*

FURTHER ADVICE

1. *This approval, granted under the provisions of the Sustainable Planning Act 2009, shall lapse two (2) years from the day the approval takes effect in accordance with the provisions of section 339 and section 341 of the Sustainable Planning Act 2009.*

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2. *All building site managers must take all action necessary to ensure building materials and / or machinery on construction sites are secured immediately following the first cyclone watch and that relevant emergency telephone contacts are provided to Council officers, prior to commencement of works.*
3. *This approval does not negate the requirement for compliance with all other relevant Local Laws and other statutory requirements.*

Infrastructure Charges Notice

4. *A charge levied for the supply of trunk infrastructure is payable to Council towards the provision of trunk infrastructure in accordance with the Adopted Infrastructure Charges Notice, a copy of which is attached for reference purposes only. The original Adopted Infrastructure Charges Notice will be provided under cover of a separate letter.*

The amount in the Adopted Infrastructure Charges Notice has been calculated according to Council's Adopted Infrastructure Charges Resolution.

Please note that this Decision Notice and the Adopted Infrastructure Charges Notice are stand-alone documents. The Sustainable Planning Act 2009 confers rights to make representations and appeal in relation to a Decision Notice and an Adopted Infrastructure Charges Notice separately.

The amount in the Adopted Infrastructure Charges Notice is subject to index adjustments and may be different at the time of payment. Please contact the Development and Environment Branch at Council for review of the charge amount prior to payment.

The time when payment is due is contained in the Adopted Infrastructure Charges Notice.

5. *For information relating to the Sustainable Planning Act 2009 log on to www.dsdip.qld.gov.au. To access the FNQROC Development Manual, Local Laws and other applicable Policies log on to www.douglas.qld.gov.au.*

B. That the following notation be placed on the property file for Proposed Lots 144A & 144B:

Building Envelope

1. *The future House must be sited within the building envelope as detailed on the Building Envelope Plan held by Council (Council document reference 429138). The land use definition of House includes car accommodation and outbuildings. A copy of the Building Envelope Plan is available from Council's planning department.*

Carried unanimously.

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3.4 GREAT BARRIER REEF 2050 LONG – TERM SUSTAINABILITY PLAN

Jenny Elphinstone Senior Planning Officer (D#431555)

Moved Cr Noli

Seconded Cr Clarke

- A. *That Council makes a submission to the Department of Environment regarding the Draft for Comment Reef 2050 Long-Term Sustainability Plan ("Plan") raising the following issues:*
1. *The Shire's coastline abuts the Great Barrier Reef and the Shire's lands form the Reef's catchment. Douglas Shire's Planning Scheme acknowledges the meeting of the two World Heritage Areas and need for balanced development respective of these internationally recognised attributes. The proposed Plan sets a strategic path for future development, inherently the conservation of the reef for future generations and the guidelines for use by current generations who are the custodians of this environment. The Plan should recognise the relationship of the Wet Tropics World Heritage Area with the Great Barrier Reef in the higher level components of the Plan, not just as a mention under Appendix C, Coastal Zone Program Commitments, "the Queensland Government will continue to support programs that improve the Outstanding Universal Value of the Wet Tropics World Heritage Area."*
 2. *There should be an inclusion of a requirement for the Queensland Government and Local Governments to support the Great Barrier Reef in the development of local planning schemes.*
 3. *Council acknowledges its membership of the FNQROC and supports FNQROC in making a submission.*
- B. *That consultation surrounding Douglas Shire's future Planning Scheme should include a consideration of the appropriate recognition of the Plan.*
- C. *That Douglas Shire Council notes that the Reef Plan 2050 is an overarching framework for protecting and managing the Great Barrier Reef for the next 35 years and Council looks forward to being involved in the development of a Regional Implementation Plan including Douglas."*

Cr Carey proposed an amendment to the motion to include the following additional point (4):-

4. **Council express concern that the draft plan specifically does not address human induced climate change and that as a Council we consider that climate change is by far the most significant threat to the future health of the Great Barrier Reef represented by rising ocean temperatures, ocean acidification and rising sea levels. Further that all levels of government need to take pro-active actions to reduce the impacts of man-made climate change through reduction in greenhouse gas emissions and the implementation of realistic and effective renewable energy targets.**

The seconder declined the proposed amendment.

The original motion was put to the vote.

For:- Crs Clarke and Melchert

Against:- Crs Leu, Noli and Carey.

Lost.

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Moved Cr Carey

Seconded Cr Leu

"That the original recommendation be adopted and include the following point (4):-

4. *Council express concern that the draft plan specifically does not address climate change and that as a Council we consider that climate change is a significant threat to the future health of the Great Barrier Reef represented by rising ocean temperatures, ocean acidification and rising sea levels. Further that all levels of government need to take pro-active actions to reduce the impacts of climate change through reduction in greenhouse gas emissions and the implementation of realistic and effective renewable energy targets."*

For:- Crs Leu, Carey, Noli and Melchert

Against:- Cr Clarke

Carried.

WITHDRAWAL COUNCIL OFFICERS

The Manager Planning and Environment and the Senior Planning Officer withdrew from the meeting at 3.35pm.

3.5 AMENDMENT TO COMMENCEMENT TIME OF ORDINARY COUNCIL MEETING 4 NOVEMBER 2014

Darryl Crees: General Manager Corporate Services #430783

Moved Cr Carey

Seconded Cr Melchert

"That Council amends the commencement time of the Ordinary Council Meeting for 4 November 2014 to 9:00am."

Carried unanimously.

3.6 MAYOR'S CHRISTMAS APPEAL – TAX DEDUCTIBLE DONATIONS

Joanne Nicholson: Team Leader Accounting (#427434)

Darryl Crees: General Manager Corporate Services

Moved Cr Melchert

Moved Cr Clarke

"That Council:

1. *approves establishment of the Mayor's Christmas Appeal, constitution, bank account and completion of relevant Australian Taxation Office forms for tax deductibility;*
2. *delegates authority to the Mayor and Chief Executive Officer in accordance with the Local Government Act 2009 to finalise any minor amendments in relation to administering the Mayor's Christmas Appeal."*

Carried unanimously.

3.7 SUBMISSION TO PRODUCTIVITY COMMISSION – NATURAL DISASTER FUNDING ARRANGEMENTS

Linda Cardew: Chief Executive Officer

Moved Cr Melchert

Seconded Cr Carey

“That Council resolves to:

- 1. Issue the attached submission (Attachment A) from Douglas Shire Council to the Productivity Commission’s Inquiry into Natural Disaster Funding Arrangements.*
- 2. Endorse the attendance by the Mayor and the Chief Executive Officer at the Productivity Commission’s Hearing in Townsville on 30 October 2014, to present the issues detailed in the submission.”*

Carried unanimously.

3.8 FINANCIAL REPORT FOR PERIOD ENDING 30 SEPTEMBER 2014

Darryl Crees – General Manager Corporate Services

Moved Cr Noli

Seconded Cr Carey

“That Council notes the Financial Report for the period ended 30 September 2014.”

Carried unanimously.

3.9 FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2014 TO 30 JUNE 2014

Darryl Crees – General Manager Corporate Services

Moved Cr Carey

Seconded Cr Melchert

“That Council adopts the Financial Statements for the period 1 January 2014 to 30 June 2014 and that the Mayor and Chief Executive Officer be authorised to execute the Management Certificate and Financial Sustainability Statements accordingly. Further, the Chief Executive Officer, the General Manager Corporate Services, the Manager Finance & IT and the Finance Team be formally congratulated on the production of the Financial Statements for the period 1 January 2014 to 30 June 2014.”

Carried unanimously.

4. CLOSED SESSION

Moved Cr Noli

Seconded Cr Clarke

“That Council resolves to move into Closed Session to discuss the following matter:

- Port Douglas Waterfront Leases – Request by Department of Natural Resources and Mines for Council Comment*

Carried unanimously.

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WITHDRAWAL – CR MELCHERT

Cr Melchert declared a Material Personal Interest in Item 4.1 and withdrew from the meeting at 3.55pm

The Manager of Finance & IT withdrew from the meeting at 3.55pm.

OUT OF CLOSED SESSION

Moved Cr Clarke

Seconded Cr Noli

“That Council resolves to move out of Closed Session.”

Carried unanimously

4.1 PORT DOUGLAS WATERFRONT LEASES - REQUEST BY DEPARTMENT OF NATURAL RESOURCES AND MINES FOR COUNCIL COMMENT

Robyn Spiller #431105:

Darryl Crees, General Manager Corporate Services

Moved Cr Carey

Seconded Cr Clarke

“That Council resolve:-

1. *In response to the letter received from Department of Natural Resources and Mines dated 25 August 2014 seeking Council views and requirements:*

a. *Not to object to the applications/proposal to convert part of Special Lease 50240 over Lot 146 on SR861 to freehold and part to a term lease subject to:*

- (i) the purchaser of the freehold being the lessee of the current term lease;*
- (ii) the purpose of the term lease remains coastal-dependent development (e.g. port or marina);*
- (iii) public access to the foreshore is maintained.*

b. *To object to the applications/proposal:*

- (i) to surrender part of Special Lease 50240 over Lot 146 on SR861 for amalgamation with other land to be sold;*
- (ii) to convert part of Special Lease 47104 over Lot 103 on SR500 to freehold to be sold;*
- (iii) to offer a term lease over part of Special Lease 47104 over Lot 103 on SR500 for the purpose of Commercial;*
- (iv) to revoke part of Reserve 17616 over Lot 126 on SR868(R176) for the purpose of Local Government, sub-purpose Port and Harbour and remove Council as trustee;*
- (v) to amalgamate part of Leases D, E and J with other land to be sold;*
- (vi) to offer a term lease over part of Leases D, E and J for the purpose of Commercial,*
- (vii) to permanently close Inlet Street for amalgamation with other land to be sold;*

particularly for public access to the foreshore and to support the commercial fishing industry of Port Douglas and use by that industry of the public marine facility being the Port Douglas boat harbour.

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2. *In respect of the applications/proposal, Council requires:*

 - (i) *in respect of the area the subject of Leases D, E and J:*

 - A *that area be retained as reserve for additional oversight of the management and use of the land;*
 - B *the appointment of Council as trustee be continued so Council can manage the trust land consistent with achieving the purpose of the trust as Local Government, sub-purpose Port and Harbour;*

 - (ii) *Lot 103 on SR500 be dedicated as reserve for community purpose and Council be appointed as trustee of that reserve;*
 - (iii) *Inlet Street remain open as road as it is used regularly as a road including for truck movements associated with the fish receival area on the adjoining Lot 103 on SR500.*

3. *Council delegates authority to the Mayor and CEO in accordance with section 257 of the Local Government Act 2009 to negotiate, determine or approve any and all matters arising from the applications/proposal."*
4. *That Council inform The Hon David Kempton MP, State Member for Cook, of the decision and he be requested to support this decision and actively pursue the matter in the best interest of this Council and its community.*

Carried unanimously.

CLOSURE OF MEETING

The meeting closed at 4.10pm

CONFIRMED THIS 4TH DAY OF NOVEMBER 2014


.....
MAYOR/CHAIR

**Attachment A – Douglas Shire Council Submission to Productivity Commission –
Natural Disaster Funding Arrangements**

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1. Douglas Shire Council profile

Douglas Shire is a coastal Council located in Far North Queensland approximately 1,800 kilometres NNW of Brisbane. Comprising an area of 2445 km from north of Ellis Beach in the south to the Bloomfield River in the north, the Shire is characterised by World Heritage listed rainforest, productive agricultural land and mountainous terrain. The local economy is based largely on tourism and agriculture.

The main residential areas are situated on the coast, and are exposed to regular cyclone activity and the threat of storm surge. Unlike many outback towns where the main road network is managed and maintained by the Queensland State Government, the rural and remote communities within the Shire are almost entirely reliant on 373 kms of local road network for which Douglas Shire Council is responsible. Over 300 km of these roads are located in rural areas, with 150 km of roads located in remote areas with extreme terrain, numerous creek crossings and bridges. Notwithstanding that many of these roads are unsealed, the ability of these roads to connect communities and to provide important links to the movement of people, goods and services is critical. In many cases there are no alternate access roads.

Much of Douglas Shire receives over four metres of rain per year, with 300-400 mm in a day not uncommon. Extreme weather events, monsoonal flooding and tropical cyclones cause landslips and significant damage to roads, bridges, causeways, culverts and essential infrastructure, isolating communities, preventing access, and creating significant economic loss as a result of the impacts on rural agriculture and the tourism industry.

Douglas Shire Council de-amalgamated from Cairns Regional Council on 1 January 2014. This submission therefore contains information and data based on Council's first 10 months of operation. It is expected that the historic experience of disasters in this area since 2008 will be covered by Cairns Regional Council.

Douglas Shire Council has a general rate base of \$13.1M, 9,285 ratepayers and an annual budget of \$38.7M. In 2014 Douglas experienced two declared disaster events resulting in damage of more than \$14 million.

2. The financial sustainability of Douglas Shire Council

It is assumed that due to its location in Far Northern Australia, Douglas Shire will continue to experience ongoing extreme weather events and many will be declared as disaster events. It is critical that Council has the financial capacity to restore its essential public assets to the standard required to enable the community to function adequately, and to the standard expected of local government as the asset owner. It needs to meet its asset management audit responsibilities and comply with all statutory requirements and accounting standards. The "do-

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nothing⁷ approach to the restoration of assets following a disaster event is not a feasible or responsible position to take.

It is important to note that Council bears an additional financial impost regarding the restoration of assets located within the Wet Tropics World Heritage Area. Costs are increased substantially as a result of the environmental and road maintenance codes applicable to the Wet Tropics. The restoration of bridges and unsealed roads is not as straightforward in a World Heritage listed area as it may be in other parts of the State.

The funding reforms proposed by the Productivity Commission will impact significantly on Council's financial sustainability. If adopted, Council simply will not be able to meet the cost of the restoration of its essential public infrastructure on an ongoing basis. If the Commonwealth's contribution is reduced to 50% from the existing 75%, and the Queensland Government is unable to increase its contribution, in just a few years, the compounding effect of a 25% shortfall in restoration costs per disaster event, will be unmanageable for Douglas. Council has no prospect of raising adequate own-source revenue from its limited ratepayer base in this rural community where the average income is lower than the state average, and unemployment is higher than the state average.

The following table shows the income and unemployment in Douglas relative to the State of Queensland.

Description	Average Income	Unemployment
Douglas	\$37,529 per annum	6.0%
Queensland	\$45,711 per annum	5.9%

Further, in the event of a major disaster, such as TC Larry and TC Yasi, communities are frequently left with no resources and no income. Raising rates in such circumstances is completely unfeasible. Where crops are lost in the agricultural industry and tourism is impacted, both will have a negative flow to employers.

The following table indicates the level of annual general rate increases that would need to be applied over a two year period to meet the funding shortfall. This table does not take into account the very serious impacts (such as were experienced following TC Larry) where businesses closed, crops were damaged and local residents were forced to leave town due to inadequate accommodation and insufficient jobs. In this situation the compounding impacts were experienced by the entire community, left with little resources to pay the rates at existing levels.

General Rates	Shortfall	Funded 1 Year	Funded 2 Years
\$13,102,440	\$1 Million	7.63%	3.82%
	\$2 Million	15.26%	7.63%
	\$3 Million	22.90%	11.45%
	\$4 Million	30.53%	15.27%

Funding option over two years provided as Council has two years to complete restoration works. Where there are significant funding shortfalls, the consequences for Douglas Shire will be an inevitable fiscal decline leading to a financially unsustainable Council and/or the isolation or extinguishment of remote settlements over time, including small Indigenous communities. Council's ability to maintain access to communities via the local road network throughout the wet tropics in Douglas Shire would be significantly impaired. The consequential impact on the tourism industry would be significant economic loss. The inability to restore the local road network following disaster events would impact negatively on the agricultural industry, largely sugarcane, that requires an intricate local road network for the haulage of cane to the mill.

In 2014 Douglas Shire Council expended \$728,104.42 in meeting the cost of emergent works and managing the cashflow until such time as the costs are wholly or partially refunded. Council has spent several hundred thousand dollars of its own revenue in meeting other disaster costs, including the trigger points for two declared events, and is continuing to fund additional works

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that are not covered by the NDRRA such as multiple sewer system collapses, cleaning and reactivating water intakes, works on in-eligible assets such as boat ramps, and the roads around boat ramps, and the restoration of parks and public spaces, recreational walking and cycling tracks.

The NDRRA program has already been reduced to exclude non-essential infrastructure such as sporting/community facilities, parks and playgrounds and foreshore areas. This is already producing savings to the Commonwealth Government, however Council still bears the additional costs of the restoration of these facilities as they comprise the infrastructure required to support life in a small rural community.

Council is also required to undertake mitigation and betterment works at its own cost and will continue to fund a wide range of disaster preparation planning and activities.

If the proposal to increase the threshold for a disaster event from \$240,000 to \$2million is accepted, the consequences over time will be ruinous if extreme weather events do not meet this threshold. Douglas' disaster costs for 2014 are in excess of \$14million. Douglas has insufficient cash reserves to meet this cost, and maintain an appropriate level of reserves for the conduct of its day to day business. If it could obtain loan borrowings to meet this cost for the first event, it would be difficult if not impossible to obtain and repay additional loans required by future disaster events.

3. The use of day labour

There is currently a restriction on the use of day labour and Council notes there is no proposal by the Commission to currently remove this restriction, although the Commission's draft report notes the restriction is an impediment to "pursuing the most efficient recovery options".

The ability to use day labour is particularly important in Douglas Shire where the available season for the delivery of restoration works is extremely limited. In 2014 the wet season continued long after the disaster event, to the extent that some parts of the Shire that suffered extreme damage could not be accessed for the purposes of damage assessment until some months later. The availability of qualified contractors and suitable equipment is limited in the Shire, and the distances to be travelled to undertake the works means that in some areas either bush camps need to be established for contractors or alternatively those workers are required to return to temporary paid accommodation at the end of each day. Contractors are also often not willing to come from Cairns or further south.

It is essential that Council is able to package works and manage a mix of day labour and contractors to undertake restoration activities across the Shire in a manner that provides both value for money and optimises the limited available dry season. At the time of this submission, the official start to the 2014/2015 cyclone season is less than two weeks away. Douglas has had to bear the risk of undertaking some essential restoration works using day labour to ensure that access is maintained to some remote communities before the wet season starts. If this work is not undertaken those communities will potentially be isolated for some months - clearly an untenable position.

By removing the restriction on the use of day labour, a more dependable and reliable service delivery structure will be achieved. Council is the party best positioned to determine community and infrastructure priorities, and can mobilise swiftly and cost effectively without the logistical constraints and costs brought about by the sole use of external contractors.

The use of day labour, whether or not in conjunction with external contractors, allows Council to demonstrate, through efficient and targeted responses to its communities, that it understands and is capable of a timely response to its community's needs. The community's resilience and ability to recover from disaster events will be supported by efficient restoration. The situation in Douglas is that essential restoration works could have been scheduled earlier if this restriction on day labour was not in place.

To achieve a substantial increase in efficiencies and a reduction in costs, Douglas considers the streamlining of administrative processes to be essential. The employees of Douglas Shire Council (as with other rural councils in Far North Queensland) are practical, down to earth locals who understand, live and work with local conditions and extreme weather events. They bring a special knowledge to the management of disaster-related works that in turn promotes efficiency

and value for money because they know what works and what does not. It is common sense to allow day labour and contractors to work together in remote areas on restoration works. To require compliance with highly complex bureaucratic processes increases costs and extends timeframes for responses. The credibility of Council is undermined as the community waits for work to begin, showing little tolerance for explanations around administrative compliance. They perceive (as do councils) that there is a massive duplication of effort and red-tape, and that the demand for information is denying the capacity to undertake operational works within the limited timeframes available.

There is also little value for money achieved through the extended application and approval timeframes and processes.

4. Insurance for roads

Council considers draft recommendation 3.4 which urges local government to further investigate non-traditional insurance products for roads, to be completely unworkable. Neither traditional nor non-traditional forms of insurance would be affordable for Douglas Shire Council.

The impact of disasters on roads in the wet tropics is substantial and quite different to the consequences of natural disasters such as fire in the southern states. Repeated torrential rain and extensive flooding causes extensive damage to the surface and substrate of both sealed and unsealed roads. Repeated disaster events will result in the insurance premiums being entirely outside the financial capacity of Council, even if insurance could be obtained. Further Douglas acting alone, or in conjunction with neighbouring councils, does not have the capacity to explore the possible provision of various non-traditional forms of insurance through international markets.

Council also notes with concern the suggestion that non-traditional insurance products should be considered. As a new Category 3 Council, yet to complete one full year of operations, Douglas has adopted a conservative risk profile in all its statutory and corporate activities, including its management of NDRRA works. Council is mindful of the direction of the State Government and the expectations of its community that it is to be a financially sustainable Council. It therefore has in place budgets for operational and capital works, and the appropriate management of its investments, to ensure this goal is achieved. Douglas cannot be placed in a position where it is required to purchase non-traditional products that are influenced by changing international marketplaces.

5. Road asset conditions

Council notes that the draft recommendation 3.4 requires that "local government should compile and publish detailed registers of road asset conditions and maintenance for all roads over which they have jurisdiction (and have these registers independently audited)".

As a new Council, Douglas is finalising its asset register after de-amalgamation from Cairns Regional Council. All work is being conducted as required by the Local Government Regulation 2012, and in due course Council will adopt a long-term asset management plan to cover a period of at least 10 years. The Queensland audit office will undertake a review of Council's asset register on an annual basis. It is Douglas' intention to undertake a full condition assessment of its entire road network within the next 12 months, enabling the findings of the assessment, including valuations, to be included in long-term planning processes for renewals and replacement.

This planning is significantly impacted by the unpredictable and extreme weather events. Council's ability to mitigate the financial consequences is again highly dependent on its ability to fund restoration works when required. Long-term planning is meaningless in the absence of adequate funding to restore assets to the pre-disaster condition.

6. Risk mitigation

Local government continually examines ways of mitigating or avoiding risks and is keenly aware that for both communities and Council rebuilding is both expensive and disheartening. Repeated disasters break down the collective resilience of the community where individual members are already suffering from personal, financial and economic loss.

Any measures that assist in building capacity to respond to natural disasters will be welcomed by Douglas. With the expected increase in intensity of cyclone activity due to climate change and the possibility of increased inundation of our coastal communities as a result of storm surge, mitigation strategies will be needed more than ever before. Incomplete flood data and the variable quality of information in various areas means that flood risk and insurance prices are difficult to quantify. Adequate funding over a suitable period of time to enable flood mapping studies to be completed will deliver valuable benefits to consumers and to councils.

As a new Council, Douglas is still identifying and quantifying the broad range of responsibilities in relation to cost shifting from other levels of Government, and the resources needed for risk management and planning. There is little time to undertake this work to the extent required, particularly for disaster management, while dealing with the establishment of the new Council and the delivery of its daily business. Changing State and Commonwealth policies and an inability to source reliable, robust information on which to base risk controls, means that local councils can feel isolated and unsupported at a State and Commonwealth level. Attracting qualified staff to remote areas is in itself challenging, particularly where strong project management expertise is required. Land use planning mechanisms as a means of risk mitigation is something mature Councils still find difficult. For a new Council, time and resources are required.

7. Perceptions and conclusion

Douglas Shire Council understands the inevitability of ongoing extreme weather events and as a new Council of just over three months operation was confronted with two declared disaster events in 2014, resulting in damage in excess of \$14 million. The imperative for this new Council was to undertake emergent works to ensure that the communities isolated as a result were able to function to a basic level as quickly as possible and then to establish a governance, project and risk management structure for restoration works that is robust and defensible.

Council's process for damage assessment, the preparation of funding submissions and subsequent procurement has been characterised by a conservative and structured approach, coupled with extensive research to identify what risks and to what extent Council may be impacted by current government funding and acquittal policies. Our most fundamental question that has remained largely unanswered is "how can we structure our management of disaster restoration works to ensure that 100% of the funding approved by the Queensland Reconstruction Authority (QRA) is actually received?" After several months of enquiries, we still have not been able to identify a single Council in Queensland that has received 100% of the funding initially approved by QRA after the State and Commonwealth audit processes had been completed.

This situation is of significant concern to Douglas Shire Council. If we have approvals for \$14 million, our research and discussions with others more experienced than Douglas, leads us to believe that there is a real risk that despite the best project management practices and a strict adherence to the approved scope, an amount which could be as large as 10% of the funding originally approved, may be withheld. When Douglas asks how it can mitigate this risk we are most commonly advised to reduce the total scope of works undertaken. Although Douglas cannot withstand a possible funding shortfall of \$1.4million, failure to restore essential assets to their pre-disaster condition will lead to the further rapid deterioration of those assets, and the decline of the communities that rely on that infrastructure.

In discussions with government, other councils, consultant engineering firms, and contractors, all of whom are experienced in NDRRA restoration works, several common themes have emerged:

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- a perception that the policy landscape changes frequently, creating uncertainty and inability to adequately identify and plan for the management of risks
- a lack of clarity around funding eligibility
- wide-spread frustration with what is perceived to be an excessive demand for administrative information and its priority over timely operational works
- insufficient agency understanding of the competing interests and challenges immediately following a disaster event
- insufficient agency understanding of rates and logistics in remote areas; and
- community backlash regarding perceived delays due to tender processes and the appointment of out-of-area contractors.

This year has seen Douglas' first disaster experience as a new Council. As the next cyclone season starts officially on 1 November 2014, Council faces the prospect of the delivery of the current \$14 million of restoration works, much of which is to occur in remote locations, within the remaining dry months before June 2016.

Douglas Shire Council would welcome the provision of clear and concise information, unambiguous policies, funding certainty, and funding support to achieve those measures that will make communities more resilient in future: flood mapping data and technology, support with strategic and development planning, recognition of the logistics and costs required to delivering the works, and recognition that Councils are highly motivated and better placed than other levels of Government to prioritise and deliver these works for their communities.

Linda Cardew
Chief Executive Officer
Douglas Shire Council

20 October 2014