

ANNUAL REPORT

2020/2021



In accordance with the *Local Government Act 2009*, Council must publish an Annual Report, which provides an update to the community about Douglas Shire Council's finances, performance and how Council has delivered against the Corporate and Operational Plans.

Legislation requires particular information to be included in an Annual Report.



Horse riding at Cape Tribulation

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Message from the Mayor



The 2020/21 financial year has been a roller coaster for the Douglas Shire community, but I believe there is light at the end of the tunnel and the rocky road in front of us will lead us to a prosperous future.

COVID-19 affected our region in ways that we have not seen before. It has brought issues

that have created uncertainty to our local economy, frustration to our community and brought a world of hurt to our business owners. When Coronavirus reached our shores last year, a swift response occurred from all levels of government to help communities pivot with the changing social and economic dynamics.

Unfortunately, while we are grateful for the assistance provided by State and Federal governments, it certainly does not match the financial pain that has occurred.

Douglas Shire Council continued to boost local business confidence through the 'Buy Douglas: Build Douglas' campaign to encourage people to 'Do It In Douglas' and remains committed to its endeavours to use local contractors through the Vendor Panel platform.

“As Mayor, I will continue to execute the will of the people...”

The 2020/21 Annual Report details Council's efforts to continue getting on with the job and helping our community through these uncharted challenges. As Mayor, I will continue to execute the will of the people by taking Douglas Shire in a direction where transparency, sensible investment and a stronger economy is paramount. I will continue to do this in the face of a crisis.

Through prudent financial management, our operating position finished at a \$2.23 million deficit—an improvement on the budgeted deficit of \$3.66m. Council started work on its largest ever capital works program and by June 30 this year, completed 107 projects and expended or committed \$29.473m to the market.

In doing so, we made sure many local businesses and contractors were used to deliver important community projects. We finished the Jimalji bridge at Whyanbeel and, started work on Junction Creek Pedestrian Bridge and secured funding for Warner's bridge in Cassowary and Anich's Bridge near Mossman. Furthermore, we completed \$5m



Devil's Thumb near Mossman

on renewal and maintenance of road and drainage infrastructure, and a further \$4m on open spaces.

When I was elected, I said creating local jobs and growing the economy through progress would be my key focus. Council mapped out its COVID economic response through the adoption of the 2021-2024 Economic Development Strategy, fiercely advocated for strong government support, delivered another exceptional Port Douglas Carnivale and reviewed funding to our local destination marketing body, Tourism Port Douglas Daintree (TPDD), to capitalise on the travel-hungry market in coming years. In addition, Council staff worked closely with the producers of a now world-renown Netflix Series, Dive Club, to capture their streaming TV series at our best and most beautiful locations.

We continued our focus on improving sporting infrastructure through repairs and upgrades to the Mossman Pool, while the acquisition of the Mossman Golf Club helped secure its future. I am pleased to say both facilities continue to be very popular amongst our community. Port Douglas also proved it could host world-class sporting events when we welcomed more than 100 international triathletes and support staff for Tokyo Olympics

“...I was pleased to see the fantastic work by our finance team to complete the first stage of a general rates review...”

qualifying races. The fantastic event built on the master planning completed for Coronation Park and Port Douglas Sports Complex to increase community participation and position our region as a sports tourism hot spot.

Global pandemic aside, the year certainly had other challenges. After a great deal of consideration, Council made the decision to purchase the

Daintree River Ferry vessel to ensure continuity of service across the river. I'll be the first to admit the acquisition wasn't the perfect result we were looking for, but it protected our community from significant economic damage. A recent probity audit described it as a “successful outcome” under the circumstances and placed Council in a stronger

position moving forward.

Ratepayers are always interested in how much money they will be paying to their local council. That is why I was pleased to see the fantastic work by our finance team to complete the first stage of a general rates review which creates a more equitable distribution of rates closer in line with community expectations. The playing field has certainly become more even and further rates model reviewing will be completed to improve the fairness and balance of rateable properties.

Finally, I would like to thank my fellow Councillors, our former Chief Executive Officer Mark Stoermer, the Finance department, and Council staff for their ongoing commitment to our community in the 2020/21 financial year. I look forward to continuing to progress our beautiful region through careful planning, robust consultation and smart investment.



Cr Michael Kerr
Mayor Douglas Shire Council





Rex Smeal Park

Message from the Acting Chief Executive Officer



I am pleased to present our 2020/21 Annual Report.

The COVID-19 Pandemic has served as an ongoing and real-life test of Council's Business Continuity Plan, driving us to adapt our ways of

working in way we may previously thought was impossible. Despite these challenges, Council staff have remained engaged and adapted to a different working style, while being responsive and accepting uncertainty in the face of the COVID-19 Pandemic. Although we have been fortunate in Far North Queensland, COVID has always been at the forefront of our minds.

As we look ahead, our organisation aims to harness our community's passion to achieve real progress. Community input contributes to making our Corporate and Operational Plans meaningful and relevant. As a result, there will be several opportunities for residents and businesses to participate in many community consultation opportunities in coming months.

Our Capital Works program has delivered many outstanding projects in the past 12 months. In fact, Council delivered 107 projects and expended or committed \$29.473 million to the market. Key projects completed included the Douglas Shire Indigenous signage program, Craiglie Reservoir roof replacement, Killaloe Transfer Station water main upgrade, Cooya Beach reservoir pipeline design, kerb and channel program, parks renewal program, Grant Street Port Douglas, Wastewater Treatment Plant UV disinfection upgrades and mobile generation replacement. Council was also very fortunate to receive grant funding from both State and Federal Departments, which has helped us deliver these projects.

Council identified 56 Initiatives for the 2020/21 Operational Plan. Of these, a broad range of projects were completed and progressed with a view of establishing a sound foundation for Douglas Shire's future. As a result, Council successfully delivered 66% of our Operational Plan initiatives, with an additional 27% in the final stages of completion. This is an excellent achievement for a small Council.

Council has continued to support many local organisations, groups and individuals through grants, sponsorships, resources and performance agreements, and waiving fees. More than \$500,000 was provided to a variety of programs like Senior Recycling Programs, Port Short Film Festival, upkeeping museums and theatres, festivals and destination marketing, to name just a few. Council Officers also provided countless hours with in-kind support by helping to develop and deliver programs and activities. Preparations are now underway for the next Operational Plan which will come into effect in July 2021.

“As we look ahead, our organisation aims to harness our community's passion to achieve real progress.”

I want to thank the Mayor, Councillors and all Council staff for their ongoing commitment and the passion they have shown for Douglas. We are very fortunate to have such a high level of dedication throughout the organisation. I would also like to extend a special thank you to our former Chief Executive Officer, Mr Mark Stoermer, for his commitment to Douglas over the past three years. This is evident in the results and achievements that are shown in this Annual Report.

Juanita Warner

Acting Chief Executive Officer



COOK
SHIRE COUNCIL
AREA

WUJAL WUJAL
ABORIGINAL SHIRE
COUNCIL AREA



DOUGLAS
SHIRE COUNCIL
AREA

CORAL SEA

Degarra

China Camp

Cape Tribulation

Thornton Beach

Diwan

Cow Bay

Daintree
Village

Daintree
River Ferry
Crossing

Wonga Beach

Rocky Point

Newell Beach

Cooyah Beach

Whynanbeel

Miallo

Mossman

Killaloe

Cassowary

Shannonvale

Port Douglas

Craiglie

Mowbray

Oak Beach

Wangetti

MAREEBA
SHIRE COUNCIL
AREA

CAIRNS
REGIONAL
COUNCIL
AREA



Acknowledgement

The Eastern Kuku Yalanji and Yirrganydji peoples are the Traditional Custodians and Owners of the land and sea country that encompass the Douglas Shire region.

Douglas Shire Council acknowledges the 'Bama', the traditional rainforest Aboriginal coastal people of our region who hold the unique position of being the First Peoples of this country. We recognise and respect Bama cultural heritage, values, beliefs and continuing relationships and responsibility to their land and sea country. We honour and respect your Elders past, present and future.

We commit to maintaining and strengthening our partnerships and respectful relationships with Bama in the spirit of reconciliation so that together we can increase the opportunities for successful and positive outcomes to the advantage of everyone in our communities.

Council respectfully acknowledges other Aboriginal and Torres Strait Islander people who call our region 'home'.

Regional Profile

SHIRE PROFILE

The Douglas Shire covers an area of 2,445km from north of Ellis Beach in the south to the Bloomfield River in the north. The economy of the Shire depends mainly on tourism, with 1.2 million visitors annually exploring our many natural wonders and agriculture of sugar cane farming and processing.

Douglas is home to around 12,200 residents. Approximately 70% of residents live in the two main population centres of Port Douglas, the main tourist focus and Mossman, the administration, service, agricultural and industrial hub of the region.

Other principle urban centres include the beachside communities of Wonga, Newell and Cooya. The remaining residents live in small, decentralised communities scattered along the 100km stretch of coast road; tucked into the rainforest or in small rural townships in the valleys of the Shire's hinterland.

HISTORY OF THE SHIRE

The First Peoples of the Douglas region are the Kuku Yalanji whose country extends from the Mowbray River in the south to Cooktown in the north and Palmer River in the west. From the Mowbray River, south to Cairns are the traditional homelands of the Yirrganydji people. The Kuku Yalanji and Yirrganydji are rainforest people whose connection to the region extends back 50,000 years to be among the earliest human occupants in Australia.

European habitation in the Douglas Shire began in the 1870s as George Elphinstone Dalrymple

led the first extensive exploration of the region, Dalrymple thought the country "surrounded by a panorama of great beauty ... a perfect picture of rich tropical country".

Within the decade gold miners supplied from Port Douglas, timber cutters logging the much-prized red cedar, and farmers of cattle, vegetables, maize and sugar had all begun to make their mark. Farming expanded along the coastal belt as extensive areas of lowland rainforest were cleared and settlements were established throughout the area.

Cultural diversity has been integral to the history of the Douglas Shire. According to the 1886 census almost two-thirds of the district's population were of Chinese heritage. By the 1890s, the Douglas sugar cane industry was dependent for its survival upon Chinese and South Sea Islander (Kanaka) labour. In the 1900s these populations grew and were joined by Hindu, Punjabi and Japanese migrants.

The Shire of Douglas existed as a local government entity from 1880 until 2008 when it was amalgamated with Cairns City to create the Cairns Regional Council. The merger was not popular with the community and lobbying from a local action group led the Queensland Minister for Local Government to grant residents a poll on 9 March 2013 in which a majority of electors (57.61%) voted in favour of de-amalgamation.

The Douglas Shire Council commenced operation for the second time on 1 January 2014 with a new Mayor and four new non-divisional Councillors.



One of the many natural wonders of the Shire (illustrative purposes only)

Elected Representatives



Cr Michael Kerr

Mayor

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Deputy Mayor

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Cr Peter McKeown

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Cr Abigail Noli

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Organisational Structure

MAYOR + COUNCILLORS

CHIEF EXECUTIVE OFFICER

MANAGER GOVERNANCE

- ◆ Complaints Management
- ◆ Internal Audit Functions
- ◆ Right to Information
- ◆ Information Privacy
- ◆ Policies & Procedures

MANAGER ENVIRONMENT AND PLANNING

- ◆ Resource Management
- ◆ Local Laws
- ◆ Environmental Health
- ◆ Planning
- ◆ Organisational Sustainability
- ◆ Disaster Management

CHIEF FINANCIAL OFFICER

- ◆ Financial Accounting
- ◆ Management Accounting
- ◆ Information Technology
- ◆ Procurement
- ◆ Rates
- ◆ Frontline Services
- ◆ Integrated Services
- ◆ Records Management

MANAGER INFRASTRUCTURE

- ◆ Civil Operations
- ◆ Public Spaces
- ◆ Maintenance & Construction
- ◆ Biosecurity
- ◆ Fleet
- ◆ Building Facilities

MANAGER PEOPLE AND COMMUNITY SERVICES

- ◆ Community Development
- ◆ Arts & Culture
- ◆ Grants
- ◆ Economic Development
- ◆ Events
- ◆ Media & Communications
- ◆ Sports & Recreation
- ◆ Library
- ◆ Human Resources
- ◆ Property Services
- ◆ Workplace Health & Safety
- ◆ Payroll

MANAGER WATER AND WASTEWATER

- ◆ Sewerage Treatment
- ◆ Water Quality
- ◆ Water Reticulation

MANAGER PROJECT OFFICE

- ◆ Project Management
- ◆ Contracts Administration
- ◆ Disaster Infrastructure Repairs

2020-2021 Highlights – The Year in Review

COMPLETION OF MURPHY STREET LANDSLIP

Murphy Street landslip was completed after significant damage occurred in March 2018 when Port Douglas received a torrential downpour. Works was jointly funded by Council and the Australian and Queensland Governments. Works featured road repairs, drainage improvements and drilling at three separate landslip sites.



Murphy Street landslip repairs in Port Douglas

DOUGLAS BUSINESS EXPO

The Douglas Chamber of Commerce, in collaboration with Council hosted the 2021 Douglas Business Expo that saw over 100 attendees learn how to leverage employment and economic opportunities for their businesses by engaging with an esteemed panel of guest speakers, networking with members of both the local and regional business community and by visiting a diverse range of trade booth stallholders.



There was a large turnout to the 2021 Douglas Business Expo

CARNIVALE

The 2021 Port Douglas Carnivale was celebrated in May 2021 after an absence of the event in 2020 due to Covid-19. The program of events included: Photo and Art Exhibitions, Spiegeltent, Pro-wrestling, Longest Lunch, Street Parade, Douglas Dash, Dogs Day Out, Family Beach Day, Tropic Rock featuring Spiderbait, Picnic in the Park.



Longest Lunch at Rex Smeal Park



Port Douglas Carnivale 2021 Macrossan St Parade



Family Fun Beach Day at Port Douglas Carnivale 2021

TEAMSTERS PARK UPGRADES

Council completed a much-needed upgrade to Teamsters Park with new car parking, picnic tables, footpaths and plants. With the help from Douglas Shire Historical Society, an old timber bridge pile from the original Anzac Bridge, which was built by returning World War One soldiers in 1919, has been preserved, restored and installed.



The Douglas Shire Historical Society with Mayor Michael Kerr at Teamsters Park, Craiglie

MOSSMAN POOL UPGRADES

The Mossman Pool secured funding through the Qld Government's Covid-19 Works for Queensland Program to give the facility new outdoor lights, an all abilities access ramp, rectification works on the grandstand and roofing, decking upgrades and boom gate, pool repairs and beautification work including poolside seating.



Council's Sport and Recreation Officer Renee Ker at the Mossman Pool

SINGLE USE PLASTIC FREE POLICY

A Single use plastic free policy was adopted by Council in July 2020. Anyone holding an event on Council land or in a Council facility, including stallholders at the Port Douglas Markets must minimise single-use plastics where possible.

MOSSMAN GOLF CLUB

Council purchased the buildings and 1.42 hectare block of land where the Mossman Golf Club is positioned to assist in securing continuation of the facility. The operations of the club have been leased out to a community organisation.



Mossman Golf Club members welcome Council's resolution to secure the future of the facility

DO IT IN DOUGLAS CHRISTMAS PROGRAM

A jam-packed calendar of Christmas events was welcomed by the community to #DoltInDouglas to see out 2020. The program included family friendly activities to welcome Christmas, celebrate our community spirit, and encouraged people to support our talented local businesses. Events included the lighting of the Christmas trees, late night shopping with Santa in Port Douglas, a Christmas Sunday Market, and return of the Mossman Street Party.



The Douglas Street Party returned to Front St Mossman for the first time in years

Assessment of Operating Performance

For 2020/21, Council identified a broad range of projects that would benefit all communities across the Shire and continue to see firm strategic initiatives put in place to establish a sound foundation for the Shire's future.

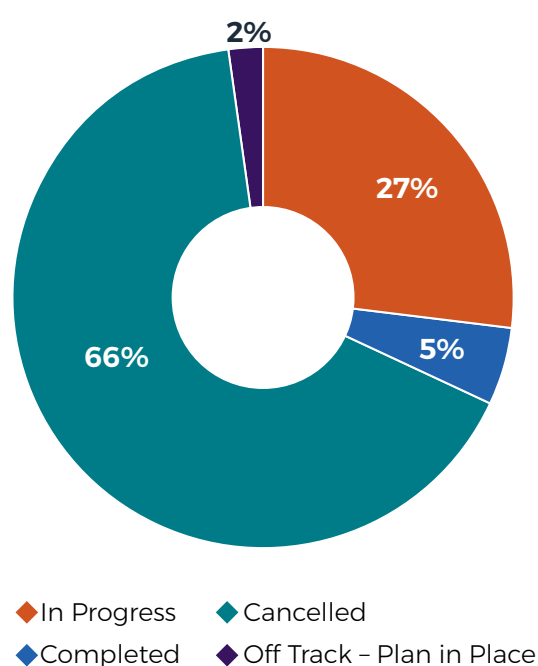
Council's Operational Plan 2020/21 detailed the ongoing and recurring activities and major initiatives to be undertaken across Council. Success measures and timeframes were identified for the delivery of each initiative, and in recognising that most projects were completed by multidisciplinary teams, the Lead Unit was also identified. The Operational Plan links all projects to the Themes and Goals of the Corporate Plan, demonstrating the ongoing implementation of Council's strategic direction.

All programs and projects are fully funded through the Annual Budget 2020/2021. As in previous years, a public report detailing the progress of the Operational Plan was submitted to Council each quarter.

In Council's 2020/21 Operational Plan, 56 activities were identified to progress the completion and implementation of the Corporate Plan 2019-2024.

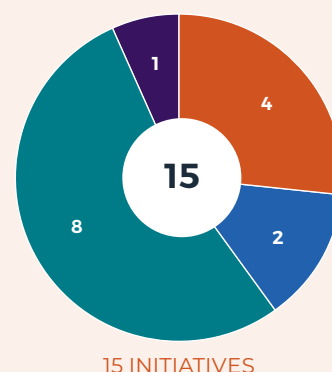
THEME OUTCOME SUMMARY

THEME OUTCOME	In Progress	Cancelled	Completed	Off Track – Plan in Place
1. Celebrating our Communities	4	2	8	1
2. Fostering Sustainable Economic Growth	3	1	11	0
3. Leading Environmental Stewardship	6	0	7	0
4. Inclusive Engagement, Planning and Partnerships	0	0	3	0
5. Robust Governance and Efficient Service Delivery	2	0	8	0
TOTAL	15	3	37	1



1. CELEBRATING OUR COMMUNITIES

Douglas Shire Council embraces the diversity of our communities and values the contribution that all people make to the Shire. We recognise that it is a core strength of the region. We acknowledge our past so that it may guide us in the future. We recognise the wrongs done to our Indigenous community and we actively seek to reconcile so that we may all benefit from and enjoy our Shire. We acknowledge early European settlers who forged an agricultural base for our economy and we welcome all new arrivals as part of our broader community.



OUTCOMES

GOAL 1

We will celebrate the diversity of our community and ensure that all infrastructure, programs, and services are underpinned with inclusiveness and accessibility.

1.1.1. Reconciliation Action Plan – *In Progress*

The Reconciliation Action Plan (RAP) was drafted and a RAP committee formed to review the Plan. The next round of consultation will occur once the committee have reviewed the Plan.

1.1.2. Indigenous Liaison Officer – *Completed*

A position description for an Indigenous Liaison Officer was developed, advertising occurred, and the position was filled in November 2020.

1.1.3. Contemporary housing solutions for retirement market – *Completed*

Opportunities were explored for further development of retirement solutions for the whole of the Shire including the potential for the sale of land and the opportunity for revenue. Further actions will be explored through the Economic Development Strategy.

GOAL 2

We will deliver programs and services that protect and enhance the liveability of our beautiful Shire.

1.2.1. Mossman Pool – *Cancelled*

The need for a Mossman Pool and Caravan Park Masterplan was reviewed and dismissed.

1.2.2. Port Douglas Pool – *Cancelled*

This initiative was combined with the Zero Depth Water Park initiative.

1.2.3. Port Douglas Zero Depth Water Park

– *In Progress*

A preferred location has been determined. A scope of works is being reviewed and will go out to tender in 2021/2022.

1.2.4. Bally Hooley Train – *Completed*

The Project Team undertook a detailed analysis of infrastructure and operations of the Bally Hooley Train. A Business Case and Options Paper was developed and presented to Council.

1.2.5. Short Term Accommodation – *In Progress*

Staff continue to discuss the issues of challenges with short-term accommodation in residential neighbourhoods at a Regional level. Complaints in relation to short term accommodation during the financial year were almost non-existent, particularly in relation to “party houses”.

1.2.6. Shire Beautification – *Completed*

The Shire Beautification initiative resulted in capital renewal and upgrades of infrastructure including shelters, fences, playgrounds, seating and landscaping across the Shire.

GOAL 3

We will develop programs that promote health, well-being and safety in the community.

1.3.1. Sports and Recreation Strategy – *In Progress*

A Draft Sport and Recreation Strategy is in development.

1.3.2. Bike Paths – *Completed*

The Principal Cycle Strategy was reviewed and a gap analysis of the missing links prioritised. The priority list and future projects have been added to Council's Website for public information.

1.3.3. Adventure Tourism – *Off Track, Plan in Place*

Mapping is on hold with this project until the State Government is able to re-open up one of the region's main trails 'Twin Bridges', the most important piece of the trail network. Council is in discussions with National Parks regarding repair of the bridges that will allow the trail to reopen.

1.3.4. Birthing Facility Mossman Health Centre – *Completed*

The need for a Birthing Facility to return to the Mossman Health Centre was investigated and opportunities explored of private birthing suites in the Shire.

GOAL 4

We will promote arts and cultural programs and events that bring vibrancy to the community and compliment the tourist experience.

1.4.1. Public Art – *Completed*

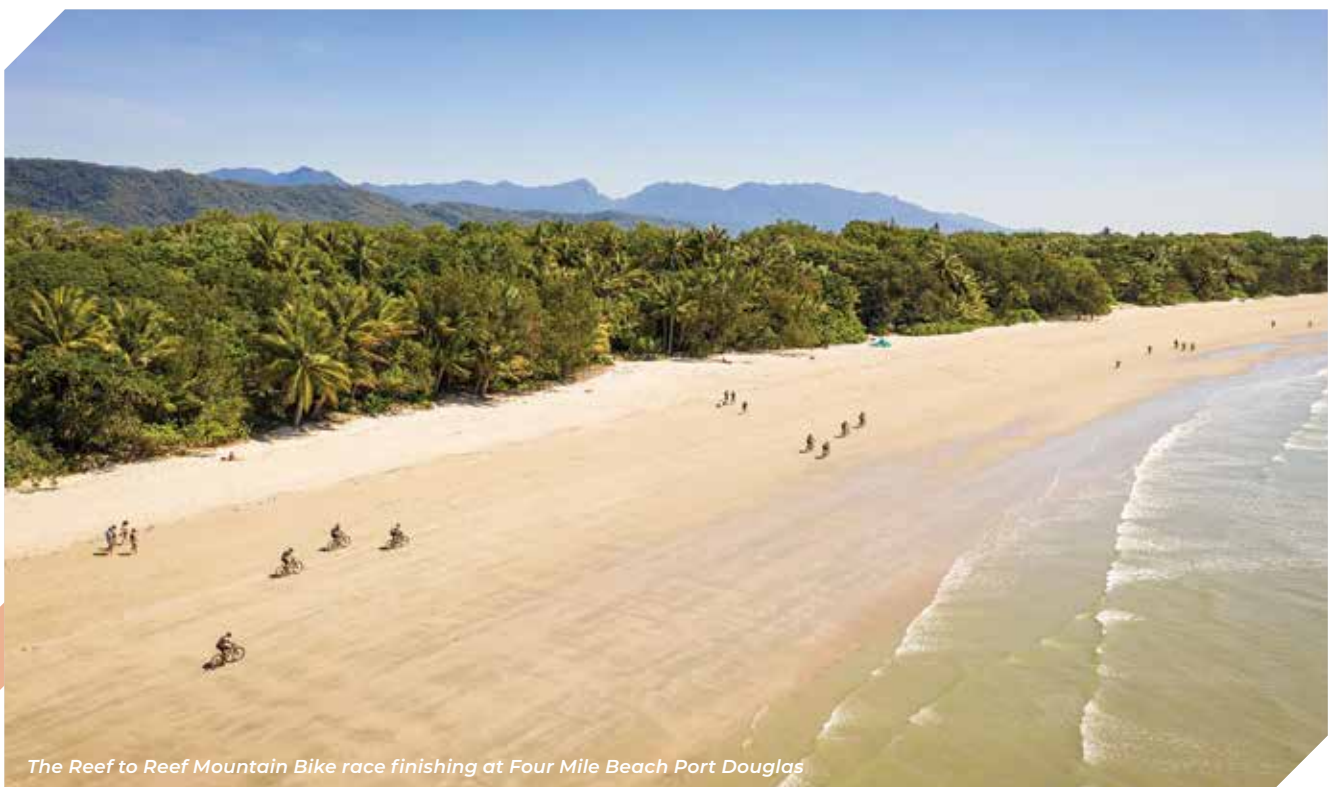
Yalanji Artists were commissioned to provide carved bench seats telling local stories. The bench seats were installed in local parks.

1.4.2. Events Strategy – *Completed*

Tourism Port Douglas Daintree's Event Strategy was released and accepted for noting by Council.

“I feel privileged to have the Douglas Shire Council choose my artwork for the sign to my clan area.”

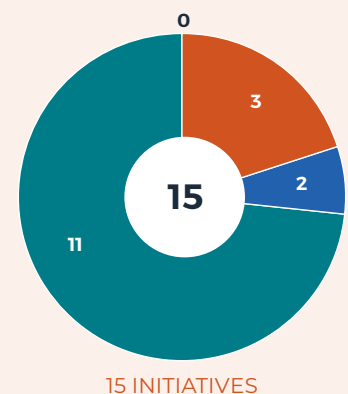
LOCAL ARTIST, LUWANA SPRATT



The Reef to Reef Mountain Bike race finishing at Four Mile Beach Port Douglas

2. FOSTERING SUSTAINABLE ECONOMIC GROWTH

A robust economy is at the heart of a thriving community and enables investment in environmental protection. While our remoteness is a key attribute, it also presents challenges for attracting new business and investment. We must also meet the challenges of fierce competition in the tourism sector. Council will partner with industry to build, diversify and promote the Douglas economy. Council will design and deliver infrastructure, strategies and services that support the local economy and businesses.



OUTCOMES

GOAL 1

We will build appropriate infrastructure and deliver services that connect and support businesses.

2.1.1. Wangetti Trail – Completed

Council Officers continue to work with the State Government on the delivery of Stages 1, 2 and 3 of the project. The State Government advised that the construction on the Palm Cove to Wangetti section is anticipated to commence before the end of 2021 subject to environmental approvals and Native Title matters.

2.1.2. Inter-urban Transport Solution – In Progress

Project Plan submitted outlining Council's approach to carrying out a feasibility and demand study for an environmentally friendly public transport service. The Project Plan will be workshopped with Councillors in early 2021/2022.

2.1.3. Grant Street Dining Precinct – Completed

Based on consultation and Councillor Workshop, Council decided to not proceed with the Grant Street Dining Precinct at this stage. There are engineering constraints that would need to be resolved including drainage. In further discussions with Councillors, a key issue is stormwater management on the footpath. This was considered the highest priority matter to be addressed. Minor improvements to reduce drainage issues along the road verge and improve pedestrian traffic flow along Grant Street will be completed over many phases as part of the Capital Works program. A full survey of the area to establish the best possible engineering options to resolve the issues will be undertaken.

2.1.4. Mossman Botanical Gardens – Completed
Staff will continue to provide assistance and work with the Mossman Botanical Gardens Board and CEO where possible.

2.1.5. Council Owned Land Use Strategy – Completed

Property Officers mapped all Council freehold land within the Shire. A Workshop was held with Councillors in November 2020 to determine strategy of surplus land for future use.

2.1.6. Daintree Ferry – Completed

Alternatives for the Daintree Ferry including a bridge option was put to community consultation and feedback was received. A report was taken to the Council Meeting on 15 December 2020.

2.1.7. Parking Solutions – In Progress

Mossman and Port Douglas Parking Survey was completed. The Mossman results were workshopped with Councillors in June 2021. No major issues other than improving pedestrian access and upgrading disabled parking. Further investigations to be undertaken in 2021/2022. Port Douglas survey will be workshopped with Councillors in August 2021.

“Tourism underpins our economy, but we need to target new markets with fresh experiences, grow the health and well-being sector, as well as capitalise on our appeal to the lucrative sports tourism market.”

MAYOR, MICHAEL KERR

GOAL 2

We will work with partners to promote the Shire as the World's leading sustainable tropical destination and encourage business investment.

2.2.1. Review TPDD Model – Completed

A review of the governance and funding model of TPDD including a refocus of the key performance indicators of the organisation was completed. A new Resource and Performance Agreement was signed in September 2020 to focus on Destination Management to promote the Shire.

2.2.2. Support the Chamber of Commerce – Completed

A review of the funding levels was completed. A Resource and Performance Agreement was developed and implemented for the Chamber to support local businesses in the Shire.

2.2.3. Do It In Douglas Campaign – Completed

The Do It In Douglas campaign phase 2 and Christmas edition was rolled out to encourage local business buying and improve community well-being.

2.2.4. Eco-accreditation – Completed

Council was awarded Ecotourism level certification by completing 90% of the international GSTC-recognised Green Destination standard.

GOAL 3

We will develop strategies that seek to diversify the Shire's economic base.

2.3.1. Economic Strategy – Completed

The Economic Development Strategy was adopted by Council in May 2021.

2.3.2. Mossman Streetscape Improvement Program – In Progress

A Mossman Streetscape Improvement Program was developed. Construction of irrigation infrastructure and new landscaping is occurring. Works are expected to be completed in August 2021.

2.3.3. Bio-precinct – Completed

Tourism and Economic Development Officers engaged with Far Northern Mill representatives and are assisting with advocating to establish a precinct. Work will be ongoing.

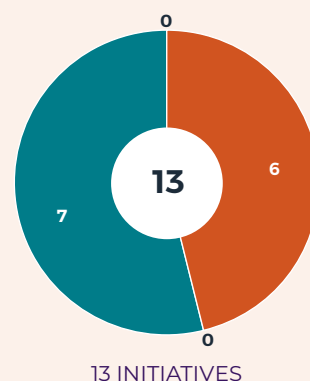
2.3.4. Council Brand – Cancelled

Council will seek feedback from the community on themes that will support development of a branding project in 2021/2022.



3. LEADING ENVIRONMENTAL STEWARDSHIP

Our visitors and residents deeply value the unparalleled environment in which we live. We recognise our responsibility in protecting and preserving our natural world for generations to come. We understand the strong link between the environment and the economy: they are interdependent. Douglas Shire will be at the forefront of environmental protection by developing strategies, setting policies, and working with all stakeholders to become the envy of and to inspire locations across Australia and the World.



OUTCOMES

GOAL 1

We will protect our sensitive environment and plan for the impact of climate change.

3.1.1. Micro-grid – Completed

Council Officers have provided the required assistance to Volt Advisory to assist them with the Daintree Micro Grid Project.

3.1.2. Living Reef Coral Bank – In Progress

Council Officers will continue to work with GBR Legacy on developing the Coral Biobank. Staff have continued to liaise with the State Government on securing the proposed site for the Coral Biobank and this remains a work in progress, with the appropriate land critical to the project.

3.1.3. Illegal Dumping Strategy – Completed

Monthly reporting to Department of Environment and Science is ongoing. A clean up has been carried out on two hotspot sites funded through the State Government, with 17 tonnes of waste removed. As part of the behavioural change program visits to Kindergartens and Preschools occurred alongside Council's Waste Education Officer. A Green and Clean Competition was run for primary school students to complete a poster on that theme. State funding for the program ends in August 2021 and a report to Council on the program outcomes will be presented.

3.1.4. Sustainable Fishing Practices – In Progress

Council was successful in securing funds to promote sustainable fishing practices in the Shire with funding deliverables to be completed by 30 September 2021. As a result of community workshops, a draft Douglas Shire Fishing Strategy has been developed. This will be presented for public consultation in August 2021. A Take a Kid Fishing Event and creation of educational video will occur in August/September 2021.

3.1.5. River Improvement Trust Fund – Completed

Review of alternative funding and governance models have been completed. Terrain NRM have provided information and statistics of projects completed in Douglas during 2020 to the value of 7.3M. A total of 6 workshops were undertaken in 2020 targeting key stakeholders. Targeted consultation with the sugar industry completed in April 2021. A report will go to the July 2021 Council Meeting.

“I have worked as a fishing guide in the Northern Territory and been on deck chasing Black Marlin, but my best fishing experiences have been in the Douglas Shire.”

MARINE BIOLOGIST, PHIL LAYCOCK

GOAL 2

We will implement programs that reduce and offset our environmental footprint.

3.2.1. Lot 83 Cape Tribulation Road – Completed

Following a proposal from Queensland Trust for Nature and Rainforest Rescue, Council resolved to sell the land to the group for the purpose of biodiversity restoration and conservation work both groups would undertake on the land. The purchase of Lot 83 by these groups will have economic benefits to the local community and local Aboriginal groups through employment, volunteering and training and revegetate the land for conservation purposes. Contract was signed in November 2020.

3.2.2. Closure of Killaloe Landfill – Completed

The Interim 2019/20 wet season closure was completed, the waste model updated and new survey levels were determined. The landfill is due to close in December 2021. The landfill will then be profiled and final cap will occur in 2022/23.

3.2.3. Final Closure of Sanitary Depot and Post Closure Plan – Completed

Site phytoremediation capping and tree planting was completed. Sap meter monitoring of trees on the site continued with a report and thesis presented to Council officers in June 2021 through Griffith University. Sap flow meter data was used to develop the Rehabilitation Plan. The Draft Rehabilitation Plan was completed and submitted to Department of Environment and Science for approval.

3.2.4. Reef Guardian Actions – In Progress

Actions under the Reef Guardian Council Program were completed this year. These included: the Single-Use Plastic Free Policy, finalisation of Council's Corporate emissions profile/reporting, public education program for water conservation and catchment awareness, and the development of a Recreational Fishing Strategy. The completion of the Reconciliation Action Plan will be completed by September 2021.

3.2.5. Council / Community Carbon Position – In Progress

Council's corporate carbon footprint audit was completed for financial year 2018/2019. Results are reported on <https://environment.douglas.qld.gov.au/>. A draft Public Consultation Plan was developed and will be workshopped with Councillors in July 2021. Public consultation on the desired position for managing Council's carbon footprint will commence when Council approves the proposed plan.

GOAL 3

We will continue to build water infrastructure so that the Douglas Shire may enjoy water security and water quality.

3.3.1. Drumsara Intake – In Progress

Land located at Lot 5 RP716977 was purchased and settled for road opening purposes. Officers are continuing to engage with the appropriate government departments to obtain required licences and permits.

3.3.2. Reservoir – In Progress

A feasibility study for raw water storage reservoir is nearing completion.

GOAL 4

We will partner with the community to educate and monitor.

3.4.1. Implement a Water Sustainability Education Program – Completed

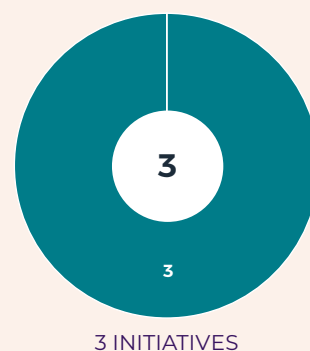
Educational videos completed and posted on Council's website. School and community group programs have been implemented, six educational sessions performed. Graphic design is nearing completion for the community educational campaign. Objectives completed this financial year, however the education programs ongoing.

“We envisage conserving and rehabilitating this World Heritage area to such an extent that Douglas can claim the Daintree is one of the only rainforests in the world not in decline and is in fact growing,”

QUEENSLAND TRUST FOR NATURE'S CEO, STEPHEN LACEY

4. INCLUSIVE ENGAGEMENT, PLANNING AND PARTNERSHIPS

In delivering for our communities, economy and environment, Douglas Shire will ensure open and transparent engagement and communication. We will develop robust strategic plans and we will partner with our community and key stakeholders.



OUTCOMES

GOAL 1

We will implement transparent decision making through inclusive community engagement and communication.

4.1.1. Review Community Engagement – Completed

Council's Engagement Framework has been reviewed in alignment with International Association for Public Participation (IAP2) that enhances community and stakeholder engagement utilising IAP2 Spectrum of Inform, Consult, Collaborate and Empower. Workshops have been delivered to Councillors and Infrastructure and Open Spaces teams.

GOAL 2

We will develop forward looking strategies for the future of our communities and we will ensure balanced and appropriate planning decisions.

4.2.1. Planning Scheme – Completed

The stakeholder engagement was initiated at the end of March 2021 and completed at the end of April 2021. The survey results were summarised with the findings presented to Council at a Workshop held on 15 June 2021. Commentary provided in the survey will be used to assist with identifying future amendments of the Planning Scheme.

GOAL 3

We will recognise the critical role that our partners play in planning and delivering vital programs and services.

4.3.1. Heritage Study – Completed

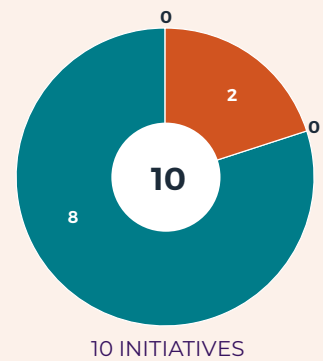
Consultation discussions for a local focus Heritage Strategy were undertaken with Council's Community Development Officer (First Peoples) to ensure the project brief will give suitable considerations to First People's heritage matters. Council engaged Converge Heritage and Community to undertake and prepare an overarching Heritage Strategy for the Douglas Shire. Converge consultants advised they were unaware of any other Queensland Local Government having a similar Strategy in place.



Heritage Study (illustrative purposes only)

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.



OUTCOMES

GOAL 1

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

5.1.1. Council Meeting Model – *In Progress*

Model Meeting procedures have been revised by the DLGRMA. Full revise of current standing orders has been completed. Model Meeting Procedures and Best Practice Standing Order will be incorporated into Council Standing Orders.

5.1.2. Council Reporting – *Completed*

Council Meeting Closed Session templates have been updated and implemented. Tender Reports are presented to Council in the Open Session. Updated template implemented and in use.

GOAL 2

We will put the customer at the centre of our service delivery and process improvement as we deliver efficient and appropriate services based on community expectations.

5.2.1. Customer Satisfaction Survey – *Completed*

The Customer Satisfaction Survey was conducted in April 2021. The survey was conducted by Market Facts Pty Ltd and in the same format as conducted in 2017 to enable comparison with prior data and that of other Councils. The survey results will be workshopped with Councillors in July 2021.



Four Mile Beach, Port Douglas

GOAL 3

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

5.3.1. General Rates Model Review – *Completed*

The rates modelling workshops were completed and the Rates Modelling Review Proposal report by Mead Perry was adopted by Council on 28 February 2021. Rates model changes were adopted as part of the Annual Budget on 15 June 2021.

5.3.2. Development Contributions Register – *Completed*

Development contributions data from de-amalgamation to the present time have been entered in to an excel spreadsheet and all data will be entered in to the new Authority destination when upgrades to Authority and the Planning Register have been completed. The data will be uploaded to Council's website in July 2021 and will be updated regularly as per the requirements under Planning Regulation 2020.

5.3.3. Infrastructure Charges – *Completed*

The Infrastructure Charges Policy was adopted by Council on 23 February 2021. The new Charges took effect from 1 March 2021.

5.3.4. Leases – *In Progress*

New standard Terms of Lease was adopted by Council. Transitions to lease arrangements for groups in community owned facilities is underway.

GOAL 4

We will work with our communities to ensure they are informed, empowered and supported so that they are resilient to the impacts of disaster events. Through our leadership and capabilities we will plan, prepare, respond and recover from events so as to minimise the impact on people, property, the environment, and our economic stability.

5.4.1. Community Disaster Awareness – *Completed*

The following community disaster awareness and resilience education campaigns include: awareness raising with community groups, Tafe Qld Events and Volunteers Program, Grant Writing Workshops. The following projects have been launched: QRA Get Ready Qld and 2018/2019 Monsoon Trough Photo Exhibition in the Mossman Admin foyer, the Douglas Disaster Information Facebook page, new Digital Disaster Noticeboards at eight locations in the Shire (including Daintree Village, Diwan Health Clinic and Cape Tribulation) and activating the opt-in subscription feature on the Douglas Dashboard.

5.4.2. Flood Resilience Coordination – *Completed*

A new rain gauge was installed at Diwan and automated road signs installed for the Alexandra Range at Daintree Ferry and Cape Tribulation Road. Council's Project Management Office managed the implementation of the QRA Flood Warning Infrastructure Network Project which included 4 rain gauges and one river level gauge. Flood mapping for the Shire for use internally has also been completed. Council officers have participated in the QRA "Big Maps" project looking at disaster risk management across the Region.

5.4.3. Disaster Planning and Risk Mitigation – *Completed*

The Local Disaster Management Plan has been updated and uploaded on Council's website. A Severe Weather Preparedness Level with trigger levels was compiled with and for Council's Infrastructure Team. The Pandemic Workplace Plan has been developed and is updated in line with Federal and State guidelines.



Compliance

Local Government Act 2009

IDENTIFYING BENEFICIAL ENTERPRISES – s41

Section 41 of the *Local Government Act 2009* provides that the Annual Report must contain a list of all the beneficial enterprises that the local government conducted during the financial year.

Section 39(3) of the *Local Government Act 2009* defines a beneficial enterprise as an enterprise that a local government considers is directed to benefiting, and can reasonably be expected to benefit, the whole or part of its local government area.

Section 39(4) of the *Local Government Act 2009* provides that a local government is conducting a beneficial enterprise if the local government is engaging in, or helping, the beneficial enterprise.

Douglas Shire Council did not conduct any beneficial enterprises during the 2020/21 financial year.

IDENTIFYING SIGNIFICANT BUSINESS ACTIVITIES – s45

A Local Government's Annual Report for each financial year must:

- contain a list of all the business activities that the local government conducted during the financial year; and
- Identify the business activities that are significant business activities, and
- State whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied, and
- State whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there are any new significant business activities.

The *Local Government Regulation 2012* identifies the following expenditure thresholds for significant business activities:

- ♦ 10,000 or more premises being connected to a water service as at 30 June
- ♦ \$9.7M for another business activity.

The business activities conducted during 2020/21:

- ♦ Water and Sewer
- ♦ Waste
- ♦ Ferry Operations
- ♦ Caravan parks
- ♦ Markets
- ♦ Planning Certifications.

The business activities listed above were also conducted by Council in the previous financial year (2019/20), and there were no new business activities commenced in 2020/21.

Douglas Shire Council did not conduct any significant business activities.

REMUNERATION PAYABLE TO SENIOR CONTRACT EMPLOYEES –S201(1)

Section 201 of the *Local Government Act 2009* provides that the Annual Report must contain the total of all remuneration packages that are payable to senior management.

Number of Senior Management Staff	Band of Remuneration
8	\$100,000 - \$200,000



Compliance

Local Government Regulation 2012

PARTICULAR RESOLUTIONS

The annual report for a financial year must contain:

- (a) A copy of resolutions made during the financial year under section 250(1) of the *Local Government Regulation 2012*; and
- (b) A list of any resolutions made during the financial year under section 260(2) of the *Local Government Regulation 2012*.

There were no resolutions relating to 250(1) or 260(2) of the *Local Government Regulation 2012*.

COUNCILLORS

The Annual Report must contain particulars of Councillors such as total remuneration, superannuation, expenses, facilities provided, meetings attendance and total orders during the financial year.



Douglas Shire Councillors outside the Mossman Administration Building

COUNCILLOR REMUNERATION – s186(A)

The amount of remuneration paid to Local Government Councillors is determined by the Local Government Remuneration Commission (The Commission).

The Commission has determined that Douglas Shire Council is a Category 1 Council and the following annual remuneration amounts applied to Category 1 Councils during the period 1 July 2020 to 30 June 2021:

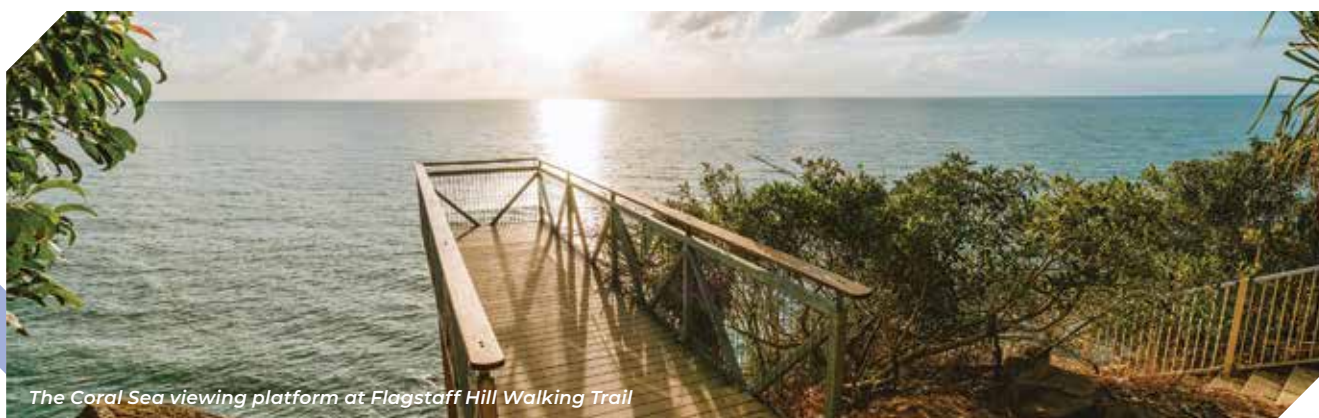
Mayor	Deputy Mayor	Councillors X 3
\$108,222	\$62,435	\$54,110

The total remuneration paid to each Councillor and the total superannuation contribution paid on behalf of each Councillor during the period 1 July 2020 to 30 June 2021 is as follows:

Councillor	Remuneration *	Superannuation
Mayor Michael Kerr	\$106,630.86	\$10,079.42
Deputy Mayor Lisa Scmazzon	\$61,741.86	\$6,286.04
Cr Peter McKeown	\$55,053.62	\$5,179.72
Cr Abigail Noli	\$55,053.62	\$5,179.72
Cr Roy Zammataro	\$55,053.62	\$5,179.72

* Remuneration paid to Councillors slightly higher than the remuneration figures determined by the Local Government Remuneration Commission due to Council adopted telecommunication allowance.

* Remuneration lower than remuneration figures determined by the Local Government Remuneration Commission due to Elected Members opting not to accept the wage increase.



The Coral Sea viewing platform at Flagstaff Hill Walking Trail

COUNCILLOR EXPENSES – s186(B)

A Councillor Reimbursement Policy was adopted by Council on 30 June 2020. The policy provides for the reimbursement of reasonable expenses which are suitable to be incurred by Councillors when discharging their duties and responsibilities as Councillors and the provision of facilities necessary to undertake their roles. The table below shows the expenses incurred by Councillors in the 2020/21 financial year.

Councillor	Conference	Training	Travel	Hospitality	Office	Vehicle	FBT	Total
Mayor Michael Kerr	\$1,601.57	\$1,909.05	\$6,527.77	\$221.01	\$571.80	-	\$6,783.52	\$17,614.72
Deputy Mayor Lisa Scomazzon	\$951.39	\$1,909.05	\$1,155.27	\$15.00	-	-	-	\$4,030.71
Cr Peter McKeown	\$1,740.91	\$1,909.05	\$1,343.04	\$15.00	-	-	-	\$5,008.00
Cr Abigail Noli	-	\$1,909.05	-	-	-	-	-	\$1,909.05
Cr Roy Zammataro	-	\$539.05	-	-	-	\$673.84	-	\$1,212.89
TOTALS	\$4,293.87	\$8,175.25	\$9,026.08	\$251.01	\$571.80	\$673.84	\$6,783.52	\$29,775.37

COUNCILLOR MEETING ATTENDANCE – s186(C)

As required under s186 (d) of the *Local Government Regulation 2012*, the table below details the number of Local Government Meetings each Councillor attended during the 2020/21 financial year.

Meetings Attended	Mayor Michael Kerr	D/ Mayor Lisa Scomazzon	Cr Peter McKeown	Cr Abigail Noli	Cr Roy Zammataro
Ordinary Meetings (12 Held)	12	12	12	11	12
Special Meetings (7 Held)	7	7	7	7	7
Special Budget Meeting (1 Held)	1	1	1	1	1

COUNCILLOR CONDUCT – s186(1)(D), (E) AND (F)

Councillor conduct is governed by the provisions of the *Local Government Act 2009* and *Local Government Regulation 2012* and Council's Councillor Code of Conduct Policy. The Councillor Code of Conduct Policy sets out the standards of behaviour expected of Councillors and Mayors when carrying out their roles, responsibilities, and obligations as elected representatives for their communities.

Description	Number
Orders made under s150I(2) of the Act	0
Orders made under s150AH(1) of the Act	0
Decisions, orders and recommendations made under s150AR(1) of the Act	0

Description	Number
The name of each Councillor for whom a decision, order or recommendation under s150I(2), 150AH(1) or 150AR(1) of the Act was made	N/A
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors	N/A
A summary of the decision, order or recommendation made for each Councillor	N/A

Description	Number
Complaints referred to the assessor under s150P(2)(a) of the Act by the local government, a councillor of the local government or the chief executive officer of the local government	6
Matters, mentioned in s150P(3) of the Act, notified to the Crime and Corruption Commission	0
Notices given under s150R(2) of the Act	0
Notices given under s150S(2)(a) of the Act	0
Decisions made under s150W(1)(a), (b) and (e) of the Act	1
Referral notices accompanied by a recommendation mentioned in s150AC(3)(a) of the Act	0
Occasions information was given under s150AF(4)(a) of the Act	0
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a councillor	0
Application heard by the conduct tribunal a. Under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct.	0

OVERSEAS TRAVEL – s188

The Annual Report must contain information about any overseas travel made by a Councillor or Local Government employee in an official capacity.

There was no overseas travel made by a Councillor or Local Government employee in an official capacity during the 2020/21 financial year.

COUNCILLOR'S DISCRETIONARY FUND – s189

Councillors are not provided with discretionary funds to allocate. Funding was not therefore provided to community organisations from this source.

ADMINISTRATIVE ACTION COMPLAINTS – s187

An Administrative Action Complaint is defined in the *Local Government Act 2009* as a complaint that is about an administrative action of a local government and is made by an Affected Person (a person who is apparently directly affected by an administrative action of a local government or as defined in s43 of the Act with respect to competitive neutrality).

Administrative Action Complaints are managed in accordance with Council's Administrative Action Complaints Management Policy and Procedures. The objectives of the policy are to ensure that Council had an organised way of responding to, recording, reporting and using complaints to improve service to the community. The Complaints Management System had been established to ensure complaints are dealt with fairly, objectively, professionally, respectfully and subject to any legal requirements, in confidence.

Council is continuing a commitment to inclusive and ethical governance for the Douglas communities by appropriately addressing complaints from external sources. The Manager Governance completed Workplace Investigations accredited training through LGAQ Peak Services.

As part of the Internal Audit process for 2020/21, a scope of the Customer Request Experience was undertaken. The audit findings determined that complaints management practices at Council were still developing however suitable and appropriate work practices were in place and these appeared reasonable. Business improvement opportunities noted in the findings will be incorporated into work practices in the 2021/22 financial year.

Administrative Action Complaints (AAC)	Number
The number of AACs made to the local government	16
The number of AACs resolved by the local government under the complaints management process	15
The number of AACs not resolved by the local government under the complaints management process	1
The number of AACs not resolved by the local government under the complaints management process that were made in a previous financial year	0

GRANTS TO COMMUNITY ORGANISATIONS

Douglas Shire Council provides Grants, In-kind Support, Donations and Sponsorships or waive Council Fees to support initiatives which address community, economic, social and environmental outcomes.

Supporting organisations, groups and individuals with financial grants and non-financial assistance such as in-kind support and waiving of Council fees helps develop and deliver programs, projects, activities and events that provide artistic, cultural, sporting, recreational, environmental, community, industry, social and economic benefits in the Douglas Shire.

GRANTS

Major Grants

Organisation Name	Project Title	Grant Awarded (ex GST)
Daintree Marketing Cooperative	Destination Daintree on the Map	\$10,000.00
Mossman Port Douglas Senior Rugby League Club	Seniors Recycling Program	\$10,000.00
Douglas Shire Community Services Assoc	Community Centre Art Project	\$4,813.00
Douglas Hockey Association Inc	Beach Hockey in Douglas	\$8,225.00
Lenice Schonenberger	Artists Mural for Daintree River Ferry Amenities Block	\$4,000.00
Total		\$37,038.00

Micro Grants

Organisation Name	Project Title	Grant Awarded (ex GST)
Port Douglas Surf Life Saving Club	Bree Masters Sprinting Clinic	\$1,000.00
ICIT Pty Ltd	G'Day Port Douglas & Daintree, 3 minutes with a local	\$1,000.00
Biodynamics FNQ Inc	Everyday Gardens by Everyday People	\$684.00
Tropical North Steiner School Inc	Tropical North Steiner School Community Open Days & Activities	\$1,000.00
Mossman Memorial Bowls Club	North Versus South Challenge	\$1,000.00
Port Douglas Community Services Network Inc	Enhance Community Engagement	\$1,000.00
Mossman & District Gymnastics Club Inc	MDGC 2021 Open Day 30 January 2021	\$903.00
Douglas Theatre Arts Group	Douglas Shire Christmas Carols Online	\$1,000.00
Mossman Squash and Tennis Club	Club 2021 Come and Try	\$867.00
FNQ Hospital foundation – Friends of the Foundation	Wisdom and Handy Hints for Living in the Wet Tropics	\$1,000.00
Total		\$9,454.00

Sponsorships

Organisation Name	Project Title	Sponsorship (ex GST)
Mossman State High School	Sponsorship Presentation 2020	\$500.00
TOTAL		\$500.00

Resource and Performance Agreements

Douglas Shire Council provides assistance to commercial organisations through funding towards an Event or Project, which is aligned with the Council Corporate Plan. This funding is available to an established event that leads to an ongoing Resource and Performance Agreement over a number of years.

Organisation Name	Purpose	In-Kind Support	Actual Funding 2020/21
Tourism Port Douglas Daintree	Destination Marketing 20/21		\$250,000.00
Tourism Port Douglas Daintree & Strategic PR	Marketing and Advertising Carnivale 2021		\$28,000.00
Douglas Chamber of Commerce	Small Business Support		\$50,000.00
Knockout Events Australia Pty Ltd	Carnivale		\$38,518.19
Port Shorts Film Festival Inc	Port Shorts Film Festival	\$5,000.00	\$20,000.00
Douglas Shire Community Services Association	Annual Christmas Day Lunch	\$155.00	\$500.00
Douglas Historical Society	Assistance with upkeep of museum		\$5,000.00
Douglas Theatre Arts Groups – Clink	Assistance with upkeep of theatre		\$5,000.00
Port Douglas Artists Inc	Call of the Running Tide		\$15,000.00
JPNC Management Pty Ltd	Hot and Steamy Festival		\$7,000.00



Regional Arts Development Fund (RADF)

The Regional Arts Development Fund (RADF) is a partnership between state and local governments which invests in quality arts and cultural experiences across Queensland based on locally determined priorities.

RADF promotes the role and value of arts, culture and heritage as key drivers to: support diversity and inclusivity; grow strong regions; and provide training, education and employment opportunities for Queensland artists and local communities.

Applicant	Project	Funds Allocated (ex GST)
Tim Ellis	'Melting Earth', artwork for CRT21	\$5,000.00
Jill Chism	'Marine Flowering' & 'Can You See The Trees?' – Artworks for CRT21	\$4,250.00
DAB – Ellen Terrell	Screenprinting Workshop	\$1,090.00
Mossman Support Services	Youth Music Enrichment – Music Lessons	\$5,000.00
Pamela Willis Burden	'Beneath Tropic Skies' – Book Research	\$2,500.00
Andrea Collisson	2 x Artworks for CRT21	\$5,000.00
Port Douglas Artists – Chrissie McLaughlin	Art Event Hosting	\$5,000.00
Port Douglas Artists – Gail Shaw	Tropical Sketchfest Event, 2021	\$5,000.00
North Of The Daintree River Arts Society Inc	'Stop in the name of art' – Art Classes	\$2,887.00
Port Douglas Artists – Rosey Cummings	Marketing for CRT21	\$5,000.00
Victoria Park	'Alien Landscape' – Artwork for CRT21	\$5,000.00
Danielle Piat	'Microfibre Pollution' – Artwork for CRT21	\$3,500.00
TOTAL		\$49,227.00

ACTION TAKEN FOR, AND EXPENDITURE ON, A SERVICE, FACILITY OR ACTIVITY – s190(1)(D)

Council did not during the year take any action in relation to or expend funds on a service, facility or activity:

- ♦ Supplied by another local government under an agreement for conducting a joint government activity; and
- ♦ For which the local government levied special rates or charges for the financial year.

CHANGES TO TENDERS – s190(1)(E)

Under s228 (7) of the *Local Government Regulation 2012*, a local government may invite all tenderers to change their tenders to take account of a change in the tender specifications.

There were no invitations to change tender made during the 2020/21 financial year.

LIST OF KEY REGISTERS KEPT BY THE LOCAL GOVERNMENT – s190(1)(F)

Council maintains a number of key registers:

- ♦ Administrative Action Complaints Register
- ♦ Asset Register
- ♦ Conflict of Interest Register
- ♦ Corporate Risk Register
- ♦ Councillor Conduct Register
- ♦ Delegations Register
- ♦ Local Laws Register
- ♦ Register of Cost Recovery Fees
- ♦ Register of Interests of Councillors, Councillor Advisors, Chief Executive Officers and Related Persons.

SUMMARY CONCESSIONS FOR RATES AND CHARGES – s190(1)(G)

Below is a list of Council Special Rates and Special Charges for the 2020/21 year.

CURRENT CONCESSIONS

- ♦ **Pensioner Remission** – The rebate is up to 40% of the General Rates to a maximum of \$1,350.00pa.
- ♦ **Rates Based Financial Assistance** (Not for Profit Recreation, Sporting and Community Groups) – is 100% General Rates and 50% sewerage.
- ♦ **Conservation Rebate** – 50% General Rates if over 50% of property is covered under *Nature Conservation Act 1992*.
- ♦ **Conservation Rebate** – 35% of General Rates if under 50% is covered under the *Nature Conservation Act 1992*.
- ♦ **Permits to Occupy Land on the Daintree River** (Fishing Huts) – The rebate is 50% of General Rates.

CURRENT SPECIAL CHARGES

Rural Fire Brigades (per rateable assessment per financial year):

- ♦ **Mowbray Valley Rural Fire Brigade** \$50.00
- ♦ **Daintree Rural Fire Brigade** \$15.00
- ♦ **Thornton Peak Rural Fire Brigade** \$ 8.00
- ♦ **Wonga Rural Fire Brigade** \$35.00
- ♦ **Bloomfield River Rural Fire Brigade** \$25.00
- ♦ **Refuse Disposal** – \$197.50 per unit on each rateable assessment that does not receive the Council kerbside waste and recyclables collection service.

COMPETITIVE NEUTRALITY COMPLAINTS – s190(1)(I) & (J)

During the 2020/21 financial year Council was not in receipt of any investigation notices under Section 49 of the *Local Government Regulation 2012*. Council was not in receipt of any QCA's recommendations on any competitive neutrality complaints under Section 52(3) of the *Local Government Regulation 2012*.

PUBLIC SECTOR ETHICS ACT

The *Public Sector Ethics Act 1994* requires that the Annual Report of each public sector entity, including a local government, must include a statement about the local government activities during the financial year to implement its plan for equal opportunity in employment.

Council is committed to ensuring a workplace free of discrimination and harassment. This commitment is based on equality of employment opportunity that enhances the capacity of Council

to achieve its objectives by:

- (a) improving organisational efficiency and productivity through the selection and employment of staff on merit based principles; and
- (b) fulfilling the social justice obligations of equity and fairness; and
- (c) increasing the effectiveness of service delivery and decision-making by adopting an employee profile that reflects the community profile.

Council has a Code of Conduct for staff which incorporates the ethics, principles and obligations under the *Public Sector Ethics Act 1994*. A copy of the Code of Conduct is available on Council's website.

INTERNAL AUDIT – s190(1)(H)

In accordance with s207 of the *Local Government Regulation 2012*, Council must prepare and carry out an internal audit plan each financial year. The Internal Audit function is one component of the 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.

To ensure the internal audit activity reflects the immediate needs of the Douglas Shire Council as it strengthens its sustainability, and in light of the developing Enterprise Risk Management Framework at Council, the Internal Audit Planning process has been centred on discussion with Management about the immediate assurance and risk coverage needs.

The 2020/21 Annual Internal Audit Plan directs internal audit effort to the areas where Management and Internal Audit see benefit in the short term to mitigate the risks identified in Council's Risk Register.

Pacifica Chartered Accountants were engaged to complete the annual Internal Audit Function and the projects and consulting activities that were performed in the period to 30 June 2021 were:

- ♦ Corporate cards, Standing Accounts, Staff reimbursements and fuel cards Review
- ♦ Environmental Management Systems Review
- ♦ Customer Request Management Practices.

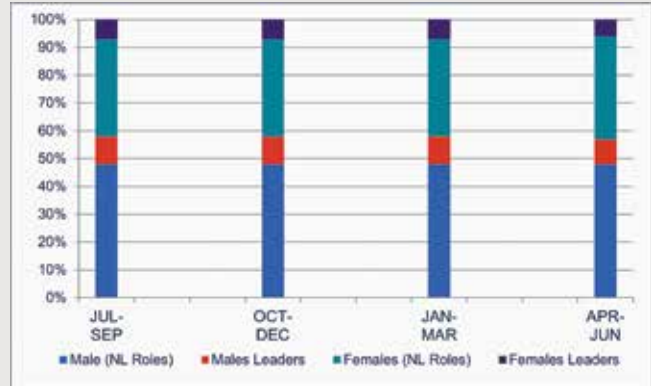
Organisational Report

HUMAN RESOURCES

Lost time – Workplace Injury



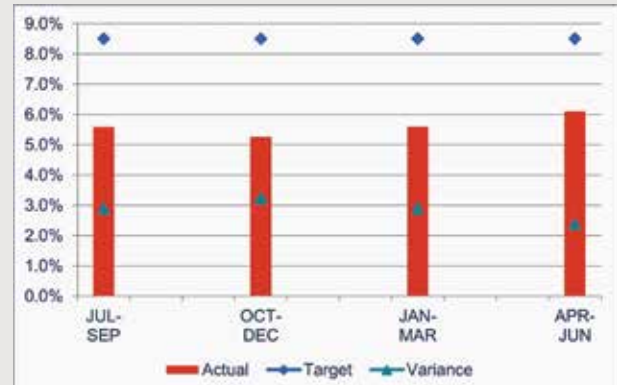
Male and Females in the Total Workforce



Efficiency of Filling Positions Vacant



Aboriginal and Torres Strait Islander Employees in Total Workforce



Monthly Staff Turnover

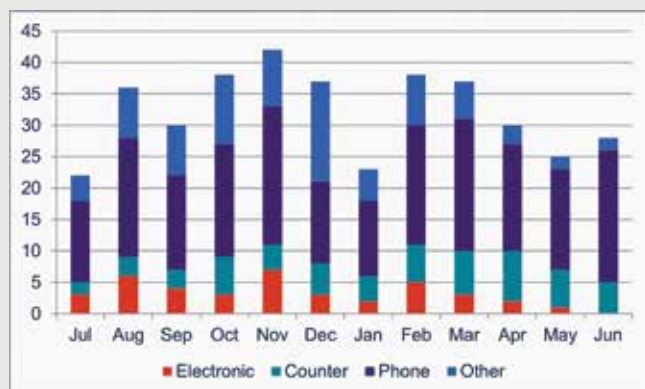


ENVIRONMENT AND PLANNING

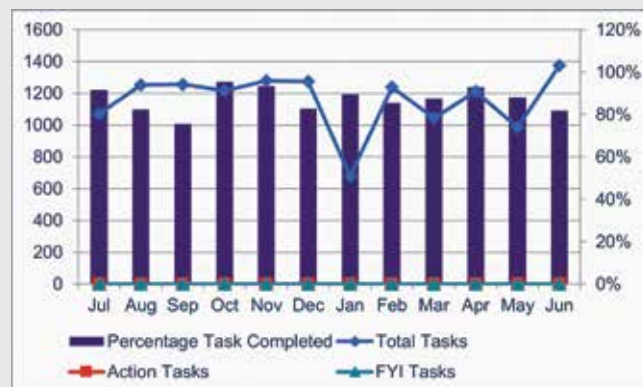
Development Applications Lodged



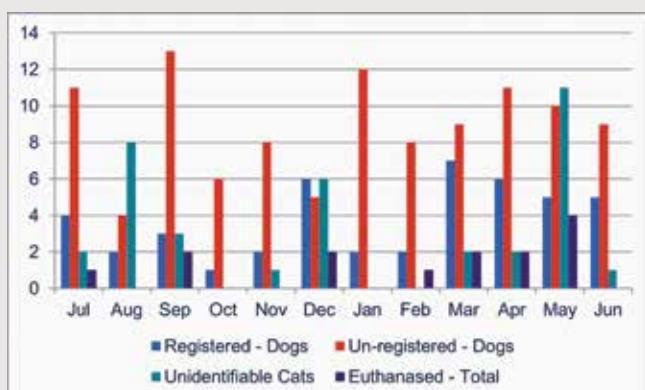
Development and Assessment Officer Enquiries



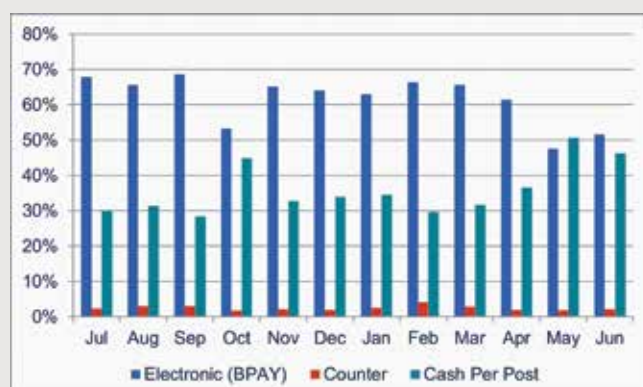
CUSTOMER POINT OF CONTACT Inwards Correspondence Actioned



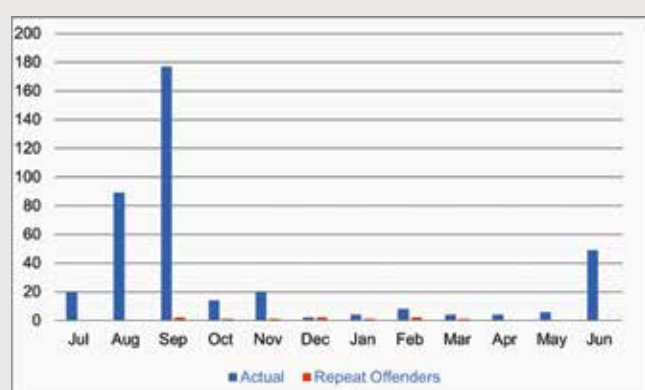
Animal Impoundments



Rates Payments Methods



Illegal Camping



MEDIA AND COMMUNICATION

Council Communication to Communities for the Year

Facebook Posts	1,410
Website (Page) Views	608,136
Public Notice Advertising	135
Media Releases	250

Community Financial Report

The Annual Report must contain the community financial report for the financial year.

INTRODUCTION

Council's general purpose financial statements are for the period 1 July 2020 to 30 June 2021 and have been prepared in accordance with the requirements of the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards and Interpretations. They have also been audited by the Queensland Audit Office.

This community financial report provides a summary of the financial statements with the aim of providing understandable information to the members of our community.

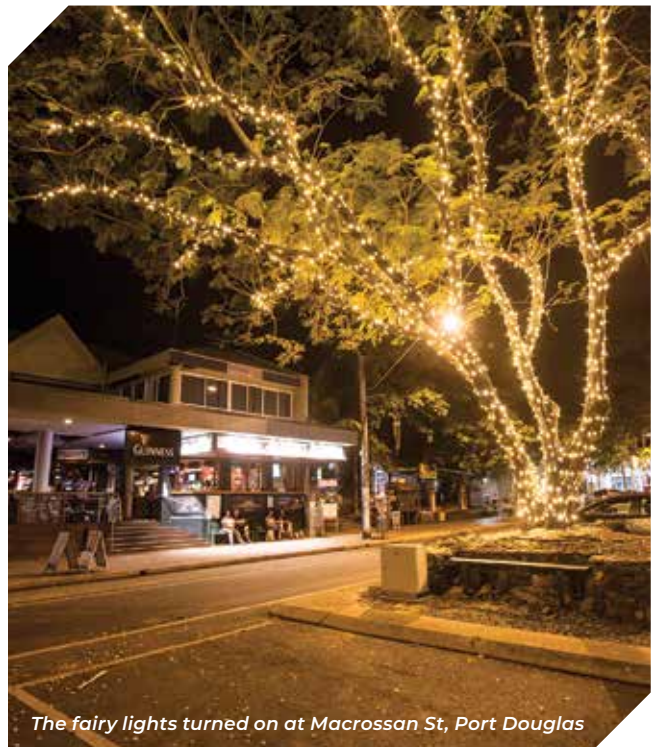
The financial statements include the following:

- ♦ **Statement of Comprehensive Income** – includes Council's operating and capital revenue, operating expenses, capital income and capital expenses for the period.
- ♦ **Statement of Financial Position** – provides details of Council's current and non-current assets and liabilities.
- ♦ **Statement of Changes in Equity** – identifies movements in Council's Equity balance.
- ♦ **Statement of Cash Flows** – shows the movement in Council's cash position during the period and excludes all non-cash items such as depreciation.
- ♦ **Notes to the Financial Statements** – provide details of significant accounting policies and supporting information relating to the major statements, including a detailed breakdown of property, plant and equipment.
- ♦ **Measures of Financial Sustainability** – provide three sustainability indicators designed to help monitor the current and long-term sustainability of Council.

FINANCIAL STATEMENTS FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

AT A GLANCE

Operating Revenue	\$45,568,645
Operating Expenses	(\$47,800,100)
Operating Position	(\$2,231,455)
Capital Revenue	\$10,401,903
Capital Expenses	(\$1,044,514)
Net Result	\$7,125,934
Current Assets	\$30,803,697
Non-Current Assets	\$423,975,702
Total Assets	\$454,779,399
Current Liabilities	\$11,085,867
Non-Current Liabilities	\$5,181,411
Total Liabilities	\$16,267,278
Net Community Assets (Equity)	\$438,512,121

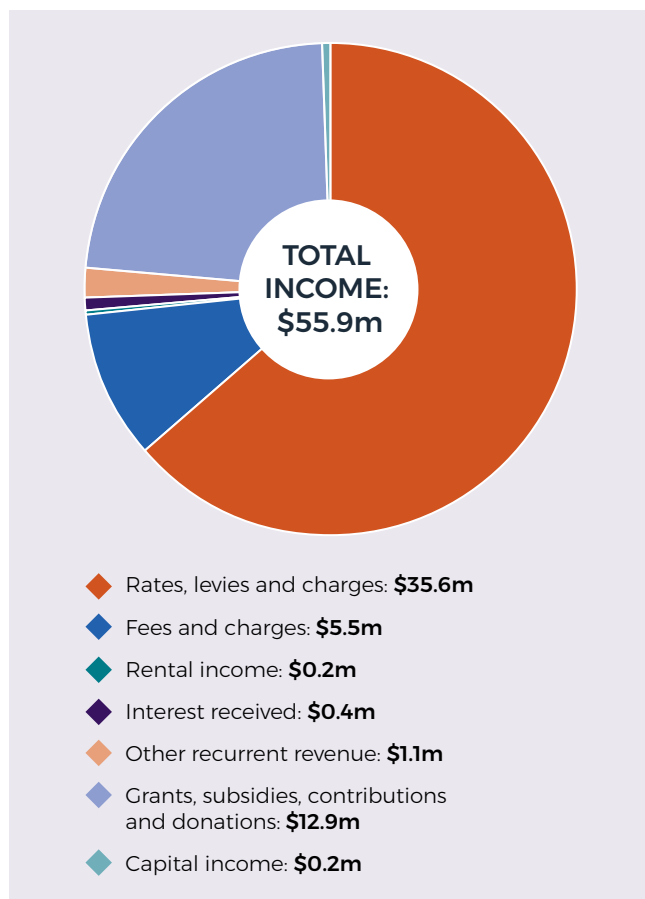


The fairy lights turned on at Macrossan St, Port Douglas

STATEMENT OF COMPREHENSIVE INCOME

INCOME

The following graph and table show the composition of Council's income for the reporting period.



Income by percentage	
Rates, levies and charges	63.65%
Fees and charges	9.83%
Rental income	0.43%
Interest received	0.65%
Other recurrent revenue	1.98%
Grants, subsidies, contributions and donations	23.11%
Capital income	0.35%
	100.00%

Grants, subsidies, contributions and donations

Includes capital grants, subsidies, contributions and donations of \$10.2m of which \$4.0m was for Natural disaster works and \$1.7m for assets contributed by developers.

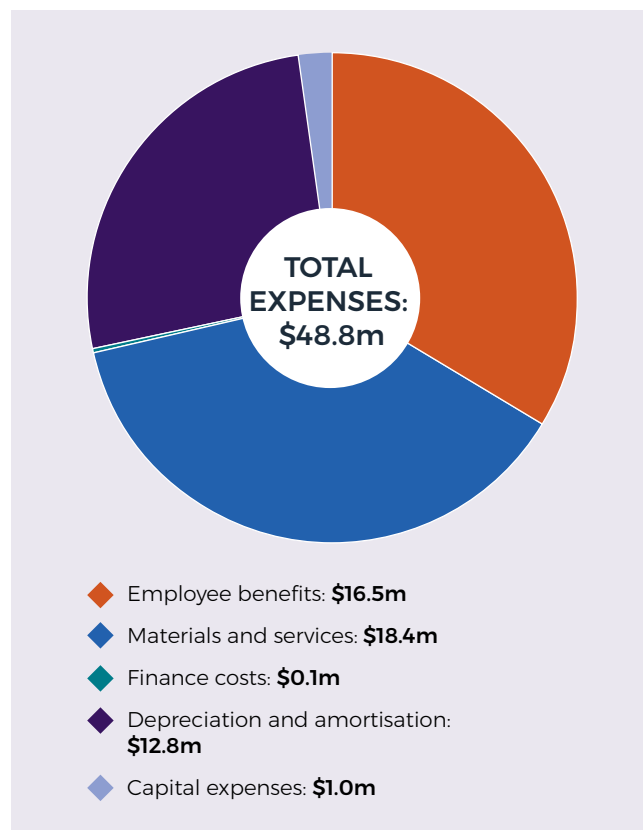
Other Capital Income

Includes changes to the Restoration provision for Killaloe Refuse.

Further details can be located in notes 3 to 5 of the financial statements.

EXPENSES

The following graph and table show the composition of Council's expenses for the reporting period.



Expenses by percentage	
Employee benefits	33.74%
Materials and services	37.73%
Finance costs	0.22%
Depreciation and amortisation	26.17%
Capital expenses	2.14%
	100.00%

Further details can be located in notes 6 to 9, note 12 and 13 of the financial statements.

OPERATING POSITION

Council's operating position reflects its ability to meet day-to-day operating costs from its operating revenue. This includes its ability to fund the depreciation of assets.

It is determined by deducting operating expenses from operating revenue and shows an operating deficit of \$2.231 million, compared to a revised budgeted operating deficit of \$3.663 million.

This variance of \$1.432m is mainly due to a number of items of operating revenue and expenditure that were not anticipated when the revised budget was adopted:

- ◆ Net rates and utility charges are \$0.155 million over budget primarily due to more than anticipated Water revenue.
- ◆ Fees and Charges are \$0.236 million over budget. Stronger than anticipated revenue from Property fees including Search fees for property transfers.
- ◆ Grants and subsidies received were \$0.403 million ahead of budget. This includes an increase in the Financial Assistance Grant of \$105k and \$296k from Disaster funding.
- ◆ Interest received exceeded budget by \$0.015 million.
- ◆ Other recurrent income is \$0.234 million ahead of budget mainly due to additional works for Council's Road Maintenance Performance Contract works.
- ◆ Employee benefits were ahead of budget \$0.082 million. This was due to changes in the treatment of Sick leave provisions in the Council Certified Agreement at 30.6.21 – Council had engaged 169 Fulltime, 26 part-time, 16 Casual employees and 5 Elected members.
- ◆ Materials and services expenditure was below budget by \$0.121 million, primarily due to savings in Council Electricity Costs.
- ◆ Finance costs behind budget by \$0.078 million due to a change in the discount rate relating to Landfill sites.
- ◆ A reduction in depreciation expenditure \$0.272 million due to the delayed completion of some major capital works projects.

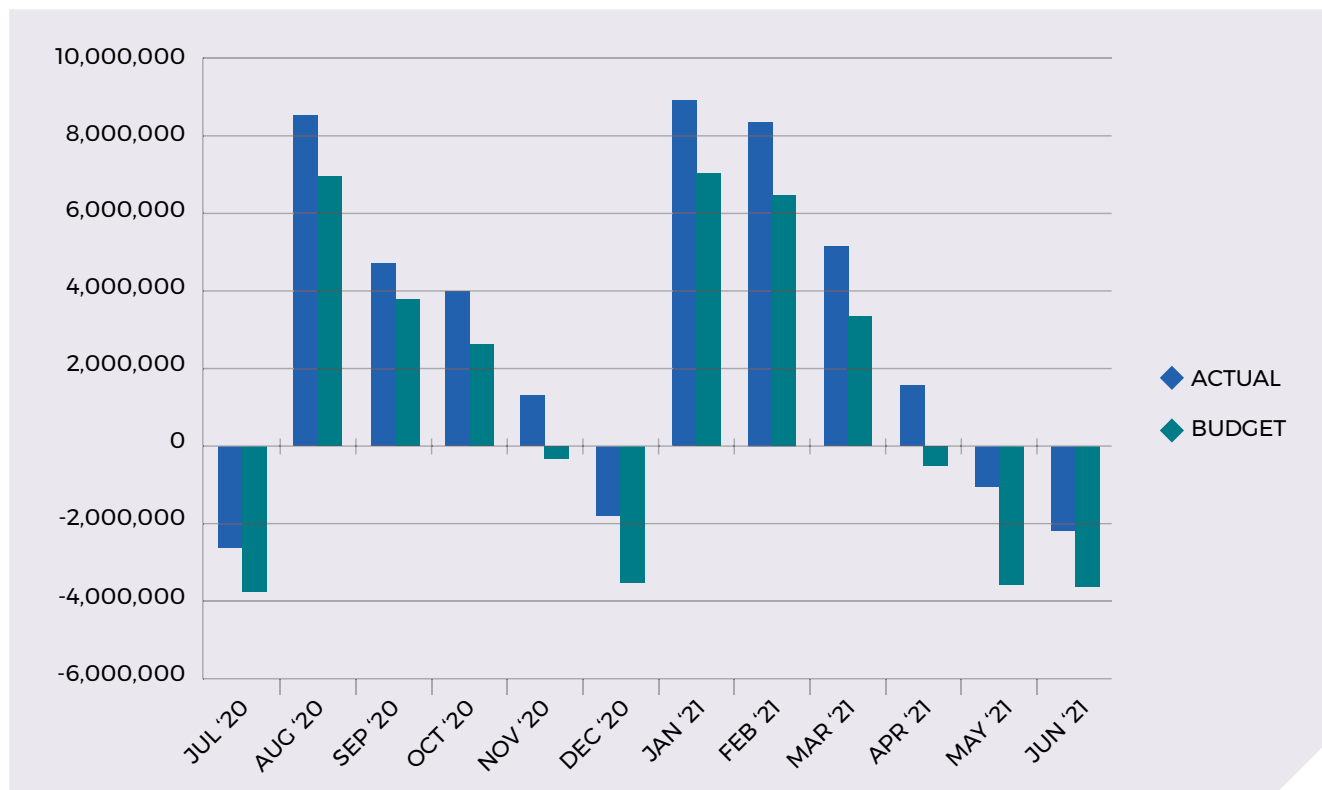
The following table provides details of Council's budgeted operating result compared to the actual result for the reporting period.



Douglas Shire Council Budget vs Actuals for the 2020/2021 Financial Year	Budget \$	Actuals 2020/2021 Audited Financial Statements \$
Operating Revenue		
Net rates and utility charges	35,464,803	35,619,734
Fees and charges	5,268,819	5,504,569
Grants and subsidies	2,327,568	2,730,667
Interest received	347,185	361,697
Other recurrent income	1,117,156	1,351,978
Total Operating Revenue	44,525,531	45,568,645
Operating Expenses		
Employee benefits	16,396,741	16,478,995
Materials and services	18,554,154	18,433,039
Depreciation	13,054,728	12,782,968
Finance costs	183,556	105,098
Total Recurrent Expenses	48,189,179	47,800,100
Operating Result	(3,663,648)	(2,231,455)

The following graph shows Council's budgeted year to date operating result compared to its actual year to date operating result on a month by month basis for the reporting period.

OPERATING RESULT 2020/2021



NET RESULT

Council's net result is determined by deducting total expenses (operating expenses and capital expenses) from total income (total revenue and capital income).

The overall net result is a positive \$7.1 million.

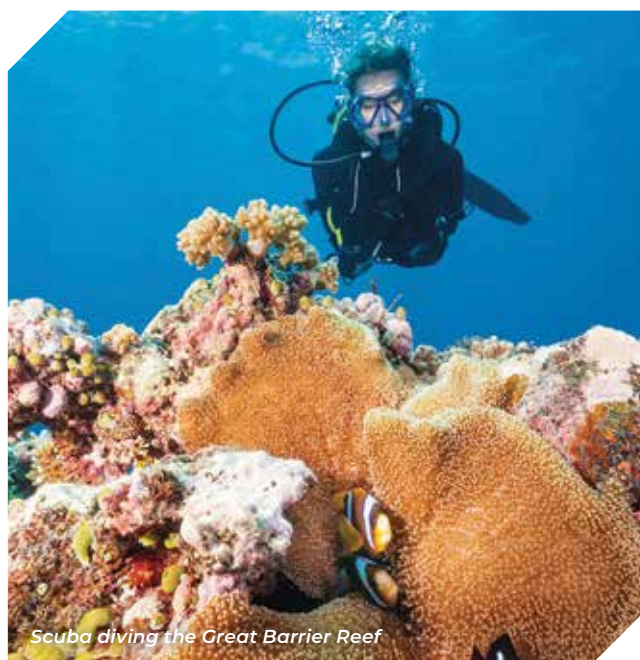
This result includes some items of revenue which are restricted as follows:

- ◆ Developer contributions – cash contributions made by developers to fund future infrastructure assets have restrictions placed on their use and are constrained.
- ◆ Other constrained revenue – raised from other sources, for example grant funds provided for a specific purpose.

It also includes non-monetary values such as:

- ◆ Gain/loss on disposal/write-off of non-current assets.
- ◆ Adjustments to the value of Council's landfill restoration provision – as a result of a re-estimation of the future cost to restore the landfill sites.

- ◆ Non-current asset revaluation decreases and increases offsetting previous decreases – which occur when asset values are adjusted as part of a comprehensive revaluation.



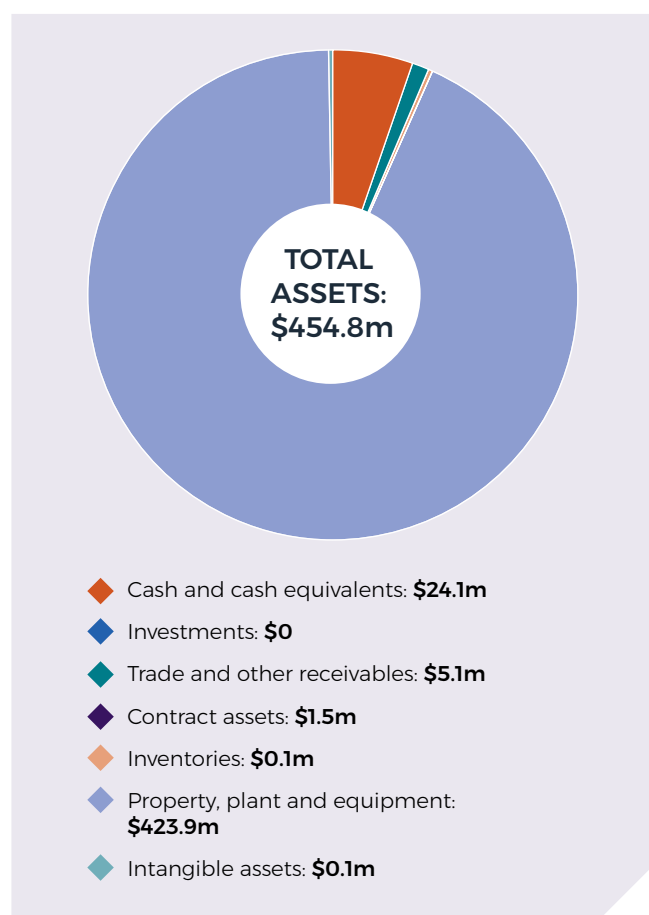
STATEMENT OF FINANCIAL POSITION

ASSETS

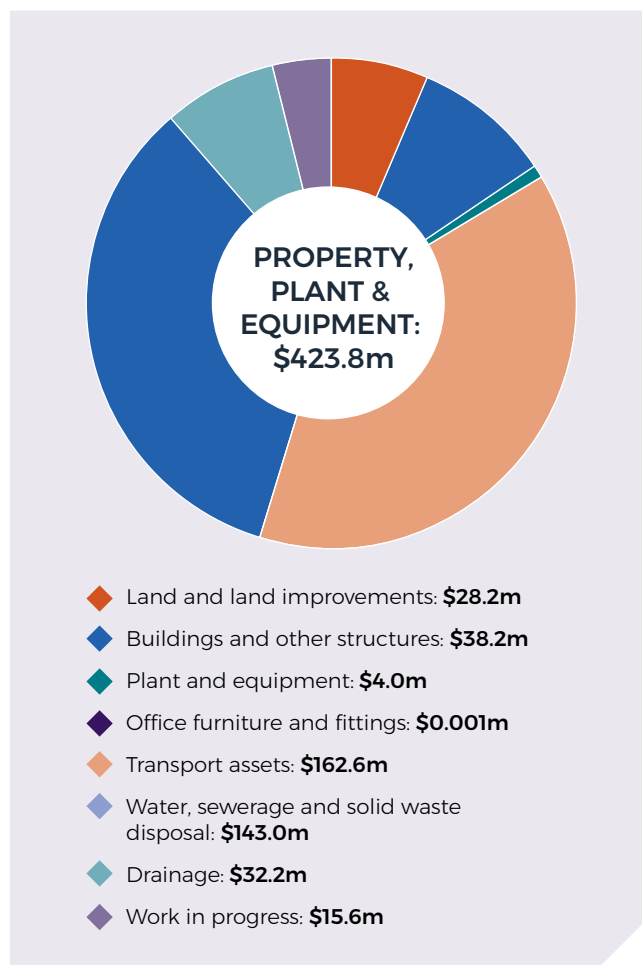
Council assets as at 30 June 2021 total \$454.8 million. This includes \$30.8 million of current assets (cash and other assets that are expected to be converted to cash or consumed within a year) and \$423.9 million of non-current assets. Property, plant and equipment makes up 93.2% of total assets.

Current assets consist of cash and cash equivalents, investments (short term deposits), trade and other receivables, and assets held for sale. Non-current assets consist of long-term assets like property, plant and equipment, including capital works in progress.

The following graph shows the composition of Council's assets.



The following graph shows the composition of property, plant and equipment.

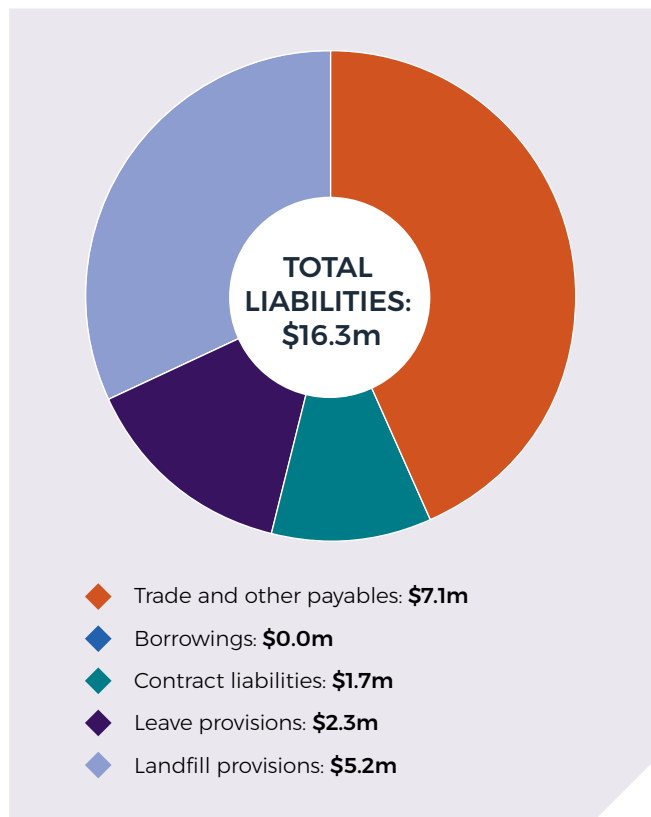


Further details can be located in notes 10 to 14 of the financial statements.

LIABILITIES

Total liabilities as at 30 June 2021 are \$16.3 million. This includes \$11.1 million of current liabilities (due to be settled within twelve months) and \$5.2 million of non-current liabilities. Liabilities mostly consist of amounts owing to suppliers, amounts owing to employees for leave entitlements and provision for the future cost of restoring landfills.

The following graph shows the composition of Council's liabilities.



Further details can be found in notes 14 to 16 of the notes to the financial statements.

COMMUNITY EQUITY

Council's total community equity as at 30 June 2021 is \$438.5 million and represents Council's asset revaluation surplus of \$57million (increase in values of property, plant and equipment as a result of comprehensive revaluations) and retained surplus of \$381.5 million. This is determined by deducting the value of total liabilities from the value of total assets.

Further details can be found in note 17 of the notes to the financial statements.

BORROWINGS AND REPAYMENTS

During the period Council did not apply for any new loans, therefore the loans balance as at 30 June 2021 is \$0 and Council's debt per rateable property is \$0.



MEASURES OF FINANCIAL SUSTAINABILITY

The following ratios are designed to provide a measure of the performance of Council against key financial sustainability criteria.

Ratio	What the ratio provides	How the ratio is calculated	Actual result	Target result
Operating surplus ratio	An indication of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-5%	between 0% and 10%
Asset sustainability ratio	An approximation of the extent to which the infrastructure assets managed by Council are being replaced as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	93%	greater than 90%
Net financial liabilities ratio	An indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues.	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-32%	not greater than 60%

The operating surplus ratio has improved compared to the budgeted ratio as a result of a reduced operating deficit. The asset sustainability ratio is less than the budgeted ratio due to disaster restoration works being delayed to the 2022 financial year. The net financial liabilities ratio has improved due a greater than anticipated current assets balance. This ratio indicates that Council is in a very healthy position to service its existing liabilities.



FURTHER INFORMATION

Further detail can be found in Council's financial statements which are included at the end of this annual report.

DOUGLAS SHIRE COUNCIL
**FINANCIAL
STATEMENTS**
FOR THE YEAR ENDED
30 JUNE 2021



Your ref:
Our ref: 2021-4039
Sri Narasimhan 3149 6208

OFFICIAL

14 October 2021

Ms J Warner
Acting Chief Executive Officer
Douglas Shire Council
PO Box 723
MOSSMAN QLD 4873

Dear Ms Warner

General Purpose Financial Statements—2020–21
Current Year Financial Sustainability Statement—2020–21

- Douglas Shire Council

The certified General Purpose Financial Statements are enclosed. I have issued an unmodified opinion.

Also enclosed is the Current Year Financial Sustainability Statement. Consistent with prior years and with all other councils, I have included an emphasis of matter paragraph in my auditor's report to highlight the use of the special purpose basis of accounting.

A copy of the General Purpose Financial Statements and Current Year Financial Sustainability Statement has also been forwarded to the Minister for Local Government.

Yours sincerely



Sri Narasimhan
Director

cc: Councillor M Kerr, Mayor, Douglas Shire Council

Enc.

Douglas Shire Council

Financial statements

For the year ended 30 June 2021

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Douglas Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	35,619,734	34,833,175
Fees and charges	3(b)	5,504,569	4,816,194
Rental income		241,960	196,326
Interest received	3(c)	361,697	660,849
Other revenue	3(d)	1,110,018	959,294
Grants, subsidies, contributions and donations	4(a)	2,730,667	3,190,145
Total recurrent revenue		<u>45,568,645</u>	<u>44,655,983</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	10,205,942	12,637,794
Other capital income	5	195,960	6,661,567
Total capital revenue		<u>10,401,902</u>	<u>19,299,361</u>
Total income		<u>55,970,547</u>	<u>63,955,344</u>
Expenses			
Recurrent expenses			
Employee benefits	6	(16,478,995)	(15,032,735)
Materials and services	7	(18,433,039)	(17,753,700)
Finance costs	8	(105,098)	(292,954)
Depreciation and amortisation	12&13	(12,782,968)	(12,404,947)
		<u>(47,800,100)</u>	<u>(45,484,336)</u>
Capital expenses	9	(1,044,514)	(902,713)
Total expenses		<u>(48,844,613)</u>	<u>(46,387,049)</u>
Net result		<u>7,125,934</u>	<u>17,568,295</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	17	16,885,402	-
Total other comprehensive income for the year		<u>16,885,402</u>	<u>-</u>
Total comprehensive income for the year		<u>24,011,336</u>	<u>17,568,295</u>

The above statement should be read in conjunction with the accompanying notes and the Significant Accounting Policies.

Douglas Shire Council
Statement of Financial Position
as at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	10	24,097,607	28,255,109
Trade and other receivables	11	5,097,172	4,625,347
Contract assets	14	1,503,088	333,137
Inventories		105,831	123,392
Non-current assets held for sale		-	29,008
Total current assets		<u>30,803,697</u>	<u>33,365,992</u>
Non-current assets			
Property, plant and equipment	12	423,840,735	397,068,255
Intangible assets	13	134,967	191,756
Total non-current assets		<u>423,975,702</u>	<u>397,260,011</u>
Total assets		<u>454,779,399</u>	<u>430,626,003</u>
Current liabilities			
Trade and other payables	15	7,102,431	7,982,319
Provisions	16	2,244,567	2,229,872
Contract liabilities	14	1,738,869	687,548
Total current liabilities		<u>11,085,867</u>	<u>10,899,739</u>
Non-current liabilities			
Provisions	16	5,181,411	5,225,480
Total non-current liabilities		<u>5,181,411</u>	<u>5,225,480</u>
Total liabilities		<u>16,267,278</u>	<u>16,125,218</u>
Net community assets		<u>438,512,121</u>	<u>414,500,784</u>
Community equity			
Asset revaluation surplus	17	56,963,407	40,078,005
Retained surplus		381,548,713	374,422,779
Total community equity		<u>438,512,121</u>	<u>414,500,784</u>

The above statement should be read in conjunction with the accompanying notes and the Significant Accounting Policies.

Douglas Shire Council
Statement of Changes in Equity
For the year ended 30 June 2021

		Asset revaluation surplus	Retained Surplus	Total
	Note	\$	\$	\$
Balance as at 1 July 2020		40,078,005	374,422,779	414,500,784
Net result		-	7,125,934	7,125,934
Other comprehensive income for the year				
Increase in asset revaluation surplus	17	16,885,402	-	16,885,402
Total comprehensive income for the year		16,885,402	7,125,934	24,011,336
Balance as at 30 June 2021		56,963,407	381,548,713	438,512,121
Balance as at 1 July 2019		40,078,005	358,678,341	398,756,346
Adjustment on initial application of new accounting standards		-	(1,823,857)	(1,823,857)
Restated balance at 1 July 2019		40,078,005	356,854,484	396,932,489
Net result		-	17,568,295	17,568,295
Other comprehensive income for the year				
Increase in asset revaluation surplus	17	-	-	-
Total comprehensive income for the year		-	17,568,295	17,568,295
Balance as at 30 June 2020		40,078,005	374,422,779	414,500,784

The above statement should be read in conjunction with the accompanying notes and the Significant Accounting Policies.

Douglas Shire Council
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		41,762,496	40,030,561
Payments to suppliers and employees		<u>(35,927,335)</u>	<u>(30,537,334)</u>
		5,835,161	9,493,227
Interest received		361,697	660,849
Rental income		241,960	196,326
Non capital grants and contributions		2,496,971	3,398,890
Borrowing costs		<u>(72,286)</u>	<u>(75,044)</u>
Net cash inflow from operating activities	21	<u>8,863,503</u>	<u>13,674,247</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(22,179,581)	(24,971,601)
Payments for intangible assets		(1,391)	(159,478)
Payments for assets donated		(274,499)	-
Proceeds from sale of property plant and equipment		804,078	183,544
Redemption of investments		-	4,000,000
Grants, subsidies, contributions and donations		8,630,389	10,342,660
Capital insurance proceeds		-	70,873
Net cash used in investing activities		<u>(13,021,005)</u>	<u>(10,534,002)</u>
Net (decrease)/increase in cash and cash equivalent held		<u>(4,157,502)</u>	<u>3,140,246</u>
Cash and cash equivalents at the beginning of the financial year		28,255,109	25,114,863
Cash and cash equivalents at the end of the financial year	10	<u><u>24,097,607</u></u>	<u><u>28,255,109</u></u>

The above statement should be read in conjunction with the accompanying notes and the Significant Accounting Policies.

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

1 Information about these financial statements

1.1 Basis of preparation

Douglas Shire Council (the Council) is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the year from 1 July 2020 to 30 June 2021. They are prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

These statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment.

1.2 New and revised Accounting Standards

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020, none of the standards had a material impact on reported position, performance and cash flows.

1.3 Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2021. These standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact on Council's financial statements.

1.4 Estimates and judgements

Council makes a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes. The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the relevant note:

Valuation and depreciation of property, plant and equipment - Note 12

Provisions - Note 16

Contingent liabilities - Note 19

1.5 Taxation

Council is exempt from income tax, however Council is subject to Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

1.6 Impacts from the COVID-19 pandemic

Council has assessed the impact of the COVID-19 global pandemic. The COVID-19 pandemic has had a detrimental impact on Council's operating result contributing to a deficit, as predicted by the Douglas Shire Council budgets. The COVID-19 pandemic may continue to impact the sustainability ratios of Douglas Shire Council. This will be closely managed by Council and mitigated where possible. Council's Long-Term Financial Sustainability Statement projects a move towards a balanced operating position by 2028-29.

Council acknowledges that the COVID-19 restrictions have impacted some industries within the region and has initiated the following financial incentives during the year ended 30 June 2021 (estimated financial effect is \$471,263):

- Limiting general rate increases to CPI - 2.2% (Mar 2019-Mar 2020 ABS statistics)
- Limiting fees and charges to CPI - 2.2% (Mar 2019-Mar 2020 ABS statistics)
- COVID-19 discount 1.2% general rates paid by due date
- Amendments to Procurement Policy to support local spend
- Extend Daintree Ferry Multi-Day passes to be valid until 31 Dec 2020 (previously expired 30 June 2020)
- Daintree Ferry Tour Bus fee waiver (Aug 2020 – Sep 2020) and 50% rebate (Oct-Dec 2020)
- Waive/Refund Special Refuse fee for commercial properties north of Daintree River (retrospectively) for the Ferry restricted period 26 March – 15 May 2020
- Defer Payment of Food and Accommodation Licences from Sep 2020 to June 2021.
- Refund venue hire fees cancelled due to Covid restrictions.

In the subsequent financial year (30 June 2022), Council has initiated further COVID-19 relief measures (estimated financial effect is \$52,790):

- Freezing Business Licence and Approval fees
- Freezing Planning and Plumbing Application fees
- Extending July 2021 rates levy interest grace period by 30 days

2. Analysis of Results by Function

2(a) Components of Council functions

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

Corporate and Community

The objective of Corporate and Community is to provide efficient, effective and accountable financial and administrative services to Council and the communities it serves. The core functions include Governance, Finance, Libraries, Information Services, Community and Economic Development.

Infrastructure

The objective of Infrastructure is to provide essential transport, drainage and parks infrastructure, maintenance, construction and operational services to Council's communities.

Development and Environment

The objective of Development and Environment is to encourage sustainable development whilst protecting the character and natural environment of the Council area. This function includes Development Assessment, Environmental Assessment, Planning Strategies and Local Laws administration.

Water and Waste

The objective of Water and Waste is to manage the treatment and provision of water, wastewater and solid waste services to consumers throughout the Council area.

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

2 Analysis of results by function

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

Year ended 30 June 2021

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent			Capital				Recurrent	Capital				
	Grants	Other		Grants	Other								
	2021	2021	2021	2021	2021	2021							
	\$	\$	\$	\$	\$	\$	2021	\$	\$	2021	\$	\$	
Corporate and Community	1,878,411	16,355,880		460,804	-	18,695,095	(11,348,920)	(85,628)	(11,434,548)	6,885,371	7,260,547	60,134,767	
Infrastructure	366,430	4,729,360		8,890,689	-	13,986,480	(21,233,454)	(511,256)	(21,744,710)	(16,137,663)	(7,758,230)	245,788,462	
Development and Environment	371,739	812,349		-	-	1,184,088	(2,497,615)	-	(2,497,615)	(1,313,527)	(1,313,527)	-	
Water and Waste	114,086	20,940,390		854,448	195,960	22,104,884	(12,720,111)	(447,629)	(13,167,739)	8,334,365	8,937,145	148,856,170	
Total Council	2,730,667	42,837,978		10,205,942	195,960	55,970,547	(47,800,100)	(1,044,514)	(48,844,613)	(2,231,455)	7,125,934	454,779,399	

Year ended 30 June 2020

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital										
	Grants	Other	Grants	Other	Capital								
	2020	2020	2020	2020	2020	2020							
	\$	\$	\$	\$	\$	\$	2020	\$	\$	2020	\$	\$	
Corporate and Community	1,691,357	16,393,563	213,274	-	18,298,194	(10,565,053)	(42,359)	(10,607,412)	7,519,867	7,690,782	63,424,471		
Infrastructure	1,406,916	4,247,515	9,924,961	6,650,552	22,229,943	(19,968,208)	(304,025)	(20,272,233)	(14,313,777)	1,957,710	228,832,731		
Development and Environment	18,803	717,587	-	-	736,390	(2,063,841)	-	(2,063,841)	(1,327,452)	(1,327,452)	-		
Water and Waste	73,069	20,107,173	2,499,559	11,016	22,690,817	(12,887,233)	(556,329)	(13,443,562)	7,293,009	9,247,255	138,368,801		
Total Council	3,190,145	41,465,838	12,637,794	6,661,568	63,955,344	(45,484,336)	(902,713)	(46,387,049)	(828,353)	17,568,295	430,626,003		

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	2021 \$	2020 \$
3 Revenue analysis		
Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.		
(a) Rates, levies and charges		
General rates	16,347,631	15,947,657
Water	7,890,084	7,745,653
Sewerage	7,312,432	7,129,432
Waste	4,743,511	4,486,574
Less: Pensioner remissions, concessions and financial assistance	(673,924)	(476,141)
Net rates, levies and utility charges	<u>35,619,734</u>	<u>34,833,175</u>
(b) Fees and charges		
Revenue arising from fees and charges are recognised at the point in time when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.		
The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases, the customer is required to pay on arrival, for example caravan parks. There is no material obligation for Council in relation to refunds or returns.		
Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.		
Revenue from Infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.		
Building and property fees	447,616	306,985
Caravan Parks and Camping Grounds	571,860	347,473
Ferry	2,588,526	2,448,396
Communication towers	197,125	190,163
Permits, licences & registrations	494,339	462,684
Markets	227,377	245,605
Refuse & transfer stations	407,440	311,522
Water & sewerage applications	317,324	227,330
Other fees and charges	252,962	276,036
	<u>5,504,569</u>	<u>4,816,194</u>
(c) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment.		
Investments	210,588	552,679
Overdue rates and utility charges	151,108	108,170
	<u>361,697</u>	<u>660,849</u>
(d) Other revenue		
Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions:		
Contract and recoverable works	741,860	713,027
Commissions	33,306	33,221
Sundry revenue	334,852	213,045
	<u>1,110,018</u>	<u>959,294</u>

4 Grants, subsidies, contributions and donations

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligation is satisfied.

The performance obligations are varied in each agreement but include events and employment terms. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

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

Donations and contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by Council.

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Non-cash contributions with a value in excess of the asset capitalisation recognition thresholds, as per Note 12, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Physical assets contributed to Council by developers in the form of roadworks, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and value of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

Developers pay infrastructure charges for trunk infrastructure, such as pumping stations, treatment works, mains, sewers and water pollution control works. These infrastructure charges are not within the scope of AASB Interpretation 18 Transfer of Assets from Customers because there is no performance obligation associated with them. Consequently, the infrastructure charges are recognised as income when received.

	2021 \$	2020 \$
(a) Recurrent		
General purpose grants	1,706,874	1,514,144
State government subsidies and grants	1,023,793	1,676,001
	<u>2,730,667</u>	<u>3,190,145</u>
(b) Capital		
Capital Revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.		
Government/statutory authority subsidies and grants	8,203,467	9,977,232
Contributions	311,856	1,194,763
Assets contributed by developers at fair value	1,690,619	1,465,799
	<u>10,205,942</u>	<u>12,637,794</u>

(b)(i) Timing of revenue recognition for grants, subsidies, contributions and donations

	2021		2020	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	1,846,320	9,087,814	1,514,144	11,653,232
Contributions	311,856	-	1,194,763	-
Assets contributed by developers at fair value	1,690,619	-	1,465,799	-
	<u>3,848,795</u>	<u>9,087,814</u>	<u>4,174,706</u>	<u>11,653,232</u>

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
5 Capital income			
Provision for restoration of land			
Decrease in restoration provision - Sanitary Depot	16	-	11,016
Decrease in restoration provision - Killaloe	16	195,960	-
		<u>195,960</u>	<u>11,016</u>
Revaluations			
Revaluation up of property, plant and equipment reversing	12	-	6,579,678
		<u>-</u>	<u>6,579,678</u>
Capital Insurance proceeds			
Insurance proceeds		-	70,873
		<u>-</u>	<u>70,873</u>
Total capital income		<u>195,960</u>	<u>6,661,567</u>
6 Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Total staff wages and salaries		13,403,554	12,611,992
Councillors' remuneration		378,216	374,198
Termination benefits		93,741	3,409
Annual, sick and long service leave entitlements		2,652,262	2,291,831
Superannuation	20	1,755,127	1,620,929
		<u>18,282,900</u>	<u>16,902,359</u>
Other employee related expenses		31,284	22,787
		<u>18,314,184</u>	<u>16,925,146</u>
Less: Capitalised employee expenses		(1,835,189)	(1,892,412)
		<u>16,478,995</u>	<u>15,032,735</u>
Councillor remuneration represents salary and other allowances paid in respect of carrying out their duties.			
Total Council employees at the reporting date:			
		No. employees	No. employees
Elected members		5	5
Administration staff		85	87
Depot and outdoors staff		105	94
Total full time equivalent employees		<u>195</u>	<u>186</u>
7 Materials and services			
Expenses are recorded on an accruals basis as Council receives the goods or services.			
Audit of annual financial statements by the Auditor-General of Queensland		108,000	102,000
Doubtful debt expense		(19,042)	32,500
Consultancy		976,057	655,077
Contractors		5,890,098	5,768,209
Communications and IT		1,013,375	706,783
Donations		499,678	709,621
Electricity		962,197	1,019,347
Insurances		821,106	662,252
Legal		205,089	259,887
Repairs and maintenance		6,479,019	6,332,601
Other materials and services		1,497,453	1,505,422
		<u>18,433,039</u>	<u>17,753,700</u>
8 Finance costs			
Bank charges		72,286	75,044
Landfill sites - change in present value over time		32,812	217,910
		<u>105,098</u>	<u>292,954</u>

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
9 Capital expenses			
Property restoration: Landfill sites			
Adjustment to refuse restoration provision - Killaloe	16	-	336,392
Adjustment to refuse restoration provision - Sanitary Depot	16	274,857	-
Adjustment to refuse restoration provision - Newell Beach	16	11,898	32,464
		<u>286,755</u>	<u>368,856</u>
Revaluation decrement			
Revaluation down of property, plant and equipment	12	30,491	-
Gain / Loss on disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		(86,617)	(183,544)
Less: Carrying value of property, plant and equipment disposed of		<u>463,174</u>	<u>717,401</u>
		<u>376,557</u>	<u>533,857</u>
Proceeds from the sale of land and land improvements		(717,461)	-
Less: Carrying value of land and land improvements sold		<u>793,673</u>	<u>-</u>
		<u>76,211</u>	<u>-</u>
Total gain/loss on disposal of non-current assets		<u>452,768</u>	<u>533,857</u>
Donated assets			
Donated assets		274,499	-
Total capital expenses		<u>1,044,514</u>	<u>902,713</u>

10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash at bank and on hand	24,097,607	18,255,109
Term deposits	-	10,000,000
Balance per Statement of Cash Flows	<u>24,097,607</u>	<u>28,255,109</u>
Cash and cash equivalents	24,097,607	28,255,109
Less: Externally Imposed restrictions on cash	(3,191,435)	(6,634,520)
Unrestricted cash	<u>20,906,172</u>	<u>21,620,589</u>

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

Externally imposed expenditure restrictions at the reporting date relate to the Unspent government grants and subsidies	1,738,869	687,548
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Internally imposed expenditure restrictions at the reporting date:

Future capital works	-	4,000,000
Future constrained works	1,452,566	1,945,122
Future recurrent expenditure	-	1,850
Total unspent restricted cash	<u>3,191,435</u>	<u>6,634,520</u>

Trust funds held for outside parties

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	779,040	658,141
	<u>779,040</u>	<u>658,141</u>

In accordance with the *Local Government Act 2009* & the *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by Council. Council performs only a custodial role in respect of these monies and because the monies cannot be used for Council purposes they are not considered revenue nor brought to account in these financial statements since Council has no control over the assets.

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

11 Trade and other receivables

Receivables are amounts owed to Council at 30 June. They are recognised at the amount due at the time of sale or service delivery. Settlement is required within 30 days after the invoice is issued.

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs.

All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as income.

As Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

Current

Rateable revenue and utility charges	3,354,458	3,471,311
Other debtors	172,028	230,319
Less impairment	(49,287)	(69,287)
Accrued revenue	378,230	376,500
GST recoverable	996,803	406,268
Prepayments	244,940	210,236
	<u>5,097,172</u>	<u>4,625,347</u>

Interest is charged on outstanding rates (8.53% per annum from 1 July 2020, previously 9.83% per annum). No interest is charged on other debtors.

Impairment of receivables is not material.

Douglas Shire Council

12 Property, plant and equipment

30 June 2021

Note

Land and land improvements	Buildings and other structures		Plant and equipment	Office furniture and fittings	Transport assets		Water, Sewerage and Solid waste disposal		Drainage	Work in Progress		Total
	Fair Value	\$			Cost	\$	Fair Value	\$		Fair Value	\$	
	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
28,867,470	52,210,769	7,286,362	42,640	-	210,613,399	236,260,868	38,502,373	12,982,892	23,870,200	586,766,772		
-	-	-	-	-	-	-	-	-	-	23,870,200		
(797,030)	(166,462)	(525,754)	-	-	(183,779)	(492,029)	(71,748)	-	-	(2,236,803)		
(547,930)	3,041,970	-	-	-	-	489,801	-	-	-	2,983,841		
(30,491)	-	-	-	-	-	-	-	-	-	(30,491)		
-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-		
-	-	-	-	-	-	-	-	-	-	-		
(122,821)	(284,679)	-	-	-	-	407,500	-	-	-	-		
-	-	80,838	-	-	-	-	-	-	-	80,838		
-	-	-	-	-	-	-	-	-	-	-		
445,185	826,773	-	-	-	152,326	108,164	168,171	(1,690,619)	-	-		
1,891,891	1,848,502	953,272	-	-	8,659,236	5,091,534	1,103,382	(19,547,617)	-	-		
29,706,075	57,476,872	7,794,718	42,640	219,241,181	241,865,838	39,692,177	15,614,856	611,434,356				

Accumulated depreciation

1,447,869	22,416,206	3,547,423	41,316	52,415,424	102,754,032	7,076,247	-	189,698,517
221,075	1,668,768	613,372	610	4,314,909	5,449,466	458,292	-	12,726,493
(3,357)	(83,786)	(457,590)	-	(96,252)	(331,584)	[9,094]	-	(981,662)
(81,177)	(4,170,848)	-	-	-	(9,105,819)	-	-	(13,357,844)
-	(480,019)	-	-	-	(53,669)	-	-	(543,717)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(32,357)	(126,641)	-	-	-	158,998	-	-	-
-	-	51,834	-	-	-	-	-	51,834
-	-	-	-	-	-	-	-	-
1,552,053	19,223,680	3,755,039	41,927	56,634,082	98,861,395	7,525,448	-	187,593,621

Total written down value as at 30 June 2021

	-	1,520,843	/ 10	162,507,100	143,004,443	52,106,731	13,014,696	423,640,733
26,124,022	30,203,192	41,038,079						
10-100	5-60	3-20	5-10	10-100	10-150	10-100		

Additions comprise:

[illegible]

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

12 Property, plant and equipment

30 June 2020		Note
Basis of measurement		
Asset values		
Opening gross value as at 1 July 2019		
Additions		
Disposals		
Revaluation adjustment to other comprehensive income (asset revaluation surplus)		
Revaluation adjustment to expense (capital expense)		
Revaluation adjustment to income (capital income)		
Write-off assets damaged by natural disaster		
Transfers between classes		
Assets classified as held for sale		
Contributed assets		
Internal transfers from work in progress		
Closing gross value as at 30 June 2020		
Accumulated depreciation		
Opening balance as at 1 July 2019		
Depreciation provided in period		
Depreciation on disposals		
Revaluation adjustment to other comprehensive income (asset revaluation surplus)		
Revaluation adjustment to income (capital income)		
Revaluation adjustment to expense (capital expense)		
Write-off assets damaged by natural disaster		
Transfers between classes		
Assets classified as held for sale		
Assets classified as held for sale		
Accumulated depreciation as at 30 June 2020		
Total written down value as at 30 June 2020		
Residual value		
Range of estimated useful life in years		
Additions comprise:		
Renewals		
Other additions		
Total additions		

Land and land improvements	Buildings and other structures	Plant and equipment	Office furniture and fittings	Transport assets	Water, Sewerage and Solid waste disposal	Drainage	Work in Progress	Total
Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$
27,706,318	48,782,270	6,944,229	42,640	207,273,436	231,299,009	37,620,946	5,351,120	585,019,867
-	-	-	-	-	-	-	26,437,400	26,437,400
-	(86,996)	(617,561)	-	(434,363)	(398,911)	(38,035)	-	(1,576,866)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	(3,033,791)	-	-	-	(3,033,791)
(125,471)	-	-	-	(156,135)	281,606	-	-	-
-	-	(80,838)	-	-	-	-	-	(80,838)
100,175	-	-	-	307,902	688,413	359,309	(1,465,799)	-
1,186,448	3,515,495	1,040,532	-	6,656,350	4,380,751	560,253	(17,339,829)	-
28,867,470	52,210,769	7,286,362	42,640	210,613,399	236,260,868	38,502,373	12,982,892	586,766,772
1,267,373	20,997,142	3,333,840	40,706	57,962,642	97,593,944	6,659,943	-	187,855,590
184,141	1,466,053	672,425	610	4,253,900	5,367,238	422,328	-	12,366,695
-	(46,989)	(407,008)	-	(187,006)	(211,438)	(6,024)	-	(858,465)
-	-	-	-	-	-	-	-	-
-	-	-	-	(9,613,469)	-	-	-	(9,613,469)
-	-	-	-	-	-	-	-	-
(3,645)	-	-	-	(643)	4,288	-	-	-
-	-	(51,834)	-	-	-	-	-	(51,834)
1,447,969	22,416,206	3,547,423	41,316	52,415,424	102,754,032	7,076,247	-	189,698,517
27,419,601	29,794,563	3,738,939	1,323	158,197,974	133,506,836	31,426,126	12,982,892	397,068,255
-	-	1,533,418	-	-	-	-	-	-
3 - 100	5 - 60	3 - 20	5 - 10	10 - 100	10 - 150	10 - 100	-	-

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	21,282,777	21,282,777
-	-	-	-	-	-	-	5,154,623	5,154,623
-	-	-	-	-	-	-	26,437,400	26,437,400

Douglas Shire Council
Notes to the financial statements
For the year ended 30 June 2021

12 Property, plant and equipment

a) Recognition

The capitalisation thresholds for Council are set at \$1 for land, \$1 for network assets, \$5,000 for plant and equipment and \$10,000 for all other assets. Any expenditure below these thresholds is expensed in the period in which it is incurred.

Network assets are an aggregate of interrelated assets that perform a specific service and which individually are likely to be below the capitalisation threshold levels but collectively are above the capitalisation threshold for their class. Network assets include components of infrastructure assets.

b) Measurement

Assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Property, plant and equipment received in the form of contributions, is recognised as assets and revenues at fair value determined by Council where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received from the sale of the asset in an orderly transaction between market participants at the measurement date.

c) Valuation

Land and improvements, buildings and all infrastructure assets are measured at fair value. Other plant and equipment, office furniture and fittings, other assets and work in progress are measured at historic cost.

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

In the intervening years, management performs a desktop valuation on each asset class. A desktop valuation involves management assessing the condition and cost assumptions associated with each asset class and considering the movements in the Road and Bridge Construction Index and the Non-residential Building Construction Queensland Index as published by the Australian Bureau of Statistics (March rates of the relevant financial year have been used for 2021 indexation purposes). Together these are used to form the basis of the desktop valuation.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any changes in the estimated remaining useful life.

(i) Recognised fair value measurements

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

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

There were no transfers between levels 2 and 3 during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation techniques used to derive fair values

Excluding land assets, valuation unit rates (for current replacement costs) include 20% to allow for Council project overheads including survey, environmental and investigation (6%), engineering design (5%), engineering supervision (3%) and project management (6%).

Accumulated depreciation

In determining the level of accumulated depreciation, the assets were disaggregated into significant components which exhibit different useful lives. Remaining useful lives were calculated based on condition assessments. The condition assessments were made using a five point scale with 1 being the lowest and 5 being the highest. A condition assessment of 1 indicates an asset with a very high level of remaining service potential (95%). A condition assessment of 5 represents an asset that is unserviceable with a limited remaining useful life (5%).

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Valuation - dates of revaluations and reviews

Asset Class	Valuation Approach	Last Full Valuation date	Valuer Engaged	Key Assumptions and Estimates	Cumulative indexation	Index applied
Land (level 2)	Market value	30 June 2021	Cardno (QLD) Pty Ltd	Sales prices of comparable land sites in close proximity were adjusted for differences in key attributes such as property size.	0%	Nil - revaluation performed
Land improvements (level 3)	Current replacement cost	30 June 2021	Cardno (QLD) Pty Ltd	Replacement costs calculated primarily by reference to actual costs for similar construction in the Far North Queensland region.	0%	Nil - revaluation performed
Buildings and Other Structures (level 3)	Current replacement cost	30 June 2021	Cardno (QLD) Pty Ltd	Replacement costs calculated primarily by reference to actual costs for similar construction in the Far North Queensland region. The valuation process involved the collection and review of asset information, condition based assessment and scoring, review and update of unit rates, application of adjustment factors as well as the review of asset useful and remaining useful lives.	0%	Nil - revaluation performed
Transport Assets						
- Road assets (level 3)	Current replacement cost	30 June 2020	Cardno (QLD) Pty Ltd	Council categorises its road assets into geographical regions and then further sub-categorises these into sealed and unsealed roads. All road segments are then componentised into formation, pavement and seal (where applicable). Unit rates for construction were developed using: Industry standard cost guides, project costs from recently completed projects, manufactured specifications and other data.	-0.86%	ABS PPI 3101 Road and bridge construction Queensland
- Bridge assets (level 3)	Current replacement cost	30 June 2020	Cardno (QLD) Pty Ltd	Each bridge was assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads.	-0.86%	ABS PPI 3101 Road and bridge construction Queensland
- Other transport assets (level 3)	Current replacement cost	30 June 2020	Cardno (QLD) Pty Ltd	Construction estimates were determined on a similar basis to roads.	-0.86%	ABS PPI 3101 Road and bridge construction Queensland

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Water, Sewerage and Solid Waste Disposal

- Water (level 3)	Current replacement cost	30 June 2021	Cardno (QLD) Pty Ltd	Unit rates were based on a combination of actual contract data obtained from various Queensland local governments and water utilities over the past few years as well as actual supply/installation costs from suppliers and contractors. The valuation process involved the collection and review of asset information, condition based assessment and scoring, review and update of unit rates, application of adjustment factors as well as the review of asset useful and remaining useful lives.	0%	Nil - revaluation performed
- Sewerage (level 3)	Current replacement cost	30 June 2019	Cardno (QLD) Pty Ltd	Unit rates for construction were developed using: Industry standard cost guides, project costs from recently completed projects, manufactured specifications and other data. The valuation process involved the collection and review of asset information, condition based assessment and scoring, review and update of unit rates, application of adjustment factors as well as the review of asset useful and remaining useful lives.	-0.26%	ABS PPI 3101 Road and bridge construction Queensland
- Solid Waste Disposal (level 3)	Current replacement cost	30 June 2018	Cardno (QLD) Pty Ltd	Unit rates for construction were developed using: Industry standard cost guides, project costs from recently completed projects, manufactured specifications and other data.	3.05%	ABS PPI 3101 Road and bridge construction Queensland
Drainage (level 3)	Current replacement cost	30 June 2018	Cardno (QLD) Pty Ltd	Unit rates for construction were developed using: Industry standard cost guides, project costs from recently completed projects, manufactured specifications and other data.	3.05%	ABS PPI 3101 Road and bridge construction Queensland

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d) Capital and operating expenditure

Wages and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of a non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

e) Capital work in progress

The cost of property, plant and equipment being constructed by Council includes the cost of purchased services, materials, direct labour and an appropriate proportion of labour oncosts.

f) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis to write-off the value of each depreciable asset, less its estimated residual value (where applicable), progressively over its estimated useful life to Council. The straight-line basis is considered to appropriately reflect the pattern of consumption of all Council assets.

Assets are depreciated from the date they are placed in service.

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

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to Council or the unexpired period of the lease, whichever is the shorter.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence. The condition assessments performed as part of the comprehensive revaluation process for assets measured at current replacement cost are used to estimate the remaining useful lives of these assets at each reporting date. Generally all above ground assets are individually inspected during a revaluation and a statistically significant sample of below ground assets are inspected in accordance with industry standards. Details of the range of estimated characteristic useful lives for each class of asset are shown in the table earlier in this note.

g) Impairment of non-current assets

Property, plant and equipment is assessed for indicators of impairment annually. If an indicator of possible impairment exists, Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

13 Intangible assets

Software

	2021 \$	2020 \$
Opening gross carrying value	344,475	231,745
Additions	1,391	159,478
Disposals	(149,824)	(46,748)
Closing gross carrying value	196,043	344,475
Accumulated amortisation		
Opening balance	152,719	161,215
Amortisation in the year	56,475	38,252
Disposals	(148,118)	(46,748)
Closing balance	61,076	152,719
Net carrying value at end of financial year	134,967	191,756

Software has a finite life estimated at 5 years. Straight line amortisation has been used with no residual value.

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14 Contract assets/contract liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	2021	2020
	\$	\$
a Contract assets	1,503,088	333,137
b Contract liabilities		
Funds received upfront to construct Council controlled assets	1,738,869	687,548
	1,738,869	687,548
Current contract liabilities	1,738,869	687,548
	1,738,869	687,548
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	687,548	898,257

	2021	2020
	\$	\$
15 Trade and other payables		
Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.		
As Council does not have an unconditional right to defer settlement of annual leave beyond twelve months after the reporting date, annual leave is classified as a current liability.		
Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation. This liability represents an accrued expense.		
Revenue is classified as unearned if it relates to an obligation to supply specific goods and services in future periods.		
Current		
Creditors and accruals	3,438,637	4,709,242
Accrued wages and salaries	194,660	121,032
Unearned revenue	58,501	111,167
Prepaid rates	1,078,180	947,793
Annual leave	1,979,331	1,787,427
Sick leave	289,504	228,418
Other entitlements	63,618	77,241
	7,102,431	7,982,319

16 Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date. Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Restoration Provision

A provision is made for the cost of restoration of assets and other future restoration costs where it is probable Council will be liable, or required, to incur such a cost on the cessation of use of the facility.

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current Queensland Treasury Corporation ("QTC") lending rate is considered an appropriate rate.

Restoration on land not controlled by Council

Where the restoration site is on State reserves which Council does not control, the cost of the provision for restoration of these sites has to be treated as an expense in the reporting period the provision is first recognised. Changes in the provision due to time, discount rate or expected future cost are treated as an expense or income in the reporting period in which they arise.

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Restoration on land controlled by Council

Where the restoration site is on Council controlled land, the cost of the restoration provision is added to the cost of the land as an improvement and amortised over the expected useful life. Changes in the provision, not arising from the passing of time, are added to or deducted from the asset revaluation surplus for solid waste disposal. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases, if any. Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

Long Service Leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in Council's employment. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

Where employees have met the prerequisite length of service and Council does not have an unconditional right to defer settlement of long service leave beyond twelve months after the reporting date, long service leave is classified as current. Otherwise it is classified as non-current.

	2021 \$	2020 \$
Current		
Landfill restoration	392,150	488,750
Long service leave	1,852,417	1,741,122
	<u>2,244,567</u>	<u>2,229,872</u>
Non-current		
Landfill restoration	4,769,794	4,895,183
Long service leave	411,617	330,297
	<u>5,181,411</u>	<u>5,225,480</u>

Details of movements in provisions:

	2021 \$	2020 \$
Property restoration: Landfill sites		
Balance at beginning of financial year	5,383,933	4,872,340
Increase in provision due to unwinding of discount	32,812	217,910
Increase / (decrease) in provision for future cost	90,795	357,840
Provision expended to date	(345,596)	(64,157)
Balance at end of financial year	<u>5,161,944</u>	<u>5,383,933</u>

Council has two active landfill sites located at Newell Beach and Killaloe. During the 2019FY the regulator also reinstated conditions on the restoration of the Sanitary Depot. The provision is stated at the present value of the estimated cost of restoring the landfill sites to a standard required under licensing conditions. The provision decreased during the year as a result of interim restoration works performed at the landfill sites and a re-estimation of restoration costs at the landfill sites. The Killaloe site is due for its final capping in the 2023FY (with post closure monitoring until the 2054FY). Newell Beach landfill and the Sanitary Depot are due for final capping in the 2024FY (with post closure monitoring until the 2055FY).

	2021 \$	2020 \$
Long service leave		
Balance at beginning of financial year	2,071,418	1,928,487
Long service leave entitlement arising	387,326	293,273
Long Service entitlement paid	(194,710)	(150,342)
Balance at end of financial year	<u>2,264,034</u>	<u>2,071,418</u>

17 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in value of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in the asset revaluation surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of assets is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

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Notes to the financial statements
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	2021 \$	2020 \$
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	40,078,005	40,078,005
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Land and land improvements	(466,753)	-
Buildings and other structures	7,692,837	-
Water, Sewerage and Solid waste disposal	9,659,319	-
Balance at end of financial year	<u>56,963,407</u>	<u>40,078,005</u>
Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land and land improvements	-	466,753
Buildings and other structures	17,829,047	10,136,210
Water, Sewerage and Solid waste disposal	39,134,361	29,475,042
	<u>56,963,407</u>	<u>40,078,005</u>
18 Commitments for expenditure		
Operating expenditure		
Not later than 1 year	6,068,822	4,618,202
Later than 1 year but not later than 5	16,768,787	4,195,368
Later than 5 years	2,895,181	791,284
	<u>25,732,790</u>	<u>9,604,854</u>
Capital expenditure		
Not later than 1 year	11,055,638	5,533,235
	<u>11,055,638</u>	<u>5,533,235</u>

19 Contingent liabilities

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

Local Government Mutual

Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or being unable to meet its debts as they fall due, the trust deed and rules provide that any accumulated deficit will be met by the individual pool members in the same proportion as their contribution to the total pool contributions in respect to any year that a deficit arises.

As at 30 June 2021 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$439,780.

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20 Superannuation

Council contributes to the LGLAsuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGLAsuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the *Local Government Act 2009*.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate obligations, but has not been recognised as an asset or liability of the Council.

Technically Council can be liable to the scheme for a portion of another local government's obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and, in accordance with the LGLAsuper trust deed, changes to council's obligations will only be made on the advice of an actuary.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2021.

The most significant risks that may result in LGLAsuper increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2021 \$	2020 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	6	1,755,127	1,620,929

21 Reconciliation of net result for the period to net cash inflow (outflow) from operating activities

Net result	7,125,934	17,568,295
Non-cash items:		
Depreciation and amortisation	12,782,968	12,404,947
Revaluation adjustments	30,491	(6,579,678)
Change in future rehabilitation and restoration costs	123,607	575,750
	12,937,066	6,401,019
Investing and development activities (non-cash):		
Net profit or loss on disposal of non-current assets	452,768	533,857
Capital grants and contributions	(10,205,942)	(12,637,794)
Changes in accounting policy	-	(893,857)
Donated assets	274,499	-
Capital insurance proceeds	-	(70,873)
	(9,478,675)	(13,068,667)
Changes in operating assets and		
(increase)/ decrease in receivables	(471,825)	270,755
(increase)/decrease in inventory	17,561	(3,647)
(increase)/decrease in contract assets (recurrent grants)	(88,905)	-
Increase/(decrease) in payables	(1,225,479)	2,109,816
Increase/(decrease) in contract liabilities (recurrent grants)	(144,791)	253,746
Increase/(decrease) in other provisions	192,616	142,931
	(1,720,823)	2,773,602
Net cash inflow from operating activities	8,863,503	13,674,248

22 Events after the reporting period

On 1 July 2021, Council took control of the Daintree River Ferry. The ferry was purchased for \$4.5 million.

At 30 June 2021, the Chief Executive Officer (CEO) of Douglas Shire Council was Mr Mark Stoermer. Mr Stoermer subsequently resigned as CEO on 24 August 2021. Ms Juanita Warner was appointed acting CEO until a replacement CEO is appointed.

Douglas Shire Council
Notes to the financial statements
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23 Financial instruments and financial risk management

Financial assets and financial liabilities

Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. Council aims to manage volatility to minimise potential adverse effects on its financial performance.

Council's audit committee oversees how management monitors compliance with Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by Council. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

No collateral is held as security relating to the financial assets held by Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	2021 \$	2020 \$
Financial assets			
Cash and cash equivalents	10	24,097,607	28,255,109
Receivables - rates	11	3,354,458	3,471,311
Receivables - other	11	1,792,000	1,223,322
Total financial assets		<u>29,244,066</u>	<u>32,949,743</u>

Cash and cash equivalents

Council may be exposed to credit risk through its investments held with financial institutions. All cash and cash equivalents are held in financial institutions which are rated AA- based on rating agency ratings and, whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote.

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Trade and other receivables

In the case of rate receivables, Council has the power to sell the property to recover any defaulted amounts and therefore generally for rates debtors the credit risk is low.

Ageing of receivables and the amount of any impairment is disclosed in the following table:

	2021	2020
	\$	\$
Subject to impairment		
Not past due	97,277	127,547
Past due 31-60 days	30,570	742
Past due 61-90 days	418	7,479
More than 90 days	31,664	61,130
Total gross carrying amount	159,929	196,899
Loss allowance	(49,287)	(69,287)
	110,642	127,612
Not subject to impairment		
Rates and Charges	3,354,458	3,473,062
Grants	12,100	27,500
GST recoverable/prepayments/accrued income (Less Contract Assets)	1,619,972	997,173
	4,986,530	4,497,735
	5,097,172	4,625,347

Grants: payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings, accordingly Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Rates and Charges: Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Other Debtors: Council identifies other debtors as receivables which are not rates and charges; statutory charges or grants. Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss.

Liquidity risk

Liquidity risk is the risk that Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

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

Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

Council is exposed to liquidity risk in relation to its financial liabilities, being trade and other payables, which are expected to be settled within 12 months.

Market risk

Market risk is the risk that changes in market indices, such as interest rates, will affect Council's income or the value of its holdings of financial instruments.

Interest rate risk

Council is exposed to interest rate risk through investments with financial institutions.

Sensitivity

Interest rate sensitivity analysis evaluates the outcome on profit or loss if interest rates would change by +/- 1 percent from the year-end rates applicable to Council's financial assets and financial liabilities. With all other variables held constant, Council would have a deficit and equity increase/(decrease) of \$240,976 (2020: \$282,551).

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24 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management. The compensation paid to KMP comprises:

	2021	2020
	\$	\$
Short-term employee benefits	1,639,871	1,709,463
Post-employment benefits	175,187	175,996
Long-term benefits	27,714	8,627
Termination benefits	38,252	-
Total	1,881,024	1,894,086

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

Other related parties include close family members of KMP and any entities controlled or jointly controlled by KMP or their close family members. Close family members include a spouse, child and dependent of a KMP or their spouse.

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

Details of Transaction	Additional information	2021	2020
		\$	\$
Purchase of materials and services from entities controlled by key management personnel.	24(b)(i)	313,584	291,056

(i) Council purchased materials and services from Zammataro Plumbing Pty Ltd, an entity that is owned by a family member of Councillor Roy Zammataro. All purchases were at arm's length and were in the normal course of Council operations.

(ii) All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

(c) Outstanding balances

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

Receivables	Amounts owed by entities controlled by KMP	Amounts owed by entities controlled by KMP
	2021	2020
Current	\$ 4,603	\$ -
Total owing	\$ 4,603	\$ -

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(d) Loans and guarantees to/from related parties

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

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(e) Transactions with related parties that have not been disclosed.

Most of the entities and people that are related parties of Council live and operate within the Douglas Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- Payment of rates
- Use of the swimming pool
- Dog registration
- Borrowing books from a Council library

Council has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

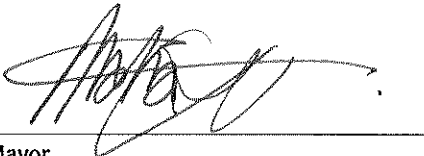
Douglas Shire Council
Financial statements
For the year ended 30 June 2021

Management Certificate
For the year ended 30 June 2021

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.


In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Michael Kerr

Date: 12 / 10 / 2021



Acting Chief Executive Officer
Juanita Warner

Date: 12 / 10 / 2021

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Douglas Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Douglas Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2021, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the Mayor and the Acting Chief Executive Officer.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Douglas Shire Council's annual report for the year ended 30 June 2021 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the current year financial sustainability statement.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The councillors are also responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the council or to otherwise cease operations of the council.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2021:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the Local Government Act 2009, any other Act and the Local Government Regulation 2012. The applicable requirements include those for keeping financial records that correctly record and explain the council's transactions and account balances to enable the preparation of a true and fair financial report.



Sri Narasimhan
as delegate of the Auditor-General

14 October 2021
Queensland Audit Office
Brisbane

Douglas Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2021

Measures of Financial Sustainability

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-5%	between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	93%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-32%	not greater than 60%

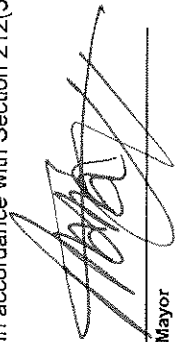
Note 1 - Basis of Preparation


The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy
For the year ended 30 June 2021

This current-year financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.


Mayor
Michael Kerr
Date: 12/10/2021


Acting Chief Executive Officer
Juanita Warner
Date: 12/10/2021

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Douglas Shire Council,

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Douglas Shire Council for the year ended 30 June 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Acting Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Douglas Shire Council for the year ended 30 June 2021 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Douglas Shire Council's annual report for the year ended 30 June 2021 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

My opinion on the current year financial sustainability statement does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

However, as required by the Local Government Regulation 2012, I have expressed a separate opinion on the general purpose financial report.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report and my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the councillors for the current year financial sustainability statement

The councillors are responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The councillors responsibility also includes such internal control as the councillors determine is necessary to enable the preparation and fair presentation of the statement that is accurately calculated and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the current year financial sustainability statement

My objectives are to obtain reasonable assurance about whether the current year financial sustainability statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this statement.

My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.

- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Sri Narasimhan
as delegate of the Auditor-General

14 October 2021
Queensland Audit Office
Brisbane

Douglas Shire Council
Long-Term Financial Sustainability Statement - Unaudited
Prepared as at 30 June 2021


Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2021	Projected for the years ended										
				30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	
Council														
Operating surplus ratio	Net result divided by total operating revenue	between 0% and 10%	-5%	-5%	-4%	-3%	-2%	-2%	-1%	0%	1%	2%	2%	2%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	93%	76%	90%	93%	91%	92%	92%	94%	96%	99%	100%	100%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-32%	-19%	-21%	-24%	-24%	-26%	-26%	-26%	-27%	-26%	-27%	-27%


Douglas Shire Council's Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2021

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the Regulation). In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.


Mayor
Michael Kerr
Date: 12/10/2021


Acting Chief Executive Officer
Juanita Warner
Date: 12/10/2021

