



DOUGLAS SHIRE COUNCIL

# AUDIT COMMITTEE MEETING

## AGENDA

**Monday 15 March 2021**

ENSURING EXCELLENCE IN GOVERNANCE  
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING  
ENGAGING, PLANNING, PARTNERING  
CELEBRATING OUR COMMUNITIES

## **PLEASE NOTE:**

### **Conduct in Closed Session:**

Council is obligated under Chapter 8, Part 2, Division 1A of the Local Government Regulation 2012 (Regulation) for its meetings to be open.

Section 254A (2) of the Regulation states that Division 1A does not apply to Audit Committee Meetings.

Audit Committee meetings are not open to the public and are conducted in closed session.

### **Record**

The Audit Committee is a non-decision-making meeting.

Section 211 of the Regulation states:

- (1) The audit committee of a local government must—
  - (a) meet at least twice each financial year; and
  - (b) review each of the following matters—
    - (i) the internal audit plan for the internal audit for the current financial year;
    - (ii) the internal audit progress report for the internal audit for the preceding financial year including the recommendations in the report and the actions to which the recommendations relate;
    - (iii) a draft of the local government's financial statements for the preceding financial year before the statements are certified and given to the auditor-general under section 212;
    - (iv) the auditor-general's audit report and auditor-general's observation report about the local government's financial statements for the preceding financial year; and
  - (c) as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.
- (2) At a meeting of the audit committee—
  - (a) a quorum is at least half the number of members of the committee; and
  - (b) either—
    - (i) the chairperson presides; or
    - (ii) if the chairperson is absent, the member chosen by the members present as chairperson for the meeting presides.
- (3) The audit committee may, for performing its functions under subsection (1)(b), seek information or advice from the person who has carried out the internal audit.
- (4) The chief executive officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.



**AUDIT COMMITTEE AGENDA**

1. *Welcome*
2. *Attendance and Apologies*
3. *Confirmation of Minutes*
4. *Declaration of Conflicts of Interest by Members of the Audit Committee and Observers*
5. *Matters Arising*
6. *Officers' Reports*
7. *Other Business*
8. *Next Meeting*
9. *Meeting Close*

## **1. WELCOME**

## **2. ATTENDANCE AND APOLOGIES**

### **Attendance**

#### **Committee Members**

Chair	Dr Martin Fahy – Via Teams
External Member	Mr Drong Drue
Mayor	Cr Michael Kerr
Deputy Mayor	Cr Lisa Scomazzon

#### **Officers**

Chief Executive Officer	Mark Stoermer
Chief Financial Officer	Tara Killeen
Manager Governance	Juanita Holden
Team Leader Financial Accounting	Joanne Nicholson
Team Leader Management Accounting	Sandeep Tut
Asset Accountant	Katie Wilkinson

#### **Invited External Representatives**

QAO – Senior Manager	Noreen Romero – Via Teams
QAO – Senior Auditor	Jessica Rossouw

### **Apologies**

## **3. CONFIRMATION OF MINUTES**

Minutes of the Audit Committee Meeting held 7 December 2020

### **ATTACHMENTS**

1. Minutes Audit Committee Meeting Held 7 December 2020 [3.1.1 - 5 pages]

**Attachment 3.1.1**

# AUDIT COMMITTEE MEETING

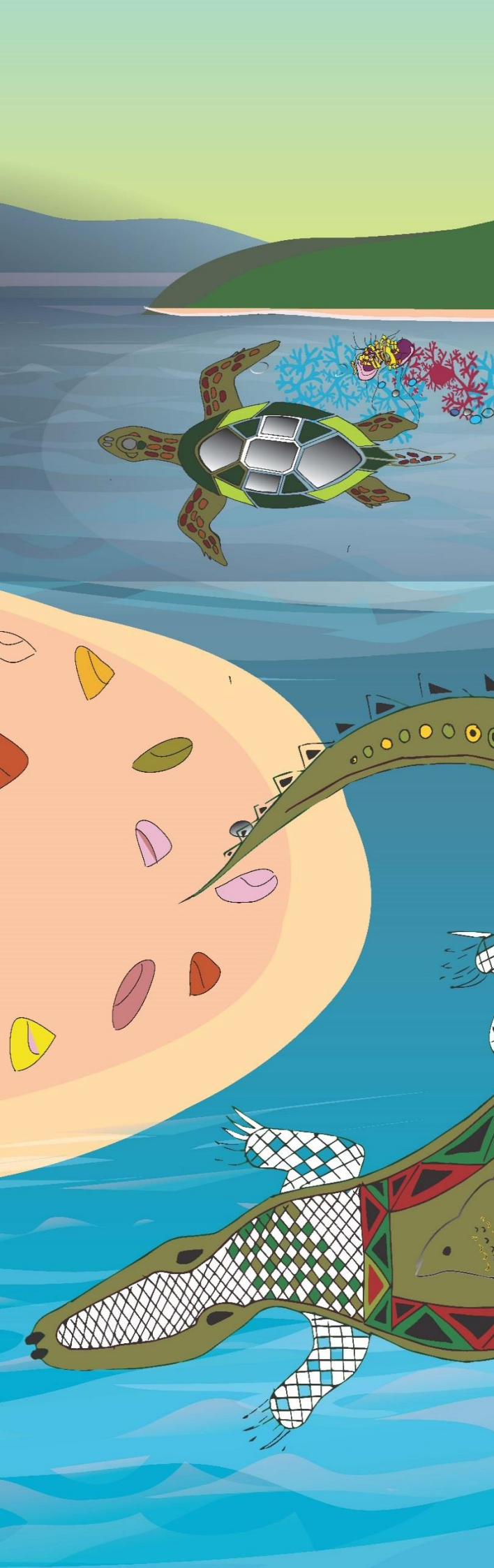
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## MINUTES

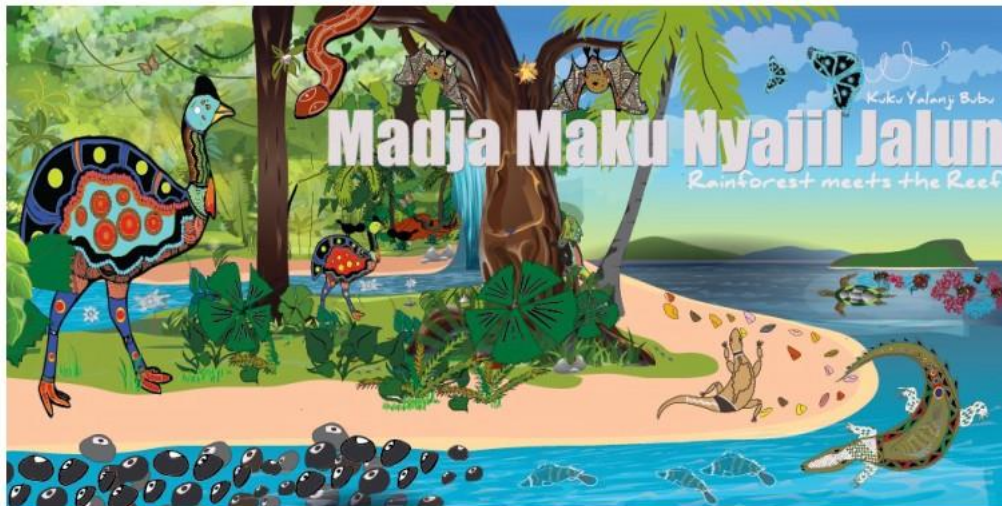
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**Monday 7 December 2020**

ENSURING EXCELLENCE IN GOVERNANCE  
ACCOUNTABLE AND TRANSPARENT DECISION-MAKING  
ENGAGING, PLANNING, PARTNERING  
CELEBRATING OUR COMMUNITIES







Douglas Shire Council would like to show its appreciation by acknowledging local indigenous artists Lenice Schonenberger, Loretta Pierce (Lenoy) and Ronald Bamboo for providing the cover artwork entitled "**Daintree Ferry**"

### **Conduct in closed session**

Council is obligated under Chapter 8, Part 2 Division 1A of the *Local Government Regulation 2012* (Regulation) for its meetings to be open.

s254A(2) of the Regulation states that Division 1A does not apply to Audit Committee meetings.

Audit Committee meetings are not open to the public and are conducted in closed session.

### **Record**

The Audit Committee is a non-decision-making meeting.

S211 of the Regulation states:

- (1) (c) as soon as practicable after a meeting of the committee, give the local government a written report about the matters reviewed at the meeting and the committee's recommendations about the matters.
- (1) (4) the Chief Executive Officer must present the report mentioned in subsection (1)(c) at the next meeting of the local government.

**The report and recommendations from this meeting will be submitted to Council's next General Meeting for adoption in accordance with s211 of the Regulation.**



**MINUTES OF THE AUDIT COMMITTEE MEETING OF THE DOUGLAS SHIRE COUNCIL  
HELD ON MONDAY 7 DECEMBER 2020 - COMMENCING AT 4:30PM**

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## **1. WELCOME**

The Chair welcomes the committee members and observers.

Action: Appointment letters for External Members to be sent  
Indemnity Insurance to be followed up

## **2. ATTENDANCE AND APOLOGIES**

### **Committee Members:**

Dr. Martin Fahy (Chair)  
Mr. Drong Vue (External Member)  
Mayor Michael Kerr  
Deputy Mayor Lisa Scomazzon

### **Invited External Representatives:**

Nil

### **Officers:**

Chief Executive Officer                      Mark Stoermer

### **APOLOGIES**

Chief Financial Officer                      Tara Killeen  
Manager Governance                      Juanita Holden

## **3. CONFIRMATION OF MINUTES OF COUNCIL MEETINGS**

No minutes to be confirmed as this is the first meeting.

## **4. CONFLICT OF INTEREST/MATERIAL PERSONAL INTEREST**

There were no Conflicts of Interest declared by any Councillor or Senior Council officer in relation to the items of business listed on the Minutes.

## **5. ISSUES BROUGHT FORWARD FROM PREVIOUS MEETING**

Nil as this is the first meeting.

## **6. REPORTS TO BE TABLED**

The following reports were tabled, and verbal discussion held:

- Checklist Templates
  - For use when met with External Auditors
  - Self-Assessment – must occur once per year
  - Financial literacy checklist – all committee members to complete
- Formal Induction
  - To be organized

**MINUTES OF THE AUDIT COMMITTEE MEETING OF THE DOUGLAS SHIRE COUNCIL  
HELD ON MONDAY 7 DECEMBER 2020 - COMMENCING AT 4:30PM**

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- CPD
  - To receive update from External Auditor
- Terms of Reference
  - Update in 2021
- Capital Works
  - Organise a review of Capital Works program and Control Environment
  - Project Manager, CFO, Governance Manager, CEO to attend with Audit Committee
  - Date to be determined (Outside of Audit Committee)
- Internal Audit
  - Coordinate time to develop agenda
- Meeting to be set between External and Internal Auditors

**7. REVIEW OF AUDIT COMMITTEE CHARTER**

Set for Dec 2021

**8. AUDIT COMMITTEE SELF ASSESSMENT**

Nil as this is the first meeting.

**9. REVIEW OF ANNUAL WORK PLAN**

- Documents have been distributed
- Highlights the flow of the various meetings
- Generic schedule back to agreed format
- Compliance Schedule – e.g., Department Website and customize

**10. OTHER BUSINESS**

- CEO provided overview of risks
  - Daintree Ferry
  - One HR Matter with Workcover
  - COVID
  - Upcoming Wet Season
  - WHS Audit – to get more information

**11. NEXT MEETING**

- 15 March 2021

**CLOSURE OF MEETING**

The meeting closed at 6:00pm.

**CONFIRMED THIS                      DAY OF                      2021**

**CHAIR**

#### 4. DECLARATION OF CONFLICT OF INTEREST BY MEMBERS OF THE AUDIT COMMITTEE AND OBSERVERS

Officer	Conflict of Interest

#### 5. MATTERS ARISING

Action	Description
Appointment Letters	Completed and sent to External Members
Indemnity Insurance	Information received from JLT and sent through to External Members
Formal Induction	To be organized with WHS Officers
External Auditors	Meetings have been held for introductions
Internal Auditors	Meetings have been held for introductions
Workshop	Held 27/02/21 at Mossman Admin Operational Overview Governance Overview Capital Works Overview

#### 6. OFFICERS' REPORTS

##### 6.1. GOVERNANCE REPORT

**REPORT AUTHOR** Juanita Holden, Manager Governance

##### RECOMMENDATION

**That the Audit Committee receive and note the report entitled Governance Report.**

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**To be Tabled**

## 6.2. QAO Y21 AUDIT PLAN

### REPORT AUTHOR

Juanita Holden, Manager Governance

### RECOMMENDATION

**That the Audit Committee receive and note the report entitled QAO Y21 Audit Plan.**

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### EXECUTIVE SUMMARY

QAO have completed the audit of the financial statements for the year end 30 June 2020. Following this the final report was issued to the Mayor on 16 October 2020.

Details have been provided for the 2021 audit process and tentative timing. As a part of the audit planning process, QAO will confirm the timing of the audit visits and provide details to the audit committee.

Audit Planning – March 2021

- Confirm understanding of Council's business and control environment

Interim Audit – May 2021

- Test key controls identified as a part of audit planning and test transactions up to 31 March 2021

Final Audit – September 2021

- Audit of financial statements for the year end 30 June 2021

### BACKGROUND

QAO Audits provide independent assurance that government programs are delivering on their objectives efficiently, effectively, and economically. They are not just about compliance. QAO identify and share insights on better ways to deliver public services.

The Auditor General Act 2009 requires QAO to prepare strategic audit plans each year, of the performance audits they propose to conduct over the coming three years.

To ensure that they focus on the topics that matter, QAO apply a strategic planning approach. This involves assessing the challenges, risks and opportunities facing the public sector and local governments.

### COMMENT

QAO Officers will be available to answer questions relating to the Audit Plan.

### ATTACHMENTS

1. DSC Audit Committee Briefing Paper [6.2.1 - 8 pages]
2. Strategic Audit Plan 2020-23 [6.2.2 - 24 pages]

**Attachment 6.2.1**

Report removed due to confidentiality

### **Attachment 6.2.2**

Report removed due to confidentiality





## 6.4 INTERNAL AUDIT PROGRESS REPORT

### REPORT AUTHOR

Juanita Holden, Manager Governance

### RECOMMENDATION

**That the Audit Committee receive and note the report entitled Internal Audit Progress Report.**

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### EXECUTIVE SUMMARY

The Internal Audit function is one component of the Douglas Shire Council's Governance Structure. In addition to key management controls and the organisation-wide risk assessment process, the Internal Audit function provides the organisation's stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements.

### BACKGROUND

In accordance with section 207(1) of the Local Government Regulation 2012 (LGR 2012), Council must prepare and carry out an internal audit plan each financial year. Additionally, Council is to receive a progress report to enable it to assess compliance with the adopted internal audit plan.

### COMMENT

A local government's internal audit plan is a document that includes statements about:

- The way in which the operational risks have been evaluated
- The most significant operational risks identified from the evaluation
- Control measures, that the Council has adopted to manage the most significant operational risks

The Internal Audit Function (Governance Department) will provide the Council Audit Committee a progress report for the internal audit at least twice during the year after the internal audit is carried out by providing a summary of recommendation stated in the report, summary of actions that have been taken by Council in response to the recommendations and a summary of any actions that have not been taken by Council in response the recommendations.

Pacifica Chartered Accountants have been performing the Internal Audit for Douglas Shire Council for a number of years. These projects were prioritized to focus on the immediate needs of management and provide assurance coverage over elements of the Councils most significant risks. The following represents Internal Projects that have been previously completed for Council.

FY 2014:	Specific Procedures requested by Management & Payroll Processes
FY 2015:	Cash Handling Practices / Procurement Compliance / Rates and Water Billing Procedures
FY 2016:	Customer Request Management / Plant Management Practices / Stores and Inventory Management
FY 2017:	Trust Account Validation
FY 2018:	Financial Statement Assurance / Property and Leasing / Fraud Risk and Ethical Conduct

FY 2019:	Data Analytics / Grants Application and Management Process / Risk Assessment of changes to payroll function reporting lines
FY 2020:	Revenue Assurance & Cash Handling / Water Management Practices
FY 2021	Customer Request Management / Environmental Compliance / Corporate Cards

The Customer Request Management Scope is in final stages of close out report.

The Environmental Compliance Scope is waiting on Management comment

The Corporate Card Scope is being prepared – collection of data

Draft reports to be tabled at next Audit Committee Meeting

## ATTACHMENTS

1. DSC Annual Internal Audit Plan 2020/2021 [6.4.1 - 8 pages]

**Attachment 6.4.1**

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## INTERNAL AUDIT MEMORANDUM



# **RISK-ALIGNED STRATEGIC INTERNAL AUDIT PLAN FY2020-2022 AND ANNUAL INTERNAL AUDIT PLAN FOR FY2021 (YEAR 2)**

**JULY 2020**



## 1. Background

The Internal Audit function is one component of Douglas Shire Council's (Council) governance framework. In addition to key management controls and the organisation-wide risk assessment process, the Internal Audit function provides the organisation's stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements.

Supported by legislation, the Internal Audit function is directed to examine, assess and evaluate the operational and financial control measures that Council has adopted, or plans to adopt, to manage business risks that have the potential to impact the achievement of the corporate objectives. In doing so, the Internal Audit function must review the key corporate-wide risks and consider the areas of the organisation, in consultation with Management, that require or would benefit from internal audit activity.

## 2. Internal Audit planning approach using Corporate Risk Register outputs

The outputs of the Risk process are best utilised by Internal Audit to develop an Internal Audit Plan that assesses the effectiveness of the existing systems, processes and controls that are implicitly relied upon by the Executive Team.

By assessing the application and effectiveness of existing systems and controls (Risk Treatments) as they operate in the organisation, Internal Audit provides independent and objective information to the Leadership Team (Council, Executive Team and Audit Committee, where one exists) about the level of reliance that should be placed on existing systems and processes, and will also identify improvements required.

Furthermore, Management is best placed to continue to progress actions that strengthen existing systems and controls where there are known deficiencies, lower than expected (or unacceptable) effectiveness ratings or further initiatives/management actions are required to move the risk to a level that is tolerable.

It is important that Internal Audit is cognisant of the work being undertaken and planned by Management to reduce or mitigate risks and leave enough time for these initiatives, systems and controls to become embedded before Internal Audit assess their effectiveness. Exceptions to this may be reviews designed to establish a baseline position as a guide to future Management initiatives or to provide assurance that the implementation status or progress of an initiative is adequate and can achieve the desired objectives.

## 3. Alignment and prioritisation of Internal Audit projects to the Corporate Risk Register (auditable risk areas)

The appropriateness of our judgments on the organisation's key risks were reconfirmed in consultation with the Chief Executive Officer and Mayor in July 2020.

In developing the Internal Audit Plan, we focussed on those risks where the effectiveness of systems and controls are integral to reducing the severity of the risk, and where internal controls were expected to be in place and operating. The most significant risks identified from our review of the Douglas Shire Council Risk Registers, and discussions with management, capture the rationale for Internal Audit activity and are included below.

[SECTION ENDS]

### 3.1 Rationale for determining the direction of Internal Audit effort based on risk severity

In our assessment of Council's Corporate Risk Register, we considered the residual risk ratings and Management's assessment of the control effectiveness of existing systems and controls to mitigate those risks. We used this information to develop a list of possible projects for discussion with management and prioritise the Internal Audit projects to be performed in each year. The basis for our rationale, as it relates to each risk is outlined in the table below. It is important to recognise that not all risks and/or risk treatments are auditable.

Our analysis of the alignment between each risk and potential Internal Audit projects is included in section 3.3 – Risk Assurance Map, and sections 4.1 – Proposed Projects - Internal Audit Plan 2021-2023 and 4.2 – Alternative Audit Projects (available for Substitution) later in this report.

### 3.2 Summary of past Internal Audit Projects

The following represents the Internal Projects that have previously been completed for Council. These projects were prioritised to focus on the immediate needs of management and provide assurance coverage over elements of the organisation's most significant risks:

**FY 2018:**

- Property and Leasing
- Fraud Risk and Ethical Conduct

**FY 2019:**

- Grants Application and Management Process
- Payroll Function - New Structure Assurance
- Grant Acquittal - Reservoir Funding

**FY 2020:**

- Revenue Assurance & Cash Handling
- Water Management Practices

[SECTION ENDS]

### 3.3 Risk Assurance Map – Agreed Internal Audit Projects - Aligning Internal Audit effort to the Douglas Shire Council Corporate Risk Register

This table shows the alignment between the operational risks to which the organisation is exposed, and the proposed Internal Audit projects identified during consultation with the Executive Management Team. Not all the key risks identified are auditable or suitable for review by Internal Audit in the short-term as further Management action is required. Where auditable, we have provided our view of the type of Internal Audit coverage that will be provided over key processes in place to mitigate the risks identified in Council's Risk Register.

IA Coverage: ■ Direct | ■ Indirect

Rationale for determining the direction of Internal Audit effort based on risk severity (per 3.1 above)		2019 - 20 Plan		2020 - 21 Plan				2021 - 22 Plan					
		Revenue Assurance & Cash Handling Review - selected areas	Water Management Practices Review	Corporate cards, Standing accounts, Staff reimbursements and fuel cards Review	Customer Request Management Practices	Environmental Compliance – Waste services	Records Management Practices	Payroll processes, including HR selection & exit procedures	Developer Contributions - development approvals, headworks calculations, payment riggers and collection processes	Accounts Receivable & Debtor Management, including Payment Card Industry Data Security Standard	Information security management, including data breach requirements	Asset Management and Asset Accounting - identification and recognition (new & existing infrastructure assets)	Councillor Obligations, including Implementation of Council Decisions
1	Failure to deliver essential services	✓	✓		✓	✓						✓	
2	Failure to deliver projects	✓		✓	✓	✓						✓	✓
3	Potential for ineffective financial management	✓		✓	✓	✓	✓	✓	✓	✓			
4	Failure of Corporate Business Systems						✓			✓	✓		
5	Lack of capacity, skills or capabilities to meet emerging needs of the organisation		✓		✓	✓	✓	✓			✓	✓	✓
6	Inability to effectively respond to and recover from disaster events		✓									✓	
7	Fraud and corruption	✓	✓	✓				✓	✓		✓		✓
8	Failure to comply with statutory and legal organisational obligations and responsibilities		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Reduction in revenue raising capacity	✓								✓			
10	Political risks	✓							✓				✓
Number of Risks covered by the IA Project		6	5	3	5	5	4	4	4	4	4	5	5



#### 4. Summary of proposed Internal Audit effort – Annual Internal Audit Plan

The Internal Audit activity will comprise the following components:

Internal audit activity - type	Description of activity	TOTAL DAYS		
		Year 1 FY2020	Year 2 FY2021	Year 3 FY2022
<b>Designated Project Reviews</b>	This Internal Audit Plan sets out the designated Internal Audit projects to be undertaken in each year. The specific projects are detailed to be performed each year are included in Section 4.1 of this document.	27	44	TBA
<b>Audit Matrix – Progress validation</b>	The Audit Issues Register is maintained by Council to track and monitor the implementation status of Management actions in response to findings raised by Internal and External Audit. Internal Audit has not performed any validation of the status of previously raised findings to provide assurance to Council (or the Audit Committee where one exists) that the status of Management's actions is fairly reported. An estimate of the time required to complete this task can be provided if required, however we can also provide management with suggested approaches used by other Councils that can be explored. Management (and the Audit Committee where one exists) may prefer other attestation protocols that do not require Internal Audit involvement enabling the function to focus on project reviews over administrative tasks. However, we are committed to assisting wherever it is most suitable to Council.	-	TBA	TBA
<b>Probity Advisory &amp; Assurance Services over Large-Scale Procurement</b>	Large-scale procurement can carry significant risks to Council. At times, an external independent Probity Advisor may benefit Council to mitigate some of the risks and ensure compliance. Pacifica has an independent Probity Advisory Service available to Council. Our tailored approach covers probity risks associated with the application of Sound Contracting Principles (LGAct2012) and provides assurance over: <ul style="list-style-type: none"> <li>Fairness and impartiality</li> <li>Accountability and transparency of process</li> <li>Confidentiality and security of information and materials</li> <li>Effective management of conflicts of interest</li> </ul>	-	If required	
<b>Special Projects &amp; Hot Topics</b>	Hot topics are rapid reviews or investigations into specific activities/areas that are carried out in short timeframes. Management (or the Audit Committee where one exists) may, from time to time, request that Internal Audit provide assurance or information on a specific topic, such as: <ul style="list-style-type: none"> <li>Follow-up Review of Port Douglas Markets</li> </ul>	-	If required	
<b>Internal Audit Planning and Coordination</b>	The following activities are required to deliver an effective, integrated and credible Internal Audit function at Douglas Shire Council: <ul style="list-style-type: none"> <li>Formation of the Strategic Internal Audit Plan and Annual Internal Audit Plans in accordance with S.207 LGR2012 and the Professional Standards of the Institute of Internal Auditors;</li> <li>Preparation for and attendance at (in person or teleconference) Audit Committee Meetings (where one exists), including Internal Audit Status Reporting;</li> <li>Liaison with External Auditors and/or third-party assurance providers where appropriate;</li> <li>Meetings with Internal Audit Sponsor or Executive Management as required;</li> <li>Annual Internal Audit Professional Standards Declaration, where required.</li> </ul>	6	3	3
<b>Summary of Total Days allocated to proposed Internal Audit activity</b>		<b>33</b>	<b>47</b>	<b>TBA</b>

The following table represents each of the proposed project areas that Management and Internal Audit support for delivery over the three (3) years. For each project, we have included an overview of the project objective, the link to specific relevant key risks within Council's Corporate Risk Register, and an estimate of the number of days.

#### 4.1 Proposed Annual Internal Audit Plan FY2020 -2022

AUDIT ACTIVITY	Overview of project scope	Proposed Days		
YEAR 1 – FY2020 – COMPLETE		2020	2021	2022
Revenue Assurance, including Cash Handling Practices – selected income streams		12		
Review of Water Management Practices		15		
YEAR 2 – FY2021				
1. Corporate Cards, Standing Accounts, Staff Reimbursements & Fuel Cards. [DEFERRED FROM FY2020]	Internal Audit will examine, on a sample basis, the nature of corporate transactions to determine whether cardholders (credit and fuel) and other reimbursable and standing account arrangements are compliant with Council policy. The review will examine the appropriateness, completeness and application of Delegations of Authority vested in officers to perform their roles and duties. Assess the adequacy of internal controls in place to ensure delegations are known, properly applied, controlled and monitored.		10	
2. Customer Request Management Practices	Customer Request and Complaints Management is an essential part of Council's service responsibility and it requires a systematic approach to ensure satisfactory outcomes. The review will examine the effectiveness and efficiencies of the procedures to capture, process and close-out Service Requests and formal complaints.		12	
3. Environmental Compliance – Waste services	Council has significant environmental management obligations internally, to third-party agencies and to the community. The effectiveness of environmental management systems, processes and practices to monitor and prevent environmental impacts of Council operations (or identify and resolve environmental breaches) is strongly aligned with Council's Corporate Objectives and captured implicitly in risks in the Corporate Risk Register. Waste Services will be the focus of the Internal Audit, with the potential to expand the review to other areas if time allows. This project will assess Council's Waste Management compliance with requirements of environmental legislation ISO 14001:2015 (or more recent).		10	
4. Records Management Practices	Records management comprises the creation, receipt, maintenance, use, safeguarding, and disposal of records. It includes processes for capturing and maintaining evidence and information of business value. Enabling the effective management of records throughout their life-cycle requires knowledge of the business; system support; naming conventions consistently applied; appropriate access rights; knowledge of disposition practices such as archiving, transferring and deleting; and, importantly, compliance with the policy and standards established throughout the process. Sound records management contributes to the timely provision of information under the <i>Right to Information Act 2009</i> and <i>Information Privacy Act 2009</i> which is essential to meeting legislative requirements and mitigating reputational risks to Council.		12	

YEAR 3 – FY2022				
1. Payroll processes, including HR selection & exit procedures	As one of the largest operational expenses, payroll (including overtime, allowances and entitlements) will be examined by internal audit to ensure that the internal controls surrounding additions, deletion and changes to key information are adequate. Consider any results of previous reviews on Council's payroll system and determine if the issues have been adequately addressed. Further, given the number of employees and the potential staff turnover that may arise, there will be benefit in reviewing the processes associated with employee movements in to and out of the organisation through the HR selection, induction and exit procedures.			15
2. Developer Contributions – development approvals, headworks calculations, payment triggers and collection processes	Infrastructure charges are levied upon developments as part of the development assessment process. Charges are collected or assets constructed contribute to the provision of essential trunk infrastructure to service the region. Deficiencies in the process can result in significant write-off of Council income. The review will consider procedures for tracking and monitoring approved developments to gain assurance that the process improvements and control activities expected are in play and operating effectively and efficiently. This review will assess how headwork charges are tracked, recognised and the timeliness of identification and collection of income.			15
3. Accounts Receivable & Debtor Management, including Payment Card Industry Data Security Standard	As the Rates and Water Billing collections processes have been reviewed in a previous internal audit, management have recognised that an opportunity exists to review the accounts receivable and debtor management practices for other revenue streams. Evaluate controls around credit worthiness, credit approval, maintenance of accounts receivable master file, reporting, treatment of outstanding accounts, entering repayment plans, doubtful debts, provisioning for bad and doubtful debts. As part of the review, we will also examine the security controls and retention of payment card data that Council collects through online and card payment methods. Payment Card Industry Data Security Standard (PCIDSS) is a mandatory compliance requirement for all enterprises that process, store, transmit or access cardholder information.			13
4. Information security management, including data breach requirements	The stability and effectiveness of Council's Information Systems environment is critical to the organisation's ability to operate and deliver on community expectations. Internal Audit will examine Council's protocols (in accordance with the requirements of ISACA) in place to secure and protect Council's information and systems, including back-up protocols, business continuity procedures, physical security measures, supplier performance and network stability. As part of the review, we will also examine Council's readiness under the <i>Privacy Amendment (Notifiable Data Breaches) Act 2017</i> to report on any obligations to notify individuals whose personal information is involved in a data breach (if such were to occur) that is likely to result in serious harm.			20
5. Asset Management and Asset Accounting – identification and recognition (new & existing infrastructure assets)	Council has a significant existing asset base to which it constantly adds, maintains at the same level or improves (betterment). Maintaining the accuracy and completeness of the asset registers and the processes needed to identify, record and recognise assets across various departments is complex. There are significant adverse impacts for Council if deficiencies exist in work practices.			12

6. Councillor Obligations, including Implementation of Council Decisions	High level examination of the practices and awareness of Councillor obligations under the Local Government Act, Local Government Regulations and the Belcarra Reforms. This review will focus predominantly around keeping up-to-date declarations and disclosing material personal interest (at meetings and in general). To provides a holistic assessment of management and Councillor processes that support decision making and delivery, Internal Audit will also evaluate the processes in place to ensure that Council decisions are recorded, tasked and actioned in a timely matter; and that completed actions are appropriately recorded and/or reported upon to Council/CEO/Manager. The review will consider the quality and content of officer decision reports and the rigour in formulating the recommendation to Council, as well as mechanisms in place that ensure 'enduring' Council decisions are completely and correctly reflected in formal registers and legislative requirements are met.			14
<b>Proposed level of Internal Audit effort – Project days only</b>		<b>27</b>	<b>44</b>	<b>89</b>

#### 4.2 Alternative Audit Projects (Available for Substitution)

Several alternative projects were considered in developing the above Internal Audit plan. When prioritised the following projects were considered relevant but not as high a priority as the projects selected above. These projects have been captured below as potential substitutable projects, if Council's need change or other risks emerge requiring Internal Audit attention:

- Project Management, Recoverable Works & Contract Administration
- Maintenance Management Systems & Processes
- Contract Management & Procurement
- Works Programme Budget Development (capital & maintenance budgets)
- Non-Financial Delegations of Authority
- Compliance Management systems and reporting

## **7. OTHER BUSINESS**

### **7.1 FINANCIAL REPORT**

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

#### **RECOMMENDATION**

**That the Audit Committee receive and note the report entitled Financial Report.**

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#### **EXECUTIVE SUMMARY**

The attached Financial Reports details the progress of the 2020/2021 revised budget for the period ended 31 January 2021 (Received by Council) and 28 February 2021 (not received by Council).

#### **BACKGROUND**

In accordance with section 204 of the Local Government Regulation 2012 the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget.

This report must be presented to Council on a monthly basis and cover the period p to a day as near as practicable to the end of the preceding month.

#### **COMMENT**

The 2020/21 Annual Budget was adopted on 30 June 2020 and revised on the 24 November 2020.

#### **ATTACHMENTS**

1. Financial Report January [7.1.1 - 6 pages]
2. Financial Report February –[7.1.2 - 6 pages]
3. Revised Budget Report [7.1.3 - 33 pages]

**Attachment 7.1.1**

## 5.11. FINANCIAL REPORT JANUARY 2021

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

**MANAGER** Mark Stoermer, Chief Executive Officer

**DEPARTMENT** Finance and Corporate Services

### RECOMMENDATION

**That Council notes the Financial Report for the period ended 31 January 2021.**

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### EXECUTIVE SUMMARY

The attached Financial Report details the progress of the 2020/21 revised budget for the period ended 31 January 2021. Key points to note include the following:

- Operating revenue is ahead of budget by \$22K.
- Operating expenditure is under budget by \$1.8M.
- The Operating Surplus is currently \$8.9m, compared to a budgeted Surplus of \$7.0M

### BACKGROUND

In accordance with section 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

### COMMENT

The 2020/21 annual budget was adopted on 30 June 2020 and revised on the 24 November 2020. The attached financial report details progress against revised budget for the period ended 31 January 2021.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

### Operating Revenue and Expenditure

#### Key points:

- Council has received 79% of its annual budgeted operating revenue
- Year to date operating expenditure is currently under budget



Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates and utility charges are currently \$8k ahead of budget this is due to a number of factors including increase in water consumption \$6k, growth in charges \$17k which includes the Aged Care facility. This is offset by the cost of discounts for timely payments, currently over budget \$15k.
- Daintree Ferry revenue is currently \$79k behind budget. This includes refunds of \$19k. It has been noted that there was a significant drop in revenue in the later part of January. This will need to be monitored closely.
- Other fees and charges are behind budget by \$36k. This is due to the following:
  - Refuse Tipping fees are currently \$15k ahead of budget.
  - Licence Fees are currently \$19k ahead budget. Issue of film permits contributes to this variance.
  - Property fees are currently \$74k ahead of budget. This includes Search Fees which are \$29k ahead of budget, which reflects the reported increased movement in properties.
  - Other fees and charges are currently \$144k behind budget, Van parks are \$8k behind budget primarily due to changes to Wonga Beach. Mossman Pool is \$19k behind budget, Facility hire is \$60k behind budget which includes \$14k in refunds due to cancellations. A timing delay in issuing Mooring Fees \$32k also contributes to the shortfall.
- Grants and subsidies are \$4k behind budget.
- Interest Income is currently \$9k ahead of budget.
- Other recurrent income is ahead of budget \$124K. An additional State works contract for Alchera drive works has impacted this result. Income has been moved to offset waste levy expense as per Audit advice. Other revenue can also be impacted by the timing of income from the sale of recycled materials.

On the operating expenditure side, year to date expenditure variations to budget are as follows:

- Materials and services expenditure is currently under budget \$1M. This variance is primarily due to timing of receipt of invoices and commencement of operational projects, Committals are currently \$3.0M, which include Annual purchase orders for major contracts such as Ferry, Waste removal, etc.
- Employee benefits are currently \$470k under budget. This can be impacted by various factors, such as staff vacancies, the amount and timing of leave taken and the allocation of costs to capital expenditure. This variance includes an allowance for the impact of an EBA change. Employee voting has completed, and the EBA has now moved forward in the process and will be sent to Unions and Queensland Industrial Relations commission for finalisation.
- Depreciation expense is currently \$330k under budget and is impacted by completion of projects.

- Finance Costs are currently \$6k under budget, this is due to timing of bank merchant fees charged.

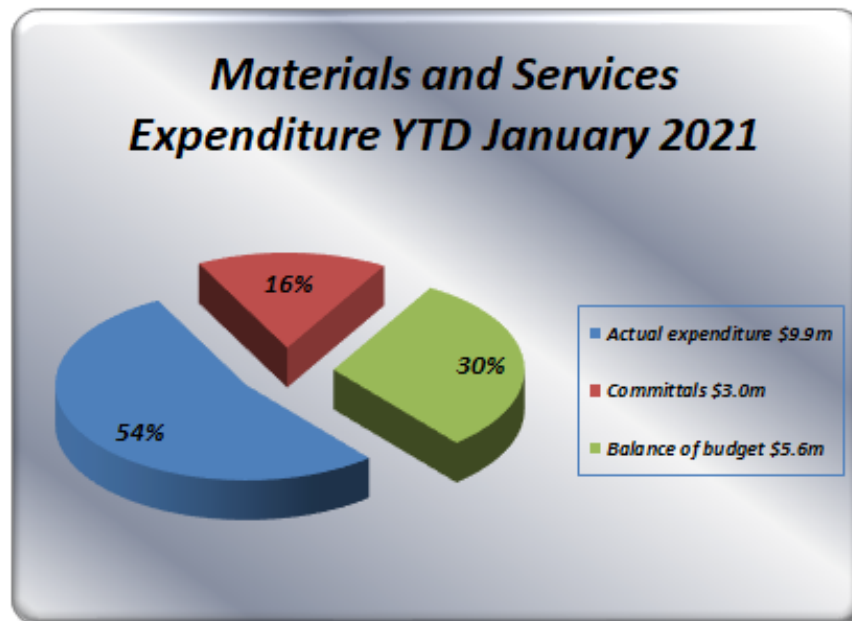


Figure 1.

### Capital Revenue and Expenditure

#### Key point:

- Council has received 32% of its annual budgeted capital grants and subsidies and no contributions from developers at this stage.

It should be noted that in addition to year-to-date capital expenditure of \$9.2m, a further \$7m had been committed as at the end of January 2021.

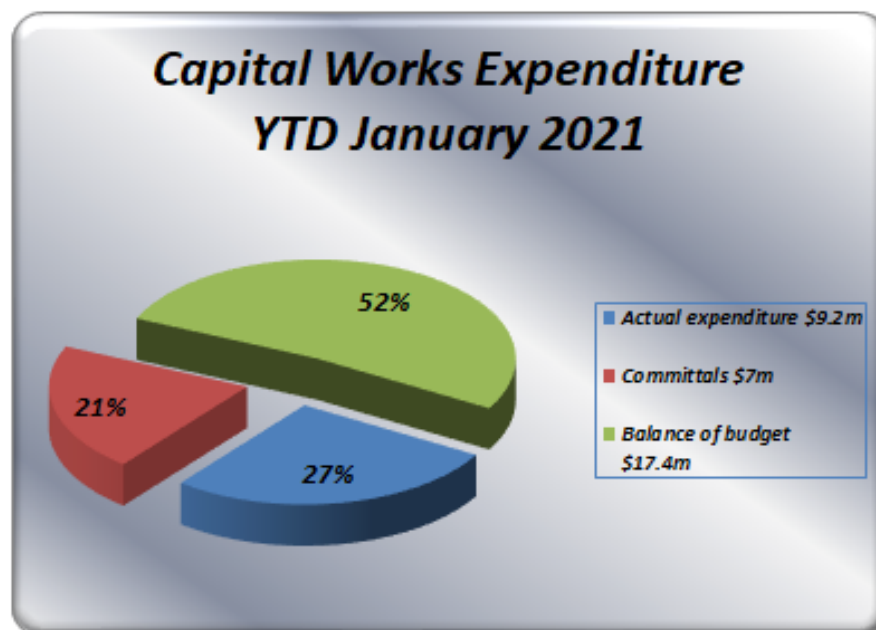


Figure 2.

## Operating Result

### Key point:

- The operating result is \$1.9m ahead of budget with an operating Surplus of \$8.9m compared to a budgeted Surplus of \$7.0m.

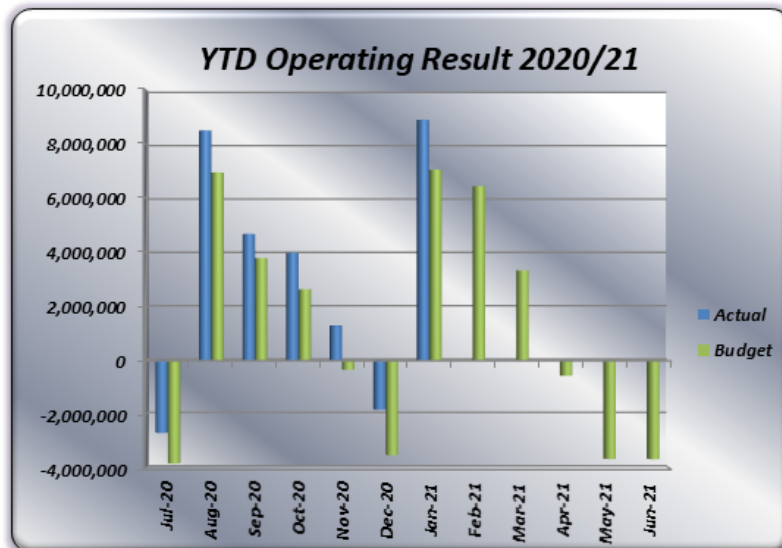


Figure 3.

## PROPOSAL

The Financial Report for the period ended 31 January 2021 be received and noted by Council.

## FINANCIAL/RESOURCE IMPLICATIONS

Continued uncertainty with border closures may negatively impact the Tourism Sector. This will likely result in a reduction in Daintree Ferry Revenue.

## RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

## SUSTAINABILITY IMPLICATIONS

### Economic:

The Covid-19 pandemic will have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial plan is to meet all three of the 'measures of financial sustainability' within a ten-year time frame.

### Environmental:

Nil

### Social:

Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Custodian</b>	Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance.
<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

## ATTACHMENTS

1. Financial Report January 2021 [5.11.1 - 1 page]

<b>Douglas Shire Council</b> <b>Statement of Comprehensive Income</b> <b>Financial Report January 2021</b>					
	Actual YTD 21 \$	Budget YTD 21 \$	Variance \$	Budget 20/21 \$	Actual as % of Budget 20/21
<b>Operating Revenue</b>					
Rates and utility charges	31,052,578	31,029,350	23,228	36,123,565	86%
less: Discounts	(87,815)	(73,156)	(14,659)	(146,313)	60%
less: Remissions (incl. Pensioners)	(506,076)	(505,188)	(888)	(512,449)	99%
Net rates and utility charges	30,458,687	30,451,006	7,681	35,464,803	86%
Daintree River Ferry fees & charges	1,406,049	1,484,958	(78,909)	2,571,448	55%
Fees and charges (excluding Ferry)	1,608,365	1,644,614	(36,249)	2,697,371	60%
Grants and subsidies	900,211	904,416	(4,205)	2,327,568	39%
Interest received	213,125	203,677	9,448	347,185	61%
Other recurrent income	686,083	562,226	123,857	1,117,156	61%
<b>Total Operating Revenue</b>	<b>35,272,521</b>	<b>35,250,897</b>	<b>21,624</b>	<b>44,525,531</b>	<b>79%</b>
<b>Operating Expenses</b>					
Employee benefits	9,101,789	9,571,963	470,174	16,396,741	56%
Materials and services	9,916,600	10,939,318	1,022,718	18,554,154	53%
Depreciation	7,324,018	7,654,430	330,412	13,054,728	56%
Finance costs	38,457	44,109	5,652	183,556	21%
<b>Total Recurrent Expenses</b>	<b>26,380,864</b>	<b>28,209,820</b>	<b>1,828,956</b>	<b>48,189,179</b>	<b>55%</b>
<b>Operating Result</b>	<b>8,891,657</b>	<b>7,041,077</b>	<b>1,850,580</b>	<b>(3,663,648)</b>	<b>(243%)</b>
<b>Capital Revenue</b>					
Capital grants and subsidies	5,632,258	17,614,958	(11,982,700)	17,614,958	32%
Contributions from developers	-	250,000	(250,000)	250,000	0%
<b>Total capital revenue</b>	<b>5,632,258</b>	<b>17,864,958</b>	<b>(12,232,700)</b>	<b>17,864,958</b>	<b>32%</b>
<b>Net Result</b>	<b>14,523,914</b>	<b>24,906,035</b>	<b>(10,382,121)</b>	<b>14,201,310</b>	<b>102%</b>
<b>Capital Works Program</b>					
Capital additions	9,233,682	33,713,453	24,479,771	33,713,453	27%
<b>Total capital additions</b>	<b>9,233,682</b>	<b>33,713,453</b>	<b>24,479,771</b>	<b>33,713,453</b>	<b>27%</b>

**Attachment 7.1.2**

## 5.9. FINANCIAL REPORT FEBRUARY 2021

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

**MANAGER** Mark Stoermer, Chief Executive Officer

**DEPARTMENT** Finance and Corporate Services

### RECOMMENDATION

**That Council notes the Financial Report for the period ended 28 February 2021.**

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### EXECUTIVE SUMMARY

The attached Financial Report details the progress of the 2020/21 revised budget for the period ended 28 February 2021. Key points to note include the following:

- Operating revenue is ahead of budget by \$13K.
- Operating expenditure is under budget by \$1.9M.
- The Operating Surplus is currently \$8.3m, compared to a budgeted Surplus of \$6.5M

### BACKGROUND

In accordance with section 204 of the *Local Government Regulation 2012* the Chief Executive Officer must present to Council a financial report, which states the progress that has been made in relation to the current financial year's budget. This report must be presented to Council on a monthly basis and cover the period up to a day as near as practicable to the end of the preceding month.

### COMMENT

The 2020/21 annual budget was adopted on 30 June 2020 and revised on the 24 November 2020. The attached financial report details progress against revised budget for the period ended 28 February 2021.

The following information is provided to assist with interpreting the report, including the provision of relevant graphs.

### Operating Revenue and Expenditure

#### Key points:

- Council has received 86% of its annual budgeted operating revenue
- Year to date operating expenditure is currently under budget.



Operating revenue is currently ahead of budget, with variations occurring primarily within the categories as follows:

- Rates and utility charges are currently \$9k behind budget this is due to several factors including a recorded decrease in water consumption \$24k to budget. This is offset by an increase in other charges \$17k which includes the Aged Care facility. Pension remission costs exceed budget by \$2k.
- Daintree Ferry revenue is currently \$105k behind budget. This includes refunds of \$19k for Covid Relief measures. This variance will continue to be monitored closely.
- Other fees and charges are currently online with budget, however there are a number of variances within this category:
  - Refuse Tipping fees are currently \$24k ahead of budget.
  - Licence Fees are currently \$14k behind budget. A delay in issuing prescribed activity fees \$38k causes this variance but is partially offset by issuing of film permits.
  - Property fees are currently \$110k ahead of budget. This includes Search Fees which are \$40k ahead of budget, which continues to reflect the reported increased movement in properties.
  - Other fees and charges are currently \$120k behind budget. Mossman Pool is \$26k behind and Facility hire is \$106k behind. This includes Port Douglas Markets which is \$64k behind budget and \$14k in refunds due to venue cancellations.
- Grants and subsidies are \$30k ahead of budget and includes funding for Sustainable Fishing \$13.5k & \$7.5k for Wanggetti revegetation.
- Interest Income is currently \$17k ahead of budget.
- Other recurrent income is ahead of budget \$81k. An additional State works contract for Alchera drive works has impacted this result. Budgeted Income has also been moved to offset waste levy expense as per Audit advice. Other revenue can also be impacted by the timing of income from the sale of recycled materials.

On the operating expenditure side, year to date expenditure variations to budget are as follows:

- Materials and services expenditure is currently under budget \$1.1M. This variance is primarily due to timing of receipt of invoices and commencement of operational projects, Committals are currently \$2.0M, which include Annual purchase orders for major contracts such as Ferry, Waste removal, etc.
- Employee benefits are currently \$441k under budget. This can be impacted by various factors, such as staff vacancies, the amount and timing of leave taken and the allocation of costs to capital expenditure. This variance includes an allowance for the impact of an EBA change. Employee voting has completed, and the EBA has now moved forward in the process and has been sent to Queensland Industrial Relations commission for finalisation.
- Depreciation expense is currently \$269k under budget and is impacted by completion of projects.
- Finance Costs are currently \$8k under budget, this is due to timing of bank merchant fees charged.

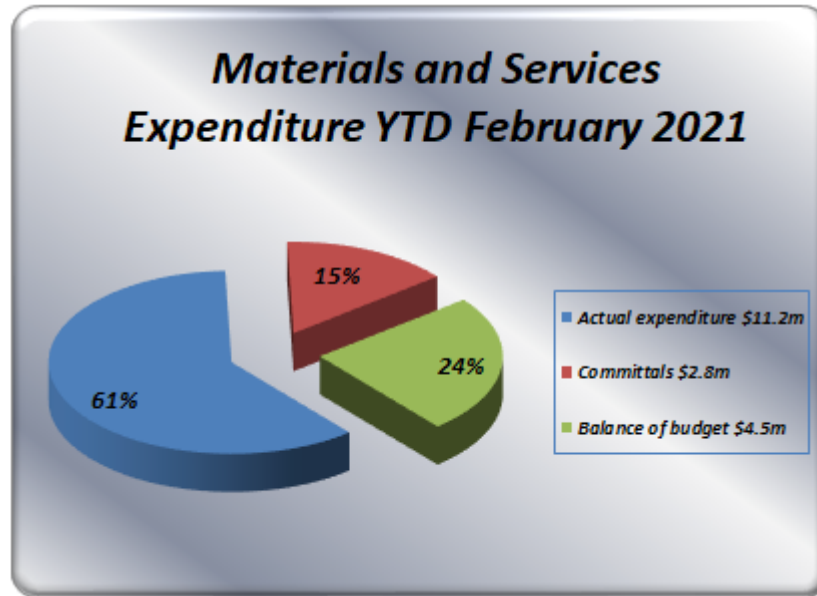


Figure 1.

### Capital Revenue and Expenditure

#### Key point:

- Council has received 32% of its annual budgeted capital grants and subsidies and no contributions from developers at this stage.

It should be noted that in addition to year-to-date capital expenditure of \$10m, a further \$7m had been committed as at the end of February 21.

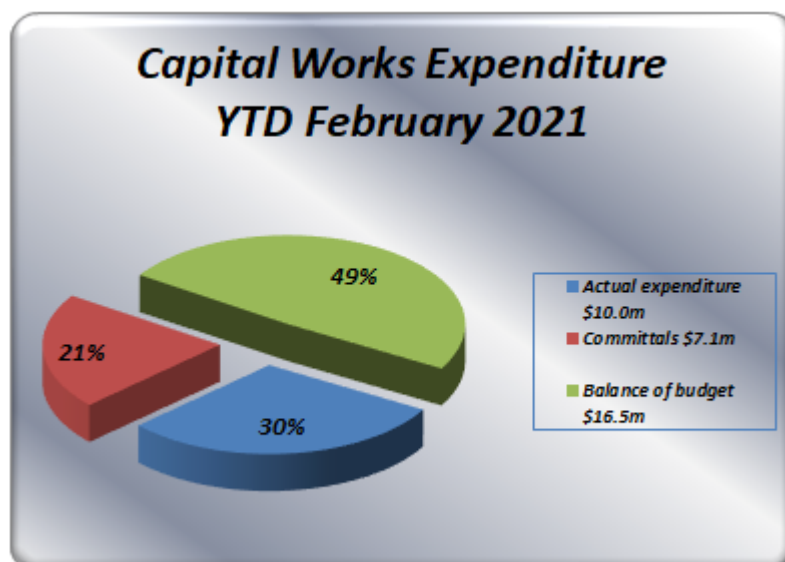


Figure 2.

## Operating Result

### Key point:

- The operating result is \$1.9m ahead of budget with an operating Surplus of \$8.3m compared to a budgeted Surplus of \$6.5m.

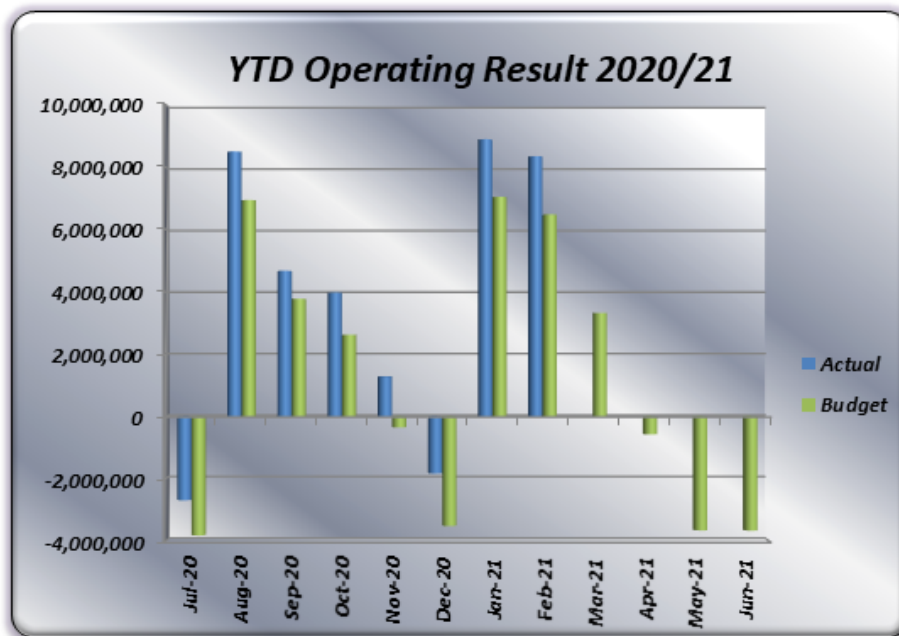


Figure 3.

## PROPOSAL

The Financial Report for the period ended 28 February 2021 be received and noted by Council.

## FINANCIAL/RESOURCE IMPLICATIONS

Continued uncertainty with border closures may negatively impact the Tourism Sector. This will likely result in a reduction in Daintree Ferry Revenue.

## RISK MANAGEMENT IMPLICATIONS

Monthly financial reporting keeps Council informed of the progress in relation to the budget and allows for timely corrective action if required.

## SUSTAINABILITY IMPLICATIONS

### Economic:

The Covid-19 pandemic will have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial plan is to meet all three of the 'measures of financial sustainability' within a ten-year time frame.

### Environmental:

Nil

**Social:** Nil

## **CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE**

This report has been prepared in accordance with the following:

### **Corporate Plan 2019-2024 Initiatives:**

#### **Theme 5 - Robust Governance and Efficient Service Delivery**

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

## **COUNCIL'S ROLE**

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Custodian</b>	Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment and good governance.
<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.

## **ATTACHMENTS**

1. Financial Report February 2021 [**5.9.1** - 1 page]

<b>Douglas Shire Council</b> <b>Statement of Comprehensive Income</b> <b>Financial Report February 2021</b>					
	Actual YTD 21 \$	Budget YTD 21 \$	Variance \$	Budget 20/21 \$	Actual as % of Budget 20/21
<b>Operating Revenue</b>					
Rates and utility charges	33,617,783	33,624,461	(6,678)	36,123,565	93%
less: Discounts	(146,821)	(146,313)	(508)	(146,313)	100%
less: Remissions (incl. Pensioners)	(507,366)	(505,188)	(2,178)	(512,449)	99%
Net rates and utility charges	32,963,596	32,972,960	(9,364)	35,464,803	93%
Daintree River Ferry fees & charges	1,494,397	1,599,847	(105,450)	2,571,448	58%
Fees and charges (excluding Ferry)	1,819,116	1,818,853	263	2,697,371	67%
Grants and subsidies	1,144,062	1,114,117	29,945	2,327,568	49%
Interest received	241,084	224,212	16,872	347,185	69%
Other recurrent income	705,820	625,252	80,568	1,117,156	63%
<b>Total Operating Revenue</b>	<b>38,368,075</b>	<b>38,355,241</b>	<b>12,834</b>	<b>44,525,531</b>	<b>86%</b>
<b>Operating Expenses</b>					
Employee benefits	10,360,662	10,801,942	441,280	16,396,741	63%
Materials and services	11,234,674	12,372,373	1,137,699	18,554,154	61%
Depreciation	8,382,652	8,651,282	268,630	13,054,728	64%
Finance costs	42,651	50,588	7,937	183,556	23%
<b>Total Recurrent Expenses</b>	<b>30,020,639</b>	<b>31,876,185</b>	<b>1,855,546</b>	<b>48,189,179</b>	<b>62%</b>
<b>Operating Result</b>	<b>8,347,436</b>	<b>6,479,056</b>	<b>1,868,380</b>	<b>(3,663,648)</b>	<b>(228%)</b>
<b>Capital Revenue</b>					
Capital grants and subsidies	5,723,462	17,614,958	(11,891,497)	17,614,958	32%
Contributions from developers	-	250,000	(250,000)	250,000	0%
<b>Total capital revenue</b>	<b>5,723,462</b>	<b>17,864,958</b>	<b>(12,141,497)</b>	<b>17,864,958</b>	<b>32%</b>
<b>Net Result</b>	<b>14,070,898</b>	<b>24,344,014</b>	<b>(10,273,116)</b>	<b>14,201,310</b>	<b>99%</b>
<b>Capital Works Program</b>					
Capital additions	10,052,633	33,713,453	23,660,820	33,713,453	30%
<b>Total capital additions</b>	<b>10,052,633</b>	<b>33,713,453</b>	<b>23,660,820</b>	<b>33,713,453</b>	<b>30%</b>

**Attachment 7.1.3**

## 5.2. REVISED BUDGET 2020-2021

**REPORT AUTHOR** Tara Killeen, Chief Financial Officer

**MANAGER** Mark Stoermer, Chief Executive Officer

**DEPARTMENT** Finance and Corporate Services

### RECOMMENDATION

**That Council resolve to adopt, pursuant to Sections 169 and 170 of the *Local Government Regulation 2012* the Revised Budget for the financial year 2020-2021 and the Long-Term Financial Forecast for the financial years 2020-2021 to 2029-2030 as contained in the document titled 2020/2021 Revised Annual Budget and set out in the pages contained therein:**

1. **Budgeted Statement of Income and Expenditure**
2. **Budgeted Statement of Financial Position**
3. **Budgeted Statement of Cash Flow**
4. **Budgeted Statement of Changes in Equity**
5. **Long Term Financial Forecast**
6. **Measures of Financial Sustainability**
7. **Budgeted sources and application of Capital Funding**
8. **Budgeted movement in Reserves**
9. **Budgeted Rates and Utilities Charges**
10. **Total Value of change in the rates and charges expressed as a percentage**
11. **Capital Works Program**

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### EXECUTIVE SUMMARY

The Budget review is presented to Council for adoption recognising changes to the financial position since the 2020-2021 Annual Budget was adopted on 30 June 2020.

The budget review for 2020-2021 has been incorporated with the Long-Term Financial Forecast. Impacts on this and future financial years have been reviewed and some of the forecast assumptions have been amended. The revised budget:

- includes a number of changes to operating revenue and expenditure, including any items approved by Council since the adoption of the original budget
- allows for the carry forward of uncompleted capital works from last financial year
- includes any items of capital expenditure approved by Council since the adoption of the original budget
- includes a number of capital expenditure adjustments to existing projects that result in a net increase in proposed capital expenditure
- includes a number of new capital projects, in some cases as a result of new capital grants that have been awarded
- incorporates revised figures for DRFA capital revenue and expenditure.

Adoption of the revised figures will provide an updated indication of Council's progress against budget.

## BACKGROUND

While there is no legislative requirement to revise Council's budget during the financial year, a revision enables Council to accommodate changing circumstances and adjust the budget for factors that were unknown at the time of the budget's original adoption, thus providing more meaningful results, when comparing actual revenue and expenditure against budget. Council from time to time reviews its adopted budget and makes appropriate adjustments to promote transparent financial management. Council has committed to maintaining rigour in its financial management and reporting processes by undertaking budget reviews.

Budget reviews should act as a barometer of Council's financial health during the year. The scope of review will differ, depending on where the organisation is at in the overarching planning and budget cycle.

It is a legislated requirement for an amended budget to include all items listed in section 169 of the local government regulation 2012. However, whilst section 169 of the local government regulation 2012 requires a budget to include a revenue statement and a revenue policy, section 170 of the *Local government Regulation 2012* stipulates that a local government may only decide the rates and charges to be levied for a financial year at the budget meeting for the financial year. The Revenue Policy and Revenue Statement were adopted by Council on 30 June 2020 and cannot be amended during a year and are not required to be adopted as part of any revised budget resolution.

## COMMENT

The 2020-21 annual budget was adopted on 30 June 2020. The attached financial report details the proposed 2020-21 revised budget figures. Table 2 below provides a summary of the adopted budget for the year ending 30 June 2021, proposed budget adjustments and the proposed 2020-21 revised budget figures.

## PROPOSED ADJUSTMENTS TO THE ADOPTED BUDGET (BUDGET REVIEW)

### Key points:

- *the net effect of adjustments made to operating revenue and expenditure is a reduction in Council's overall budgeted deficit*
- *increases in capital revenue and expenditure incorporate carry forward items, adjustments and new projects which result in a significant increase in Council's capital works program*
- *revised budget figures include DRFA estimates*

A detailed review of Council's 2020-21 budget has been undertaken and the following changes are proposed:

- a decrease in operating revenue and a decrease in operating expenditure
- adjustments to a number of existing capital expenditure items that result in a net increase in proposed capital expenditure
- addition of a number of new capital projects, in some cases as a result of new capital grants that have been approved
- revised figures for DRFA capital revenue and expenditure.



## Adjustments to Operating Revenue and Operating Expenditure

Adjustments netting -\$70k have been made to operating revenue and adjustments netting -\$90k have been made to operating expenditure, based on revised estimates of likely changes in revenue and expenditure for the remainder of the 2020/21 financial year.

Adjustments to operating revenue are as follows:

- Net rates revenue -\$37k – increase in pensioner remission claims and special refuse waiver.
- Fees and charges -\$61k – anticipated further reduction in revenue from Daintree Ferry \$113k, reduced pool fees \$5k, and reduced Septage fees \$30k (offset by savings in materials and services). Increases in revenue: Van park fees \$36k, refuse fees \$15k and developer fund payments \$36k
- Grants and subsidies +206k – increased Financial Assistance Grant \$91k, new grants: coastal rehabilitation \$84k, library \$13k, community road safety \$18k
- Interest -\$178k – decline in interest rates worse than anticipated

Adjustments to operating expenditure are as follows:

- Employee benefits +\$64k - includes new positions for van park, Nursery Technician, local laws and junior administration, adjustments for proposed certified agreement and savings due to unfilled positions
- Materials and services -\$154k – increased costs: insurances (public liability \$8k, assets \$38k & WorkCover \$72k), consulting/legal fees (rates \$32k, ferry \$59k, property \$20k, human resources \$20k, water \$8k), maintenance/repairs golf club \$8k, new grants expenditure \$76k, new booking systems \$13k, certified agreement costs \$10k; offset by identified savings: electricity \$135k, telephone \$30k, stationery \$5k, materials used (water and wastewater) \$50k, grants, contributions & events \$129k, contractor costs (Daintree Ferry \$97k & van park \$22k), reduced bad debt allowance \$20k and amended Septage fee treatment \$30k (corresponding entry in fees and charges)

These adjustments will address a number of the variances currently identified in Council's monthly financial reporting.

## Uncompleted 2019/20 Capital Works Carried Forward

A number of capital works items included in the 2019/20 budget were not completed prior to 30 June 2020. The revised budget figures make allowance for the unspent budget amounts from 2019/20 to be carried forward to 2020/21 (where required) for the completion of these works. In some instances, additional funds are required for this purpose and these funds have also been identified for inclusion in the revised budget.

Any applicable capital grant revenue relating to these carried forward capital works items that has not already been accounted for during the 2019/20 financial year is also included.

The above information is shown in a separate attachment to this report and includes the completion status of each item as at 3 November 2020. The dollar value of these budget changes is summarised in a table later in this report.

## Adjustments and Proposed Additions to Council's Capital Works Program

Details of adjustments made to a number of existing capital expenditure items that will result in a net increase in proposed capital expenditure and details of the addition of a number of new capital projects (in some cases as a result of new external capital grants that have been awarded) are also shown in separate attachments to this report. The dollar value of these adjustments and additions is also summarised in Table 1 below.

### DRFA

The revised budget includes an estimate of revenue to be received and expenditure incurred during the 2020-21 financial year in relation to weather events that occurred during prior financial years, as part of Council's DRFA Restoration of Essential Public Assets (REPA) submissions.

### Summary of Proposed Budget Adjustments

The following table provides a summary of all the proposed capital adjustments to Council's 2020-21 budget figures.

Table 1.

CAPITAL REVENUE		\$
Capital grants and subsidies		
- Carry forward capital grants		1,944,937
- New capital grants		1,796,144
- DRFA asset restoration work		3,371,566
<b>Adjustments to Total Capital Revenue</b>		<b>7,112,647</b>
CAPITAL EXPENSES		\$
Capital expenses		
- Uncompleted 2019-20 Capital works projects carried forward		4,449,166
- Estimated additional budget required for 2019-20 Capital works projects carried forward		944,871
- 2020-21 Capital works adjustments		897,905
- New capital projects		3,323,100
- DRFA asset restoration work		2,925,666
<b>Adjustments to Total Capital Expenses</b>		<b>12,540,708</b>

The proposed adjustments are summarised in the following table:

**Table 2.**

Douglas Shire Council Statement of Comprehensive Income		Budget 20/21 \$	BUDGET ADJUSTMENT \$	REVISED BUDGET \$
Operating Revenue				
Rates and utility charges	36,123,565	-	36,123,565	
less: Discounts	(146,313)	-	(146,313)	
less: Remissions (incl. Pensioners)	(475,188)	(37,261)	(512,449)	
Net rates and utility charges	35,502,064	(37,261)	35,464,803	
Daintree River Ferry fees & charges	2,684,717	(113,269)	2,571,448	
Fees and charges (excluding Ferry)	2,645,371	52,000	2,697,371	
Grants and subsidies	2,121,038	206,530	2,327,568	
Interest received	525,060	(177,875)	347,185	
Other recurrent income	1,117,156	-	1,117,156	
Total Operating Revenue	44,595,406	(69,875)	44,525,531	
Operating Expenses				
Employee benefits	16,333,228	63,513	16,396,741	
Materials and services	18,708,087	(153,933)	18,554,154	
Depreciation	13,054,728	-	13,054,728	
Finance costs	183,556	-	183,556	
Total Recurrent Expenses	48,279,599	(90,420)	48,189,179	
Operating Result		(3,684,193)	20,545	(3,663,648)
Capital Revenue				
Capital grants and subsidies	10,502,311	7,112,647	17,614,958	
Contributions from developers	250,000		250,000	
Total capital revenue	10,752,311	7,112,647	17,864,958	
Net Result		7,068,118	7,133,192	14,201,310
Capital Works Program				
Capital additions	21,172,745	12,540,708	33,713,453	
Total capital additions	21,172,745	12,540,708	33,713,453	

## FINANCIAL/RESOURCE IMPLICATIONS

The results as at the end of October 2020 revealed further negative impacts on the 2020/21 budget as a result of Covid-19. The reduction in revenue from Daintree Ferry and Council relief measures have been mitigated by identifying savings in other areas, without any reduction in services (unless Covid related).

## RISK MANAGEMENT IMPLICATIONS

The budget revision process enables Council to accommodate changing circumstances and adjust the budget for factors that were unknown at the time of the budget's original adoption, thus providing more meaningful results when comparing actual revenue and expenditure against budget.

## SUSTAINABILITY IMPLICATIONS

**Economic:** The Covid-19 pandemic will have a negative impact on the economic sustainability of Douglas Shire Council and may impact sustainability ratios. This will be closely managed by Council and mitigated where possible. The aim of the long-term financial plan is to meet all three of the 'measures of financial sustainability' within a ten-year time frame.

**Environmental:** Nil

**Social:** Nil

## CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

### Corporate Plan 2019-2024 Initiatives:

#### Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

**Goal 1** - *We will conduct Council business in an open and transparent manner with strong oversight and open reporting.*

**Goal 3** - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

## COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

<b>Custodian</b>	Council owns and manages infrastructure, facilities, reserves, resources and natural areas. In fulfilling its role as custodian, Council will be mindful of the community, the economy, the environment, and good governance.
<b>Regulator</b>	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes based approach that balances the needs of the community with social and natural justice.
<b>Service Provider</b>	Council provides many services to the community from roads and waste services to libraries and recreational facilities. Services evolve over time and it is the Council's mission to ensure that these services are appropriate, delivered efficiently, and designed with the customer at the centre.

## CONSULTATION

**Internal:** The budget review process has involved consultation with staff, the management team, the Chief Executive Officer and the Councillors.

**External:** Nil

## COMMUNITY ENGAGEMENT

The adoption of the Revised Budget 2020-2021 and subsequent publishing will fall within the "inform" category of Council's Community Engagement Framework.

## ATTACHMENTS

1. 2020-2021 Revised Annual Budget [5.2.1 - 13 pages]
2. Capital Works Budget Carry Forwards 2020-2021 Revised Budget [5.2.2 - 5 pages]
3. 2020-2021 Capital Works Budget Adjustments [5.2.3 - 4 pages]
4. 2020-2021 New Capital Works Revised Budget [5.2.4 - 4 pages]



# **2020/21 REVISED ANNUAL BUDGET**

**BUDGETED FINANCIAL STATEMENTS  
AND SUPPORTING INFORMATION**

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# Douglas Shire Council - Budgeted Statement of Income and Expenditure

For the period ending 30 June 2021

	2020/21	2021/22	2022/23
	\$	\$	\$
<b>Operating Revenue</b>			
Rates and utility charges	36,123,565	37,631,567	38,933,408
Less: Pensioner remissions / Rebates	(512,449)	(490,869)	(507,068)
Less: Discounts	(146,313)	0	0
<b>Net rates and utility charges</b>	<b>35,464,803</b>	<b>37,140,697</b>	<b>38,426,340</b>
Fees and charges	5,268,819	6,058,059	6,257,975
Grants and subsidies	2,327,568	2,374,119	2,421,602
Interest received	347,185	347,185	347,185
Other operating revenue	1,117,156	1,119,027	1,119,027
<b>TOTAL OPERATING REVENUE</b>	<b>44,525,531</b>	<b>47,039,087</b>	<b>48,572,129</b>
<b>Operating Expenses</b>			
Employee benefits	16,396,741	16,757,469	17,126,133
Materials and services	18,554,154	19,004,444	19,432,044
Depreciation and amortisation	13,054,728	13,446,370	13,849,761
Finance costs	183,556	187,227	190,971
<b>TOTAL OPERATING EXPENDITURE</b>	<b>48,189,179</b>	<b>49,395,510</b>	<b>50,598,910</b>
<b>Operating Surplus / (Deficit)</b>	<b>(3,663,648)</b>	<b>(2,356,422)</b>	<b>(2,026,781)</b>
<b>Capital Income</b>			
Grants and subsidies	17,614,958	1,089,400	1,089,400
Contributions from developers	250,000	250,000	250,000
<b>TOTAL CAPITAL INCOME</b>	<b>17,864,958</b>	<b>1,339,400</b>	<b>1,339,400</b>
<b>Net Result</b>	<b>14,201,310</b>	<b>(1,017,022)</b>	<b>(687,381)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>14,201,310</b>	<b>(1,017,022)</b>	<b>(687,381)</b>



**Douglas Shire Council - Budgeted Statement of Financial Position**

For the period ending 30 June 2021

	2020/21	2021/22	2022/23
	\$	\$	\$
<b>Current Assets</b>			
Cash assets and equivalents	19,265,723	18,715,723	18,465,723
Receivables	4,647,918	4,647,918	4,647,918
Inventory	97,728	97,728	97,728
	<u>24,011,369</u>	<u>23,461,369</u>	<u>23,211,369</u>
<b>Non-Current Assets</b>			
Property, plant and equipment	416,204,398	415,737,375	414,577,983
Intangibles	110,000	110,000	110,000
	<u>416,314,398</u>	<u>415,847,375</u>	<u>414,687,983</u>
<b>TOTAL ASSETS</b>	<b><u>440,325,766</u></b>	<b><u>439,308,744</u></b>	<b><u>437,899,352</u></b>
<b>Current Liabilities</b>			
Trade and other payables	5,821,683	5,821,683	5,821,683
Borrowings	0	0	0
Provisions	2,511,962	3,233,973	2,511,962
	<u>8,333,645</u>	<u>9,055,656</u>	<u>8,333,645</u>
<b>Non-Current Liabilities</b>			
Borrowings	0	0	0
Provisions	3,290,027	2,568,016	2,568,016
	<u>3,290,027</u>	<u>2,568,016</u>	<u>2,568,016</u>
<b>TOTAL LIABILITIES</b>	<b><u>11,623,672</u></b>	<b><u>11,623,672</u></b>	<b><u>10,901,661</u></b>
<b>NET COMMUNITY ASSETS</b>	<b><u>428,702,094</u></b>	<b><u>427,685,072</u></b>	<b><u>426,997,691</u></b>
<b>Community Equity</b>			
General reserves	6,004,520	5,454,520	5,204,520
Accumulated surplus / (deficit)	422,697,574	422,230,552	421,793,171
<b>TOTAL COMMUNITY EQUITY</b>	<b><u>428,702,094</u></b>	<b><u>427,685,072</u></b>	<b><u>426,997,691</u></b>

**Douglas Shire Council - Budgeted Statement of Cash Flow****For the period ending 30 June 2021**

	2020/21	2021/22	2022/23
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Receipts			
Net rates and utility charges	35,464,803	37,140,697	38,426,340
Fees and charges	5,268,819	6,058,059	6,257,975
Grants, subsidies, contributions and donations	2,327,568	2,374,119	2,421,602
Interest received	347,185	347,185	347,185
Other operating revenue	1,117,156	1,119,027	1,119,027
	<u>44,525,531</u>	<u>47,039,087</u>	<u>48,572,129</u>
Payments			
Employee benefits	(16,396,741)	(16,757,469)	(17,126,133)
Materials and services	(18,554,154)	(19,004,444)	(19,432,044)
Finance costs	(183,556)	(187,227)	(190,971)
	<u>(35,134,451)</u>	<u>(35,949,139)</u>	<u>(36,749,148)</u>
<b>Net cash inflow (outflow) from operating activities</b>	<b><u>9,391,081</u></b>	<b><u>11,089,948</u></b>	<b><u>11,822,980</u></b>
<b>Cash flows from investing activities</b>			
Receipts			
Proceeds from sale of property plant and equipment	825,000	110,000	110,000
Grants, subsidies, contributions and donations	17,864,958	1,339,400	1,339,400
	<u>18,689,958</u>	<u>1,449,400</u>	<u>1,449,400</u>
Payments			
Payments for property, plant and equipment	(33,713,453)	(13,089,348)	(13,522,380)
Payments for intangible assets	0	0	0
	<u>(33,713,453)</u>	<u>(13,089,348)</u>	<u>(13,522,380)</u>
<b>Net cash inflow (outflow) from investing activities</b>	<b><u>(15,023,495)</u></b>	<b><u>(11,639,948)</u></b>	<b><u>(12,072,980)</u></b>
<b>Cash flows from financing activities</b>			
<b>Net cash inflow (outflow) from financing activities</b>	<b><u>0</u></b>	<b><u>0</u></b>	<b><u>0</u></b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b><u>(5,632,414)</u></b>	<b><u>(550,000)</u></b>	<b><u>(250,000)</u></b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>24,898,137</b>	<b>19,265,723</b>	<b>18,715,723</b>
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>19,265,723</u></b>	<b><u>18,715,723</u></b>	<b><u>18,465,723</u></b>

**Douglas Shire Council - Budgeted Statement of Changes in Equity**

For the period ending 30 June 2021

	2020/21 \$	2021/22 \$	2022/23 \$
<b>GENERAL RESERVES</b>			
<b>Balance as at 1 July</b>	6,634,520	6,004,520	5,454,520
Transfers to and from reserves			
Transfers to reserves	250,000	400,000	400,000
Transfers from reserves	(880,000)	(950,000)	(650,000)
<b>Total transfers to and from reserves</b>	<u>(630,000)</u>	<u>(550,000)</u>	<u>(250,000)</u>
<b>Balance as at 30 June</b>	<u><b>6,004,520</b></u>	<u><b>5,454,520</b></u>	<u><b>5,204,520</b></u>
<b>ACCUMULATED SURPLUS / (DEFICIT)</b>			
<b>Balance as at 1 July</b>	407,866,264	422,697,574	422,230,552
Net result	14,201,310	(1,017,022)	(687,381)
<b>Total comprehensive income for the year</b>	<u>14,201,310</u>	<u>(1,017,022)</u>	<u>(687,381)</u>
Transfers to and from reserves			
Transfers to reserves	(250,000)	(400,000)	(400,000)
Transfers from reserves	880,000	950,000	650,000
<b>Total transfers to and from reserves</b>	<u>630,000</u>	<u>550,000</u>	<u>250,000</u>
<b>Balance as at 30 June</b>	<u><b>422,697,574</b></u>	<u><b>422,230,552</b></u>	<u><b>421,793,171</b></u>
<b>TOTAL COMMUNITY EQUITY</b>	<u><b>428,702,094</b></u>	<u><b>427,685,072</b></u>	<u><b>426,997,691</b></u>

**Douglas Shire Council - Long Term Financial Forecast**

For the period ending 30 June 2021

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating Revenue</b>										
Rates and utility charges	35,464,803	37,140,697	38,426,340	39,754,409	41,126,305	42,543,473	44,007,407	45,519,652	47,081,800	48,695,500
Fees and charges	5,268,819	6,058,059	6,257,975	6,464,488	6,677,816	6,898,184	7,125,824	7,360,976	7,603,889	7,854,817
Grants and subsidies	2,327,568	2,374,119	2,421,602	2,470,034	2,519,434	2,569,823	2,621,219	2,673,644	2,727,117	2,781,659
Interest received	347,185	347,185	347,185	347,185	347,185	347,185	347,185	347,185	347,185	347,185
Other operating revenue	1,117,156	1,119,027	1,119,027	1,119,027	1,119,027	1,119,027	1,119,027	1,119,027	1,119,027	1,119,027
<b>TOTAL OPERATING REVENUE</b>	<b>44,525,531</b>	<b>47,039,087</b>	<b>48,572,129</b>	<b>50,155,143</b>	<b>51,789,767</b>	<b>53,477,692</b>	<b>55,220,663</b>	<b>57,020,484</b>	<b>58,879,018</b>	<b>60,798,188</b>
<b>Operating Expenses</b>										
Employee benefits	16,396,741	16,757,469	17,126,133	17,502,908	17,887,972	18,281,508	18,683,701	19,094,742	19,514,827	19,944,153
Materials and services	18,554,154	19,004,444	19,432,044	19,869,265	20,316,323	20,773,440	21,240,843	21,718,762	22,207,434	22,707,101
Depreciation and amortisation	13,054,728	13,446,370	13,849,761	14,265,254	14,693,212	15,134,008	15,588,028	16,055,669	16,537,339	17,033,459
Finance costs	183,556	187,227	190,971	194,791	198,686	202,660	206,713	210,848	215,065	219,366
<b>TOTAL OPERATING EXPENDITURE</b>	<b>48,189,179</b>	<b>49,395,510</b>	<b>50,598,910</b>	<b>51,832,218</b>	<b>53,096,194</b>	<b>54,391,616</b>	<b>55,719,285</b>	<b>57,080,021</b>	<b>58,474,664</b>	<b>59,904,079</b>
<b>Operating Surplus / (Deficit)</b>	<b>(3,663,648)</b>	<b>(2,356,422)</b>	<b>(2,026,781)</b>	<b>(1,677,075)</b>	<b>(1,306,426)</b>	<b>(913,924)</b>	<b>(498,622)</b>	<b>(59,537)</b>	<b>404,353</b>	<b>894,109</b>
<b>Capital Income</b>										
Grants and subsidies	17,614,958	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400
Contributions from developers	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
<b>TOTAL CAPITAL INCOME</b>	<b>17,864,958</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>	<b>1,339,400</b>
<b>Net Result</b>	<b>14,201,310</b>	<b>(1,017,022)</b>	<b>(687,381)</b>	<b>(337,675)</b>	<b>32,974</b>	<b>425,476</b>	<b>840,778</b>	<b>1,279,863</b>	<b>1,743,753</b>	<b>2,233,509</b>
<b>Sources of capital funding</b>										
Funded depreciation	9,306,081	10,939,948	11,672,980	12,438,179	13,236,785	14,070,084	14,939,406	15,846,133	16,537,339	17,033,459
Constrained works reserve	880,000	800,000	500,000	300,000	250,000	200,000	200,000	200,000	200,000	200,000
Daintree ferry reserve	85,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Public art reserve	0	0	0	0	0	0	0	0	0	0
Proceeds from sale of assets	825,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Capital grants	17,614,958	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400	1,089,400
Council source funding	5,002,414	0	0	0	0	0	0	0	0	0
General revenue	0	0	0	0	0	0	0	0	127,177	372,054
<b>Total sources of capital funding</b>	<b>33,713,453</b>	<b>13,089,348</b>	<b>13,522,380</b>	<b>14,087,579</b>	<b>14,836,185</b>	<b>15,619,484</b>	<b>16,488,806</b>	<b>17,395,533</b>	<b>18,213,916</b>	<b>18,954,913</b>
<b>Application of capital funding</b>										
Capital Works expenditure	33,713,453	13,089,348	13,522,380	14,087,579	14,836,185	15,619,484	16,488,806	17,395,533	18,213,916	18,954,914
<b>Total application of capital funding</b>	<b>33,713,453</b>	<b>13,089,348</b>	<b>13,522,380</b>	<b>14,087,579</b>	<b>14,836,185</b>	<b>15,619,484</b>	<b>16,488,806</b>	<b>17,395,533</b>	<b>18,213,916</b>	<b>18,954,914</b>
<b>COMMUNITY ASSETS</b>										
Total Assets	440,325,766	439,308,744	437,899,352	437,561,677	437,594,651	437,161,954	438,002,732	439,282,595	441,026,349	443,259,857
Total Liabilities	11,623,672	11,623,672	10,901,661	10,901,661	10,901,661	10,043,488	10,043,488	10,043,488	10,043,488	10,043,488
<b>TOTAL COMMUNITY EQUITY</b>	<b>428,702,094</b>	<b>427,685,072</b>	<b>426,997,691</b>	<b>426,660,016</b>	<b>426,692,990</b>	<b>427,118,466</b>	<b>427,959,244</b>	<b>429,239,107</b>	<b>430,982,861</b>	<b>433,216,369</b>

## Douglas Shire Council - Measures of Financial Sustainability

For the period ending 30 June 2021

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	%	%	%	%	%	%	%	%	%	%

Council's expected performance at 30 June against key financial ratios and targets:

Ratio	How the measure is calculated	Target										
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	Between 0% and 10%	(8.23)	(5.01)	(4.17)	(3.34)	(2.52)	(1.71)	(.90)	(.10)	0.69	1.47
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	136.38	96.57	91.68	94.71	91.78	93.61	94.88	96.10	97.47	98.48
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	Not greater than 60%	(27.82)	(25.17)	(25.34)	(24.44)	(23.67)	(24.62)	(23.94)	(23.27)	(22.84)	(22.81)

## Douglas Shire Council - Budgeted Sources and Application of Capital Funding

For the period ending 30 June 2021

	2020/21	2021/22	2022/23
	\$	\$	\$
<b>Sources of capital funding</b>			
Funded depreciation	9,306,081	10,939,948	11,672,980
* Constrained works reserve	880,000	800,000	500,000
Daintree ferry reserve	85,000	150,000	150,000
Public art reserve	0	0	0
Proceeds from sale of assets	825,000	110,000	110,000
Capital grants	17,614,958	1,089,400	1,089,400
Council source funding	5,002,414	0	0
General revenue	0	0	0
<b>Total sources of capital funding</b>	<b>33,713,453</b>	<b>13,089,348</b>	<b>13,522,380</b>
<b>Application of capital funding</b>			
Capital Works expenditure	33,713,453	13,089,348	13,522,380
<b>Total application of capital funding</b>	<b>33,713,453</b>	<b>13,089,348</b>	<b>13,522,380</b>
<i>* Application of funds from Constrained works reserve</i>			
Road / Transport Network	231,000		
Public Spaces	84,000		
Water	285,000		
Wastewater	280,000		
	<u>880,000</u>		

## Douglas Shire Council - Budgeted Movement in Reserves

For the period ending 30 June 2021

	2020/21	2021/22	2022/23
	\$	\$	\$
<b>RESERVES</b>			
<b>Constrained works reserve</b>			
Balance as at 1 July	2,634,520	2,004,520	1,454,520
Transfers to reserve	250,000	250,000	250,000
Transfers from reserve	(880,000)	(800,000)	(500,000)
Balance as at 30 June	<u>2,004,520</u>	<u>1,454,520</u>	<u>1,204,520</u>
<b>Daintree ferry reserve</b>			
Balance as at 1 July	4,000,000	4,000,000	4,000,000
Transfers to reserve	85,000	150,000	150,000
Transfers from reserve	(85,000)	(150,000)	(150,000)
Balance as at 30 June	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>
<b>Public art reserve</b>			
Balance as at 1 July	0	0	0
Transfers to reserve	0	0	0
Transfers from reserve	0	0	0
Balance as at 30 June	<u>0</u>	<u>0</u>	<u>0</u>

## Douglas Shire Council - Budgeted Rates and Utility Charges - Value of Change

For the period ending 30 June 2021

	2019/20	2020/21	Change	Change
	\$	\$	\$	%
Rates and utility charges	35,291,228	36,123,565	832,337	2.4%

### Basis of Preparation

This information is provided in accordance with the requirements of the *Local Government Regulation 2012*.  
The change in \$ amount / percentage includes rates and utility charges levied on additional assessments, connections and services added since the previous financial year and a revised estimate of the value of utility charges for water consumption.

**Douglas Shire Council - Capital Works Program****For the period ending 30 June 2021**

	New/ Renewal/ Upgrade (N/R/U)	2020/21 \$
<b><u>Community Development</u></b>		
Sports Master Plan Implementation for Port Douglas and Mossman	R	200,000
Placemaking Public Arts Installations Program	R	10,000
Mossman and Port Douglas Flagpoles	N	10,000
Douglas Indigenous Signage Program	N	49,905
Mossman Showgrounds - Disability access to toilets	U	6,744
Port Douglas Sports Oval & Mossman Showgrounds Master Plan	R	24,661
Safe Places Emergency Accommodation	N	760,400
Port Douglas Pool and Splash Park-Masterplan, Concept & Detailed Designs	N	465,000
Mossman Pool & Caravan Park Redevelopment-Detailed Designs	N	40,000
Mossman Pool expansion joints reseal program	R	80,000
Mossman Pool Lighting design and installation	U	85,000
CCTV - Port Douglas Sports Complex	N	10,000
Boomgate and Information Shelter Mossman Van Park - LRCI Grant Funded	N	36,000
		<b>1,777,710</b>
<b><u>ICT Services</u></b>		
Mossman Computer Room Equipment Refresh Stage 2	R	370,359
Mossman Computer Room Upgrades	U	14,771
Whyanbeel Network Replacement	R	79,392
Video Streaming Room Setup	U	46,000
MM Wireless Network Refresh	R	86,037
Desk Phone System - Call Recording	N	23,000
ICT Planning Zone Report Tool	N	19,037
Asset Management System feasibility & data prep	N	40,000
		<b>678,596</b>
<b><u>Property Services</u></b>		
Mossman Caravan Park and Pool Upgrades	R/U	220,000
Purchase Road Reserve to Accommodate Reef Bank	N	100,000
Port Douglas Carpark Complex - Business Case	U	30,000
Mossman Pool - Disability Upgrades	U	120,000
Disability Chair Lift Replacement - Mossman Pool	R	7,500
Flagstaff Hill Communications Tower Replacement	R	50,000
QT Pool Engineering Assessment	N	6,160
Purchase Mossman Golf Club	N	209,000
Upgrades to Mossman Golf Club	U	155,000
Purchase Land for Emergency Safe Places Accommodation	N	100,000
Wonga beach caravan park grey water system	U	120,000
Wi-Fi Wonga Van Park - LRCI Grant Funded	N	8,337
		<b>1,125,997</b>
<b><u>Building Facilities</u></b>		
Mossman Depot - Roof Replacement Stage 3	R	60,000
Sugar Wharf - Concrete Jetty	R	60,000

# Douglas Shire Council - Capital Works Program

For the period ending 30 June 2021

	New/ Renewal/ Upgrade (N/R/U)	2020/21 \$
Port Douglas Sugar Wharf - New Toilets, Track Lights, Fans	R	437,958
Mossman Shire Hall - Renewal of various items	R	103,023
Mossman Shire Hall - Air-conditioning Design	U	29,059
Diwan Generator	R	25,000
Replace stand by Generator at Daintree Ferry House	R	10,000
		<b>725,040</b>
<b><u>Fleet</u></b>		
Fleet Renewal Program	R	225,000
		<b>225,000</b>
<b><u>Environment &amp; Planning</u></b>		
Solar Power Generation	N	42,411
Refurbish Pile Moorings at Port Douglas Boat Harbour	R	66,824
Undertake actions outlined in the Coastal Hazard Adaptation Strategy (CHAS)	N	41,383
		<b>150,618</b>
<b><u>Resource Management</u></b>		
Killaloe Well Part Replacements	R	16,000
Renew Security Fencing at Killaloe & Newell Transfer Station	R	25,000
Newell Beach Transfer Station - Water Line	R	8,212
Killaloe Dangerous Goods & Hazardous Waste Storage Bay	U	12,000
Killaloe Transfer Station Amenities & Crib Room	R	95,000
Cow Bay Transfer Station Phone Line	R	4,788
Killaloe - Interim Capping	R	110,000
Environmental Infrastructure Newell Landfill	R	130,000
Sanitary Depot Final Capping	R	173,000
Resource Recovery Shed at Killaloe Transfer Station	N	1,409,570
		<b>1,983,570</b>
<b><u>Public Spaces</u></b>		
Parks Renewal Program	R	750,000
Macrossan Street Landscape Improvements	R	50,000
Grant Street, Port Douglas - Design	U	50,000
Parks Renewal Program	R	55,045
Macrossan Street Improvements	U	67,585
Port Douglas CBD Blueprint Planning Project	U	49,216
Reef Assist Program	N	360,500
Diggers Park	N	126,469
		<b>1,508,815</b>
<b><u>Civil Works</u></b>		
Tara Hills Road Culvert, Mossman	R	300,000
Alchera Drive, Mossman	N	0
Macrossan Street Roadworks	R	250,000
Road Reseal Program	R	600,000
Sealed Road Pavement Rehabilitation Program	R	240,000
Junction Bridge Pedestrian Bridge	N	800,000
Warner Street, Port Douglas	R	350,000
Murphy St Landslip	U	415,000
Zig Zag/ Cape Tribulation Bloomfield Rd Upgrades	U	6,791,686
Gravel Road Renewal Program	R	500,000
Kerb and Channel Program	R	250,000
Footpath & Road Lighting Program	R	200,000
Cooya Intersection	U	180,000
Footpath Renewal Program	R	150,000
Mossman - Newell Footpath Design	N	150,000



# Douglas Shire Council - Capital Works Program

For the period ending 30 June 2021

	New/ Renewal/ Upgrade (N/R/U)	2020/21 \$
Warner's Bridge Renewal	R	80,000
Mossman Streetscape Improvement Program	U	50,000
Anich's Bridge Renewal	R	80,000
Noah Creek Bridge	R/U	2,100,342
Streetlighting in Opal Street, Port Douglas	R	520
Lot 96 Fishermans	R	40,000
Alexandra Range	R	1,534
Whyanbeel Road Culverts	R	362,798
Footpath Lighting Master Plan	R	23,604
Ribbon Avenue- Stage 1- Reef Park Ultimate Design	U	23,741
Daintree Ferry Landside Infrastructure	U	75,000
Murphy Street, Port Douglas - Civils - Capital Works 2019/20	R	515,743
Wharf St Flood Gates	N	219,234
Concrete Floodways	R	150,000
Marlin Dr Speed Cushions	N	80,000
Donovans Range Betterment- Cape Trib Bloomfield Rd Cat D Funding	U	900,000
NDRRA- Syndicate Road - Rain Event 6-10 March 2018 - Landslip - Geo Investigation, Design & Repairs	R	169,029
DRFA - CATEGORY D FUNDING - Associated with Monsoon 25 Jan - 14 Feb 2019	N	59,725
NDRRA-Murphy St Landslips Restoration Works (24-29 Mar 2018)	R	503,876
DRFA- 2019SOUTHERN ROADS PKG- REPA Works- 24 Jan - 29 Jan 2019 Monsoon Event	R	26,389
DRFA -2019 NORTHERN ROADS Pkg - REPA Works- 24 Jan - 29 Jan 2019 Monsoon Event	R	917,554
DRFA -Upper Daintree Road Landslip 24 - 29 January 2019 Rain event	R	330,000
		<b>17,885,775</b>
<b><u>Wastewater</u></b>		
Manhole Raise & Reseal Program	R	80,000
Manhole Condition Assessment - Refurb Program	R	200,000
MWWTP Class A Recycled Water Upgrade & Commission	U	100,000
Sluice Valve Renewals Program	R	60,000
Pump Renewals Program	R	80,000
Flow Meters to Pump Stations - High Infiltration Areas Only	R	30,000
PDWWTP UV Disinfection	R	275,000
Auto-samplers	R	11,000
PDWWTP Aerators and Diffusers	R	445,000
RTU & Switchboard renewal	R	320,000
Mobile generator replacement	R	50,000
MWWTP Ex-Clarifier Refurb	R	59,000
Port Douglas WWTP Outfall Flow Meter	N	80,361
Wastewater Treatment Plant Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	R	6,442
Mossman Wastewater Treatment Plant Lime Dosing Equipment Assessment of Chemical Dosing - Consultant costs	N	10,242
Port Douglas Wastewater Treatment Plant Aerators and Diffusers Assessment	R	43,083
Biowin/Desktop Modelling to Upgrade Port Douglas Wastewater Treatment Plant	U	39,777
Mossman WWTP Replace Fencing (DRFA Resilience funding Monsoon 2019 event) Water & Sewerage Projects	U	5,842
		<b>1,895,747</b>
<b><u>Water Quality</u></b>		
Security and Disaster Response Strengthening Program	U	100,000
Valve Pits Safety Improvements	N	15,000
Chemical WHS WTP Works	R	50,000
Process Control Renewal Program	R	30,000
Pump Overhaul Program	R	30,000
UF Cartridge Renewals Program	R	300,000

**Douglas Shire Council - Capital Works Program****For the period ending 30 June 2021**

	New/ Renewal/ Upgrade (N/R/U)	2020/21 \$
MWTP Raw Water Line Repairs	R	125,000
Mossman Res Refurbishment	R	0
RTU & Switchboard Renewals for Water Quality	R	200,000
MWTP Chlorine Project	R	450,000
Water Treatment Plants Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	R	19,626
Craiglie Reservoir Upgrades	R	144,412
Whyanbeel Water Treatment Plant New Residual Treatment Plant - Design & Construction	N	92,729
Mossman Treated Water Reservoir Relining Assessment	R	23,638
Craiglie Reservoir Roof Replacement	R	997,905
Daintree Water Intake Handrails - Category D Grant Funding (DRFA)	U	13,250
		<b>2,591,560</b>
<b><u>Water Reticulation</u></b>		
Reservoir Access Renewals	R	25,000
Water Network Service Renewals Program	R	750,000
Smart Water Meter Program	R/U	800,000
Water Main Renewal Program	R	200,000
Additional Water Extraction Site - Design	N	150,000
Raw Surface Water Impoundment Reservoir	N	65,000
De Meio Bore Pump	R	50,000
Killaloe Transfer Station Water Main Renewal	R	470,000
Smart Meter Trial	R	6,654
Additional Water Extraction Site Design Finalisation (Drumsara)	N	18,979
Cooya Beach Reservoir Pipeline - Design Stage	N	31,692
Daintree Intake - Pipework and Access Track Renewal	R	49,507
		<b>2,616,832</b>
<b><u>Drainage</u></b>		
Drainage Renewal Program	R	250,000
		<b>250,000</b>
<b><u>Disaster Management</u></b>		
Purchase of flood mapping over Shire	N	20,000
Automated Flooded Road Warning Signage at Barratt Creek Daintree	N	33,639
Enhanced Disaster Dashboard and Information Notification System	N	7,554
Disaster Coordination Centre Feasibility & Design	N	62,000
Creb Track - DRFA Funded	N	50,000
McDowall Range - DRFA Funded	N	20,000
Stewart Creek Valley - DRFA Funded	N	20,000
Mossman TP - DRFA Funded	N	20,000
Rex Creek Intake - DRFA Funded	N	65,000
		<b>298,193</b>
<b>Total Capital Works</b>		<b>33,713,453</b>

## Budget Review

2019/20 Carry Forwards										
Department	W/O #	Name of Project	New, Renewal or Upgrade	Revised 19/20 Budget	Expenditure 2019/20	Agreed Carry Forward Amount	Overspent / 20/21 Extra Budget Required	Reason for modifying	Grant 2020/21	Project Complete / Incomplete
<u>Building Facilities</u>										
	4755	Port Douglas Sugar Wharf - New Toilets, Track Lights, Fans	R	\$ 160,000	\$ 122,042	\$ 37,958			\$ 250,000	Not Completed
	4751	Mossman Shire Hall - Renewal of various items	R	\$ 150,000	\$ 46,977	\$ 103,023				Not Completed
	4760	Mossman Shire Hall - Air-conditioning Design	U	\$ 30,000	\$ 941	\$ 29,059				Not Completed
<u>ICT</u>										
	4698	ICT Planning Zone Report Tool	N	\$ 24,000	\$ 41,397	\$ -	\$ 19,037	Overspent to complete, partially offset by savings in other ICT projects		Complete
<u>Community Development</u>										
	4680	Mossman and Port Douglas Flagpoles	N	\$ 100,000	\$ 5,628	\$ 10,000				Not complete
	4678	Douglas Indigenous Signage Program	N	\$ 90,000	\$ 40,095	\$ 49,905		Will be expended in 20/21		Not complete
	4744	Mossman Showgrounds - Disability access to toilets	U	\$ 10,000	\$ 3,256	\$ 6,744		Will be expended in 20/21		Not complete
	4754 & 4682	Port Douglas Sports Oval & Mossman Showgrounds Master Plan	R	\$ 100,000	\$ 75,339	\$ 24,661		Will be expended 20/21		Not complete
<u>Civil Works</u>										
	3046	Noah Creek Bridge	R/U	\$ 1,984,498	\$ 699,156	\$ 1,285,342			\$ 702,694	Not complete
	4554	Streetlighting in Opal Street, Port Douglas	R	\$ 90,000	\$ 23,306	\$ 520		Saving allocated to Warner St Footpath		Complete
	2967	Lot 96 Fishermans	R	\$ 74,055	\$ 6,345	\$ 40,000		Saving		Complete
	4732	Disability Infrastructure Upgrades	R	\$ 75,000	\$ 73,903	\$ -		Saving		Complete
	4730	Alexandra Range	R	\$ 100,000	\$ 98,848	\$ 1,152	\$ 382	Overspend		Complete

**2019/20 Carry Forwards**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>New, Renewal or Upgrade</b>	<b>Revised 19/20 Budget</b>	<b>Expenditure 2019/20</b>	<b>Agreed Carry Forward Amount</b>	<b>Overspent / 20/21 Extra Budget Required</b>	<b>Reason for modifying</b>	<b>Grant 2020/21</b>	<b>Project Complete / Incomplete</b>
	4611	Whyanbeel Road Culverts	R	\$ 1,000,000	\$ 617,202	\$ 362,798		Will be expended in 20/21. Minor works outstanding including Bridge Name signage and additional revegetation	\$ 328,674	Not complete
	4745	Footpath Lighting Master Plan	R	\$ 25,000	\$ 3,140	\$ 23,604		Committed and to be expended in 20/21. Slightly overspend. Waiting for delivery of design documentation.		Not complete
	4729	Ribbon Avenue- Stage 1- Reef Park Ultimate Design	U	\$ 110,000	\$ 84,214	\$ 23,741		Saving		Complete
	5014	Daintree Ferry Landside Infrastructure	U	\$ 250,000	\$ -	\$ 75,000		Subject to outcome of Daintree crossing consultation. Some budget allowed for design based in case 2 ferry option is adopted		Not complete
	4593	Murphy Street, Port Douglas - Civils - Capital Works 2019/20	R	\$ 1,915,000	\$ 1,135,832	\$ 515,743		Saving		Complete
<b>Public Spaces</b>										
	2972	Streetscape Master Plans for Macrossan St & Front St	R	\$ 11,900	\$ -	\$ -		Saving		Complete
	4724	Parks Renewal Program	R	\$ 1,200,000	\$ 1,096,735	\$ 55,048		Saving		Complete
	4722	Macrossan Street Improvements	U	\$ 200,000	\$ 160,813	\$ 39,187	\$ 28,398	Overspend		Complete
	4719	Port Douglas CBD Blueprint Planning Project	U	\$ 300,000	\$ 124,315	\$ 49,216		Saving		Complete
	4613	Strategic Planning - Water Park	N	\$ 100,000	\$ 73,902	\$ -		Saving		Complete
<b>Sewerage</b>										
	4470	Port Douglas WWTP Outfall Flow Meter	N	\$ 148,936	\$ 68,575	\$ 80,361			\$ -	complete

**2019/20 Carry Forwards**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>New, Renewal or Upgrade</b>	<b>Revised 19/20 Budget</b>	<b>Expenditure 2019/20</b>	<b>Agreed Carry Forward Amount</b>	<b>Overspent / 20/21 Extra Budget Required</b>	<b>Reason for modifying</b>	<b>Grant 2020/21</b>	<b>Project Complete / Incomplete</b>
	4662	Wastewater Treatment Plant Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	R	\$ 40,000	\$ 33,558	\$ 6,442			\$ -	complete
	4673	Mossman Wastewater Treatment Plant Lime Dosing Equipment Assessment of Chemical Dosing - Consultant costs	N	\$ 40,000	\$ 29,758	\$ 10,242			\$ -	incomplete
	4666	Port Douglas Wastewater Treatment Plant Aerators and Diffusers Assessment	R	\$ 66,000	\$ 22,917	\$ 43,083			\$ -	complete
	4665	Biowin/Desktop Modelling to Upgrade Port Douglas Wastewater Treatment Plant	U	\$ 55,000	\$ 15,223	\$ 39,777			\$ -	complete
<b>Water Reticulation</b>										
	4456	Killaloe Transfer Station Water Main Renewal	R	\$ 477,460	\$ 168,514	\$ 308,946	\$ 161,054	Overspend		nearly complete
	4693	Smart Meter Trial	R	\$ 10,000	\$ 3,346	\$ 6,654			\$ -	Rolled into current FY CAPEX project
	2978	Additional Water Extraction Site Design Finalisation (Drumsara)	N	\$ 204,984	\$ 186,005	\$ 18,979			\$ -	Rolled into current FY CAPEX project
	4697	Cooya Beach Reservoir Pipeline - Design Stage	N	\$ 30,000	\$ 29,308	\$ 692	\$ 31,000	under budgeted	\$ -	Incomplete

**2019/20 Carry Forwards**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>New, Renewal or Upgrade</b>	<b>Revised 19/20 Budget</b>	<b>Expenditure 2019/20</b>	<b>Agreed Carry Forward Amount</b>	<b>Overspent / 20/21 Extra Budget Required</b>	<b>Reason for modifying</b>	<b>Grant 2020/21</b>	<b>Project Complete / Incomplete</b>
	4699	Daintree Intake - Pipework and Access Track Renewal	R	\$ 100,000	\$ 50,493	\$ 49,507			\$ -	Complete
<b>Water Quality</b>										
	4676	Water Treatment Plants Radio Transmitter Unit and SCADA Upgrades - Assessment Stage	R	\$ 50,000	\$ 30,374	\$ 19,626				complete
	4690	Craiglie Reservoir Upgrades	R	\$ 150,000	\$ 5,588	\$ 144,412				Incomplete
	4683	Whyanbeel Water Treatment Plant New Residual Treatment Plant - Design & Construction	N	\$ 70,000	\$ 12,271	\$ 57,729	\$ 35,000	scope change		Incomplete
	4681	Mossman Treated Water Reservoir Relining Assessment	R	\$ 50,000	\$ 16,932	\$ 23,638				Complete
<b>Disaster Management</b>										
	4709	Purchase of flood mapping over Shire	N	\$ 20,000	\$ -	\$ 20,000				Incomplete
	4702	Installation of rain gauge instruments and river level monitors	N	\$ 46,000	\$ 11,703	\$ -		Previous locations unfeasible in terms of access.		Complete
	4774	Automated Flooded Road Warning Signage at Barratt Creek Daintree	N	\$ 61,000	\$ 1,364	\$ 33,639			\$ 30,500	Complete
	4672	Enhanced Disaster Dashboard and Information Notification System	N	\$ 10,000	\$ 2,446	\$ 7,554				Complete
<b>Environment and Planning</b>										
	4489	Solar Power Generation	N	\$ 50,000	\$ 7,589	\$ 42,411				
		Refurbish Pile Moorings at Port Douglas Boat Harbour								
	4715		R	\$ 30,000	\$ 8,177	\$ 21,824				Complete
	4717	Undertake actions outlined in the Coastal Hazard Adaptation Strategy (CHAS)	N	\$ 65,000	\$ 23,617	\$ 41,383				

**2019/20 Carry Forwards**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>New, Renewal or Upgrade</b>	<b>Revised 19/20 Budget</b>	<b>Expenditure 2019/20</b>	<b>Agreed Carry Forward Amount</b>	<b>Overspent / 20/21 Extra Budget Required</b>	<b>Reason for modifying</b>	<b>Grant 2020/21</b>	<b>Project Complete / Incomplete</b>
Resource Management										
	4612	Resource Recovery Shed at Killaloe Transfer Station	N	\$ 765,000	\$ 25,430	\$ 739,570	\$ 670,000	insufficient budget for scope	\$ 633,069	Incomplete
						\$ 4,449,166	\$ 944,871		\$ 1,944,937	

**2020/21 Projects or Overruns/Underruns**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>Reason for modifying</b>	<b>New, Renewal or Upgrade</b>	<b>2020/21 Budget Adopted</b>	<b>\$ Saved / (Overspent)</b>
<u>Building Facilities</u>						
<u>Property Services</u>						
	4494	Communication Tower Flagstaff Hill	under budget after scope assessment	R	\$ 100,000	\$ 50,000
<u>Civil Works</u>						
	4609	Tara Hills Culvert	Saving	R	\$ 400,000	\$ 100,000
	5291	Kerb and Channel Program	Budget increase will allow DSC to complete a longer stretch of the Alchera drive Kerb and Channel renewal	R	\$ 150,000	\$ (100,000)
	5287	Alchera Drive, Mossman	DTMR will be completing this project.	N	\$ 50,000	\$ 50,000
<u>Public Spaces</u>						
<u>Resource Management</u>						
	5332	Newell Beach Transfer Station - Water Line	Project completed - savings	R	\$ 13,000	\$ 4,788



**2020/21 Projects or Overruns/Underruns**

<b>Department</b>	<b><u>W/O #</u></b>	<b><u>Name of Project</u></b>	<b><u>Reason for modifying</u></b>	<b><u>New, Renewal or Upgrade</u></b>	<b><u>2020/21 Budget Adopted</u></b>	<b><u>\$ Saved / (Overspent)</u></b>
	5335	Cow Bay Transfer Station Phone Line	Savings Identified	R	\$ 10,000	\$ 5,212
<u>Disaster Management</u>						
<u>Sewerage</u>						
	5329	MWWTP Ex-Clarifier Refurb	additional scope to complete, preventative maintenance whilst offline.	R	\$ 45,000	\$ (14,000)
	5323	PDWWTP Aerator Diffuser Replacement	under budget after scope assessment	R	\$ 540,000	\$ 95,000
	5320	PDWWTP UV Disinfection	Additional budget required after receiving tender responses	R	\$ 250,000	\$ (25,000)
<u>Water Reticulation</u>						
	5348	Raw Surface Water Impoundment Reservoir	Moving to a feasibility study following the Project Decision Framework after original consultant working on pre-feasibility ceased wanting to perform the work because they were busy.	N	\$ 20,000	\$ (45,000)
<u>Water Quality</u>						

**2020/21 Projects or Overruns/Underruns**

<b>Department</b>	<b>W/O #</b>	<b>Name of Project</b>	<b>Reason for modifying</b>	<b>New, Renewal or Upgrade</b>	<b>2020/21 Budget Adopted</b>	<b>\$ Saved / (Overspent)</b>
	5342	UF Cartridge Renewals Program	Required to purchase full rack of 52 cartridges and install, US exchange rate changes, supplier charges.	R	\$ 250,000	\$ (50,000)
	5344	Mossman Res Refurbishment	Amount set aside pending outcome of structural report. Report confirmed 20 years more structural integrity do this refurbishment not retired.	R	\$ 50,000	\$ 50,000
	5347	Reservoir Access renewals	under budget after scope assessment	R	\$ 30,000	\$ 5,000
	5338	Valve Pit Safety	under budget after scope assessment	U	\$ 30,000	\$ 15,000
	5315	MWTP Raw Water Line Repairs	Saving identified	R	\$ 150,000	\$ 25,000

**Community Development**

<b>ICT</b>						
ICT	4696	Mossman Computer Room Equipment Refresh Stage 2	Scope extended to improve cyber security + Extra Server for more WFH capacity	U	\$ 340,359	\$ (30,000)
ICT	5308	Mossman Computer Room Upgrades	Fire suppression system deemed too risky	U	\$ 24,771	\$ 10,000
ICT	5310	Whyanbeel Network Replacement	Contingency as project running late - contingency for more consulting	U	\$ 69,392	\$ (10,000)

**2020/21 Projects or Overruns/Underruns**

<b>Department</b>	<b><u>W/O #</u></b>	<b><u>Name of Project</u></b>	<b><u>Reason for modifying</u></b>	<b><u>New, Renewal or Upgrade</u></b>	<b><u>2020/21 Budget Adopted</u></b>	<b><u>\$ Saved / (Overspent)</u></b>
ICT	5311	Video Streaming Room Setup	Higher quality equipment requested	U	\$ 15,000	\$ (31,000)
ICT	5312	MM Wireless Network Refresh	Contractor missed scope (cabling) in original quote	R	\$ 81,037	\$ (5,000)
<b><u>Water / Wastewater</u></b>						
Water Quality	4465	Craigie Reservoir Roof Replacement (part grant funded)	tender savings	R	\$ 1,386,323	\$ (997,905)
					<b>\$ 4,004,882</b>	<b>\$ (897,905)</b>

**New Projects to be added for 2020/21**

<b><u>Department</u></b>	<b><u>W/O #</u></b>	<b><u>Name of Project</u></b>	<b><u>Reason for modifying</u></b>	<b><u>New, Renewal or Upgrade</u></b>	<b><u>Cost</u></b>	<b><u>Grant funding</u></b>
<b><u>Building Facilities</u></b>						
		Diwan Generator	Generator replacement for Health Clinic	R	\$ 25,000	
		Replace stand by Generator at Daintree Ferry House	Original Generator is 19 years old and sustained flood damage in 2019	R	\$ 10,000	
<b><u>Property Services</u></b>						
	5260	QT Pool Engineering Assessment	Not required to carry forward assessments completed paid \$6,160 (GST inc) for assessments	N	\$ 6,160	
	5456	Purchase Mossman Golf Club	Council Resolution	N	\$ 209,000	
		Upgrades to Mossman Golf Club	Upgrades to fire system, kitchen repairs, BBQ area, road upgrade and electricity-essential items	U	\$ 155,000	Possible some grant funding available for small works eg BBQ
		Purchase Land for Emergency Safe Places Accommodation	Council Resolution	N	\$ 100,000	
		Wonga beach caravan park grey water system	To save costs in pumping and cleaning	U	\$ 120,000	

**New Projects to be added for 2020/21**

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	5428	Wi-Fi Wonga Van Park - LRCI Grant Funded		N	\$ 8,337	\$ 8,337
<b><u>Civil Works</u></b>						
	5426	Wharf St Flood Gates	Grant received	N	\$ 219,234	\$ 208,244
	5424	Concrete Floodways	Grant received	R	\$ 150,000	\$ 150,000
	5425	Marlin Dr Speed Cushions	Grant received	N	\$ 80,000	\$ 80,000
<b><u>Public Spaces</u></b>						
	5429	Reef Assist Program	Grant received	N	\$ 360,500	\$ 360,500
		Diggers Park	Council Resolution	N	\$ 126,469	
<b><u>Environment and Planning</u></b>						
<b><u>Disaster Management</u></b>						
	5369	Disaster Coordination Centre Feasibility & Design	Grant received	N	\$ 62,000	\$ 62,000
	5415	Creb Track - DRFA Funded	Grant received- for flood warning infrastructure	N	\$ 50,000	\$ 50,000
	5416	McDowall Range - DRFA Funded	Grant received- for flood warning infrastructure	N	\$ 20,000	\$ 20,000
	5417	Stewart Creek Valley - DRFA Funded	Grant received- for flood warning infrastructure	N	\$ 20,000	\$ 20,000

**New Projects to be added for 2020/21**

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	5418	Mossman TP - DRFA Funded	Grant received- for flood warning infrastructure	N	\$ 20,000	\$ 20,000
	5419	Rex Creek Intake - DRFA Funded	Grant received- for flood warning infrastructure	N	\$ 65,000	\$ 65,000
<u>Sewerage</u>						
		nil				
<u>Water Reticulation</u>						
		nil				
<u>Water Quality</u>						
		nil				
<u>Community Development</u>						
	5436	Safe Places Emergency Accommodation	Grant received	N	\$ 760,400	\$ 760,400
		Port Douglas Pool and Splash Park-Masterplan, Concept & Detailed Designs	2020/21 Operational Initiative Over 2 years \$465,000 2020/21 \$155,000 2021/22	N	\$ 465,000	
		Mossman Pool & Caravan Park Redevelopment-Detailed Designs	2020/21 Operational Plan Initiative Over 2 Years-\$40,000 Year 1, \$360,000 Year 2. Concept currently being reviewed	N	\$ 40,000	

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		Mossman Pool expansion joints reseal program	Prevention of pool leaks and reduction of pool chemicals	R	\$ 80,000	
		Mossman Pool Lighting design and installation	To attract night competitions to increase revenue	U	\$85,000	Applying for grant funding, but would be maximum of \$30k
		CCTV - Port Douglas				
	5398	Sports Complex		N	\$10,000	
		Boomgate and Information Shelter				
		Mossman Van Park -				
	5427	LRCI Grant Funded	Grant received	N	\$36,000	\$ 36,000
<b>ICT</b>						
		Asset Management System feasibility & data prep	Progress new AMS for implementation in 20-21. Includes visits to reference Councils	N	\$ 40,000	\$ -
					<b>\$ 3,323,100</b>	<b>\$ 1,840,481</b>

**8. MEETING CLOSE**