

# Noosa Shire Council 2019 – 20 Annual Report





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### Acknowledgements

Noosa Shire Council acknowledges the Traditional Owners of this region, the Kabi Kabi People, and pays respect to Elders past and present, and the broader Aboriginal and Torres Strait Islander community of Noosa Shire.

Noosa Shire Council thanks all contributors and stakeholders involved in the development of this Report.

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# Introduction



## Welcome

### Welcome to the Noosa Shire Council Annual Report for 2019–20.

This report is a comprehensive summary of our performance from 1 July 2019 to 30 June 2020. This Report includes our financial performance as at 30 June 2020 as well as governance and statutory information. It also highlights a range of achievements and progress made in delivering services to our community in alignment with our Corporate Plan and Vision:

*“Noosa Shire – Different by Nature”*

## Our Shire

Located in South-East Queensland, Noosa Shire is situated at the northern tip of Queensland's Sunshine Coast. Noosa Shire covers an area of 871 km<sup>2</sup> and is home to more than 55,000 people.

Noosa Shire enjoys a sub-tropical climate, beautiful beaches, mountains and forests, which makes it one of Australia's most desirable places to live, work and visit.

The traditional owners and original custodians of the land are the Kabi Kabi / Gubbi Gubbi people.

Noosa Shire is a growing residential and tourist area, with substantial rural, rural-residential and parkland areas. It is made up of 18 hinterland villages and 11 coastal towns and has an economy that is diversifying beyond a thriving tourism industry. Noosa's economy relies significantly on the health, professional services, tourism, retail and construction sectors.

It is home to more than 7,000 businesses, predominately small and micro, including successful entrepreneurs and skilled business people.

It is the natural landscape that attracts visitors to Noosa Shire. The coastal landform of shallow lakes, river systems and coastal escarpment provide a stunning backdrop to our community. Thirty five per cent of the Shire is protected as either national park, reserve or conservation area. Noosa Shire is recognised as a UNESCO Biosphere and has a proud history of preserving its natural environment.

## Noosa at a glance



**\$720,000**  
median  
house  
price

**\$1,184**  
median  
weekly  
household  
income

**48.6 years**  
median  
age

**267.6 km<sup>2</sup>**  
protected  
natural areas

**20,147**  
households

**7,089**  
local  
businesses

**26,274**  
local jobs

**Construction**  
is the  
largest  
industry

**\$3.09**  
Billion  
GRP

Source: Statistical data and information has been sourced from QLD Government Statistician's Office, QLD Treasury and Australian Bureau of Statistics.



## Message from the Mayor

Well 2019/2020 will be remembered for many things, but I think if I can sum it up in one word, 'resilience' would be the term I would use for the community of Noosa Shire.

Major bushfires in 2019 at Peregrin, Lake Cooroibah, North Shore and Teewah, challenged us all and changed our landscape in every sense of the word. United in determination and resolute to overcome the adversity that we faced, the community of Noosa Shire rallied as one to overcome the devastation, which engulfed our area. As we move into our next fire season, appreciation of the incredible efforts of our QLD Fire and Emergency Services, our Rural Fire Brigades and Qld Police are at the forefront of our minds and with increased fire mitigation being put in place, Noosa Council is doing all it can to ensure the safety and security of our residents.

Council undertook a number of initiatives throughout the year. In July 2019, it endorsed a climate emergency, being the first Council in Queensland to do so and it achieved a national award for its collaborative approach to the landmark Yurol-Ringtail State Forest Conservation Project. I congratulate former Mayor Tony Wellington and the previous Council in this regard.

Noosa Shire continued to feature in the awards category. Recognition continued for the coveted Park Road Boardwalk project, winning a number of engineering awards and Noosa Shire businesses were the recipients of 11 awards at the 2019 Sunshine Coast Business Awards, with Noosa Beach House winning the Business of the Year.

Amenities around the Shire, which were completed this year, included a shade house at Noosa Botanical Gardens, the Peregrin Beach toilet amenities, and larger projects including the refurbishment of the Noosa Aquatic centre as well as a major refurbishment of the Noosa North Shore Beach Campground.

One of the biggest projects throughout 2019/20 was the formulation of the new Noosa Plan, which was a project four years in the making.

Council elections loomed and on March 28, 2020 the residents of Noosa Shire headed to the polling booths in the most uncertain of times. With the height of the global pandemic Covid-19 upon us, rules and regulations had very much changed around the protocols of polling booths. Uncharted waters were upon all candidates as we navigated our way through the most challenging of times. With myself appointed as the new mayor (by the closest of margins) and three new councillors emerging from the fray, Noosa Shire welcomed a new-look 2020 Council.



Everyone certainly hit the ground running, with the new Council adopting a budget for 2020/21, that had, according to CEO Brett de Chastel "been nothing like what he had seen in 20 years". Facing a deficit for the first time in years, all councillors were determined in their efforts to bring about a no-rate-rise for the majority of residents. The devastation that Covid-19 has had on our Shire: 2100 jobs lost; 4500 of local residents on JobKeeper; cannot be underestimated. As a premier tourist destination Council has well and truly understood the dire impact that our Shire and our economy is facing. With significant assistance from both the State and Federal governments through various grants, Noosa Council was able to deliver a grass-roots budget with the focus firmly on the community. The prioritisation of funds for footpaths, roads, bridges, housing for at-risk women, and the upgrading of community facilities were all of paramount importance to a council who were unanimous in delivering projects providing benefit to all the community.

With Covid-19 still very much an ongoing issue, Noosa Shire Council has had to throw out the playbook, ensuring flexibility is key as we continue to support our residents, our businesses and our jobs.

The formation of the Business Round Table has been crucial in our response and our engagement with business owners. The 9-point recovery plan formulated from this round table and continued consultation and support for our business owners will be crucial in our economic recovery.

Council staff have been working tirelessly to help our community organisations and not-for-profits through the pandemic via a range of measures including assistance during the recovery of the fires, increased and ongoing support for our most vulnerable and in need. All Council staff should be recognised and thanked for their hard work and dedication to the community.

Personally, I would like to thank Deputy Mayor Frank Wilkie, all councillors, our CEO Brett de Chastel, the executive team here at Council and all staff for their ongoing support. As we move towards the new financial year, the residents of Noosa Shire can take comfort in the fact that Council is of the firm belief that 'we are all in this together'.

Clare Stewart  
Mayor

## Message from the Chief Executive Officer

### Welcome to the 2019/20 Annual Report.

What a year it has been! Who would have thought that when the 2019/20 financial year kicked off, we would have faced not one but two major disaster events in the space of only a few months.

It's been many years since Noosa faced such a significant bushfire emergency like what transpired in the second half of 2019. Firstly, the major fire emergency at Peregian Beach triggered mass evacuations and a well-coordinated response by emergency services. In rapid succession, emergency evacuation centres were opened by Council and Queensland Police, and Queensland Fire and Emergency Services worked tirelessly to ensure that all of our residents were safe and that properties were protected as the fire advanced. As residents returned to their homes, they were amazed to see how close the fires came to property, but that properties were saved due to the brave work by emergency services.

Unfortunately, the Peregian Beach fire was just an early indicator of what was to come during the remainder of that 2019 fire season. Another fire at Peregian Beach and then a major fire on the Noosa North Shore both caused significant issues. And then, of course, came the Cooroibah fire with more than 8000 people evacuated in record time. Again, Council played a critical part in operating evacuation centres to keep our community safe and once again, Queensland Police and Queensland Fire and Emergency Services together with their supporting agencies did a magnificent job in protecting lives and property.

In times of crisis, we see the best of a community with the Noosa community rallying to assist those displaced by the fires and an outpouring of support for emergency services. As a community, we managed this crisis well but support doesn't stop when the fires are put out. Council is continuing to assist those affected by fires with bushfire recovery programs replacing damaged community infrastructure, providing social support to those impacted and helping local communities to become "fire ready" for future events.

Throughout the fire emergencies, Council's Disaster Management and Disaster Recovery teams have played a central role in protecting, informing and supporting our affected communities. Behind the scenes, Council was operating 24/7 during the disasters assisting with the coordination between emergency agencies but we were also on the ground after the event providing practical and emotional support to those affected.

Our community owes our emergency services personnel a debt of gratitude for their work during the 2019 bushfires. Their professionalism, dedication and heroics should never be forgotten.

We had barely got over the 2019 bushfires when news began to emerge of a virus from China that might have some health risks if it spread – and spread it did. The emergence of Covid-19 was the second major impact on the Noosa community (and indeed the world) in 2019/20.

Who would have thought that we would see businesses across the Shire shut down, most major Council facilities closed and the local economy contract by almost 12% in a matter of months? As a major tourist destination, Noosa was affected more than most from the travel restrictions associated with the pandemic. It was eerie seeing iconic high profile tourism destinations like Hastings Street virtually empty during the height of the pandemic.



Council's response to the pandemic was multi-layered. We convened a Business Roundtable to focus on support for our business community. The Business Roundtable structured their response around three themes:

1. Survive – keeping businesses going through the height of the pandemic;
2. Revive – managing the opening up phase to ensure both public safety and business continuity; and
3. Thrive – planning for what the new business world will look like and ensuring that Noosa will retain its prominent position as an iconic locality.

We also provided significant support to the community sector including:

1. Providing some council staff to support critical not-for-profit groups;
2. Providing additional community grants; and
3. Coordinating practical support such as cleaning equipment for community organisations.

The economic and social impacts of this pandemic will be felt for years to come. Council will be working hand-in-hand with our community to ameliorate those impacts as much as we can. Council also has to focus on the impact of the pandemic on its own operations with new business practices to ensure community and staff safety as well as recovering from the financial impacts on the Council's bottom line.

Of course, while fires and pandemics grab the headlines, every day our Council continued to provide day-to-day services to the community. Rubbish bins were emptied, parks were mown, library books were borrowed, roads were resealed, town planning applications were approved etc. The business of providing services to our community doesn't stop for anything.

And finally, the other defining local government event for 2019/20 was the March 2020 local council elections. Undertaken against the backdrop of the coronavirus pandemic, the election saw changes at the elected member level. I would like to thank outgoing Mayor Tony Wellington and Councillors for their support and guidance over previous years and welcome incoming Mayor Clare Stewart and Councillors and look forward to working with them in the coming years.

Perhaps more than any other year, I have never been more proud of the work by our Council staff in such challenging times. Every day, I see our staff going above and beyond to help our community and I know that in challenging times like bushfires and pandemics, our staff always rise to the occasion.

In the past 12 months, I have seen staff sleeping overnight on the floor of the library to look after elderly people evacuated from their homes during the fires. I have seen staff personally donating food, cooking meals and delivering over 4000 meals to people in need during the pandemic. I have seen staff volunteer to work through the night in the Disaster Management Centre to help coordinate the safety of our community during the fires. I have seen staff visiting individual businesses to help them implement Covid-safe practices so they could reopen for business. Our community is lucky to have such dedicated Council staff.

Staff have a commitment and passion for Noosa. They enjoy the fact that when they drive home at the end of the day, they can see where they made a difference to the community that they live in. That's why they go the extra mile to get things done.

Both as a community and Council, we are lucky to have that level of commitment and I want to thank each and every one of our Council staff for their commitment and dedication over the last 12 months.

I hope you enjoy reading this annual report.

Brett de Chastel  
Chief Executive Officer



## Councillors

Noosa Shire Council is represented by seven Councillors, including the Mayor, who were elected at the Local Government elections on 28 March 2020 and made Declarations of Office on 15 April 2020. Our Councillors represent all areas of the Shire as Noosa is an undivided local government area.

The role of Councillors is to represent the community and make decisions that benefit the whole Noosa Shire region, now and into the future. Councillors are responsible for:

- providing leadership to the local government and the community;
- planning for the delivery of services and strategic planning for the future;
- developing policy and making local laws; and,
- complying with legislation.

As well as being a Councillor, the Mayor has extra duties. The Mayor:

- leads and manages Council Meetings to ensure that Council decisions are actioned;
- provides strategic direction; and,
- represents Council at civic or ceremonial functions.

## Our Council

Noosa Shire Council was created in 1910 under the Queensland Local Authorities Act of 1902. In 2008, the Shire was amalgamated with Maroochy Shire and Caloundra City Councils to form the Sunshine Coast Regional Council.

Noosa Council was re-established as a local government on 1 January 2014 after the Noosa community campaigned for a number of years to restore its own local government.



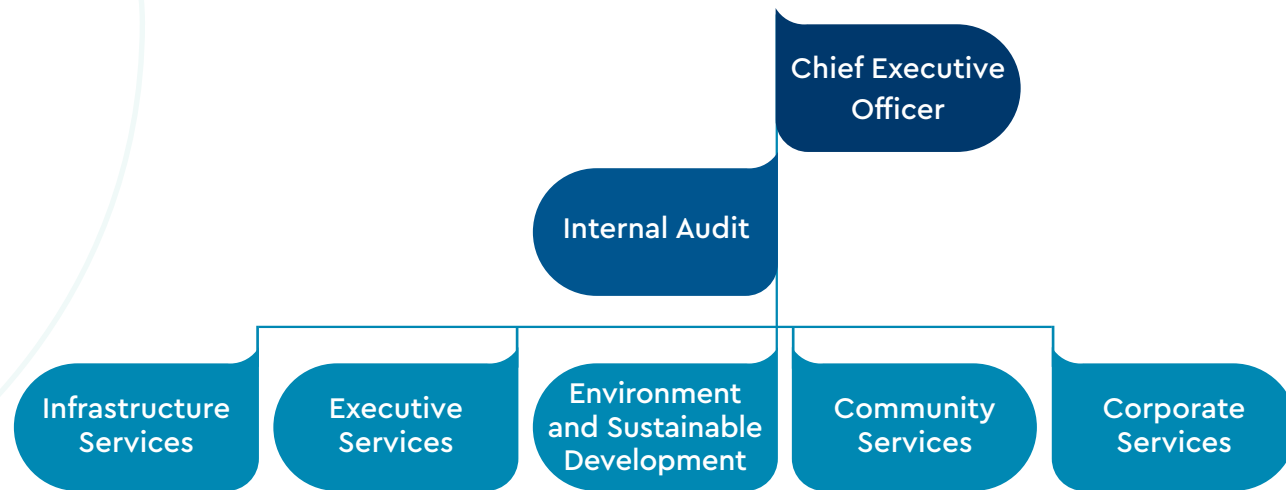
From left to right: Cr Amelia Lorentson, Cr Tom Wegener, Cr Karen Finzel, Cr Frank Wilkie, Mayor Clare Stewart, Cr Brian Stockwell, Cr Joe Jurisevic.





## Our Corporate Structure

Council's corporate structure is adopted annually and sets the overall structure, departments and functions to enable the delivery of services to our community. Day-to-day management of the Council as an organisation is the responsibility of our Executive Team.





## Year in Review

This section of the Annual Report considers Council's progress in achieving the goals set out in its Corporate Plan 2017–2037.

The Corporate Plan sets out Council's long-term strategies and priorities. It also sets out Council's values and vision – "Noosa Shire – Different by Nature". The Corporate Plan identifies five themes, a series of long-term goals and key focus areas for 2017–2037.

Council's progress towards achieving its long-term goals and priorities is set out on the following pages. Council's Operational Plan 2019–20 details the significant initiatives that Council undertook during the period as we progress further towards the achievement of key focus areas set out in the Corporate Plan.

Throughout the year, the Chief Executive Officer (CEO) provided Council with quarterly reports outlining progress of the Operational Plan and details of Key Performance Indicators. The CEO also provided a separate report at the end of the financial year to Council on the progress towards achieving the Corporate Plan outcomes. Both the quarterly and annual reports to Council are made available to the public via Council's website.

## Top 10 Highlights

Supporting residents, visitors and businesses through the 2019 bushfires at Peregrian Beach, Cooroibah, North Shore and Teewah, during the emergency phase and through recovery efforts.

Re-opening the Noosaville Aquatic Centre after a major refurbishment including the installation of solar and the replacement of the deck.

Completing the new Noosa Planning Scheme in preparation for adoption by the new Noosa Council.

Redevelopment of the Noosa North Shore Beach Campground providing additional powered and unpowered sites, improved amenities and a new camp kitchen.

Managing the transition of the new Council following the local government elections in March 2020.

Supporting all members of the community through the 2020 coronavirus Covid-19 pandemic through the height of the lockdown and the ongoing recovery phase.

Introducing a multi-year, environmental grants program which allocated \$750,000 over three years to support projects that aligned with the Environment Strategy.

Adopting the Master Plans for the Noosa District Sports Complex and the Cooroy Sports Complex.

Introducing a free shuttle bus loop in the holiday period as part of 'Go Noosa' which saw a further 20% increase in public transport use during the busiest time of year.

Introducing a suite of new online services to assist the community to access information and conduct business.





## Corporate Plan – Theme 1: The Noosa Environment

Key achievements as we work towards our long term goal include:

### Specific Operational Plan Priorities

- The Noosa Environment Strategy was unanimously endorsed by Council and implementation has commenced. The progress on implementation actions will be reported back to Council on an annual basis and progress on achieving the targets every 2–3 years.
- A key part of the implementation of the Noosa Environment Strategy was the introduction of a new, multi-year, environmental grants program. The first round of the grants allocated \$750,000 over three years to community and not-for-profit organisations to support projects that aligned directly with Environment Strategy priorities including;
  - Work to assist in the restoration of coastal sand dunes to provide better habitat and improve resilience to future climate change impacts.
  - Keep It In Kin Kin project supporting landholders to repair degraded riparian areas in the upper catchment of the Noosa River.
  - Supporting business and community behavioural change in the use of plastics to reduce resource use and the amount of plastic and litter flowing into our rivers and creeks.
- Council undertook extensive community consultation on the second draft of the Noosa River Plan. A stakeholder reference group will be convened to finalise and implement the Plan.
- Additional vertical wells were installed in Council's Eumundi Rd waste landfill site which has increased the capture and flaring of methane, a significant contributor to greenhouse gas emissions.
- Council has successfully implemented the State Government's \$70 per tonne landfill levy that commenced on 1 July 2019.
- Council worked with key partners to transition the Yurol and Ringtail forestry areas to National Park. Harvesting of pine and hardwood forests has commenced and a community tree planting at Ringtail saw 140 volunteers plant 2000 trees.

- Solar systems were installed at Noosaville Library, Noosa River Holiday Park and Cooroy Butter Factory as part of Council's Zero Emissions Noosa Action Plan. Council also partnered with Australian Energy Foundation to provide a free advice line for the community on solar and battery power and energy efficiency which has been well utilised.
- Former Mayor, Tony Wellington, was awarded the Climate Council's Cities Power Partnership Climate Ambassador Award in recognition of his leadership in driving climate action and emissions reduction in his community and beyond.
- The three-year partnership between Noosa Council and The Nature Conservancy commenced with the initial aim of starting to restore the lost oyster habitat that once formed the basis of the Noosa River ecosystem ultimately improving biodiversity in the river.

### Other Initiatives to enable Council to achieve its goal for this theme

- Noosa Council became the first Queensland local government to declare a climate emergency, joining other governments across Australia in calling for swift action to minimise significant global repercussions caused by rising greenhouse gas emissions and climatic change.
- The Voluntary Conservation Agreement program was expanded with five new properties coming on board: the first new properties in the program since de-amalgamation.
- Council introduced a new Land for Wildlife incentive scheme providing free trees, training, and contractor support to eligible properties. There are currently over 300 Noosa properties in this valuable voluntary conservation program.
- Through the Environment Levy, Council purchased a significant parcel of land near Boreen Point for conservation. The 51-hectare property contains important wetlands and koala habitats.
- Council completed a new Biosecurity Plan, the first under the new State legislation for Biosecurity. The plan outlines how we will broadly deal with pest plants and animals, and how we will prioritise our actions.
- A new program to monitor turtles started on Noosa's North Shore to gather data and understand turtle behaviour.
- UNESCO commended the Noosa Biosphere Reserve at its 10-year review recognising the ongoing work that the community has done in balancing the relationship between people and the environment.
- The Noosa River catchment maintained its A- rating in the 2019 Healthy Land and Water Report Card, with the river also scoring a five-star economic and social benefit rating.
- Council commenced work on a new Waste Strategy to guide responsible waste management over the long term.
- The garden waste bin service was expanded to include units, resorts and other commercial premises in an effort to divert more waste from landfill. The changes also relieve resort and business owners of paying the State Government's new waste levy to dump garden waste.
- Council continued to crack down on illegal dumping with an improved surveillance program thanks to a \$50,000 Queensland Government grant.
- Council worked with Plastic Free Noosa to embed waste reduction practises across the organisation, in particular reducing single-use plastics in community buildings and facilities.





## Corporate Plan – Theme 2: The Noosa Community

Key achievements as we work towards our long term goal include:

### Specific Operational Plan Priorities

- Council continued implementation of Council's Social Strategy including the Cultural Plan, Sport and Active Recreation Plan and Health and Wellbeing Plan. Council completed a review of the Cultural Plan's 2019 Action Plan, which demonstrated 85% of the actions were completed or well underway. Council also endorsed a 2020/21 Action Plan to progress implementation of the Cultural Plan.



- A major refurbishment of the Noosa Aquatic Centre was completed following a short closure. The refurbishment included replacing the roof, timber decking and completing major pool maintenance such as tiling and re-grouting.
- Council adopted a Community Health and Wellbeing Plan and 12-month implementation plan.
- The first stage of the pre-feasibility study for a Regional Art Gallery was completed. This stage reviewed the existing Galleries' strengths and weaknesses and engaged a consultant to investigate the needs, opportunities and priorities of a possible new Gallery. This study will be complete by early 2021.
- Council has investigated contemporary options for outreach library services to replace the existing Mobile Library which is reaching the end of useful life. It is expected that the new service model will be fully implemented by late 2021.
- Master Plans for the Noosa District Sports Complex and the Cooroy Sports Complex were adopted by Council and implementation plans commenced including the preliminary civil works design for the Noosa District Sports Complex.

- Construction on Stage 3 of the Rufous Street Peregian development commenced with the new carpark completed in time for Christmas. While the collapse of the primary contractor caused a delay, Council remained committed to the project and completed the detailed design of the new community house in preparation for a new tender for construction in mid-2020.
- The redevelopment of the Noosa North Shore Beach Campground was completed providing additional powered and unpowered sites, improved toilet amenities and a new camp kitchen.
- Council completed replacement of the old Noosa Botanic Gardens Shade House built in the 1980s with a new \$400,000 Shade Garden jointly funded by Council and Seqwater. The shade garden is home to a large variety of shade-loving rare and exotic plants.

### Other Initiatives to enable Council to achieve its goal for this theme

- Council supported residents through the 2019 bushfires in Peregian, Cooroibah and Noosa North Shore. This included running evacuation centres (up to six at one stage), providing emergency relief and supporting the community with clean-up and recovery afterwards including maintaining Recovery Hubs at Peregian and Noosaville.
- Council supported the community through the 2020 Coronavirus Covid -19 pandemic. Key measures included increasing health and hygiene measures in public spaces, providing Covid-safe information and advice to businesses and community organisations and supporting social service organisations with the delivery of emergency relief such as food supply, clothing, funding, accommodation, hygiene products, free flu vaccinations, laundry facilities and hot showers.
- Over 65,000 people engaged in arts and cultural activities through Floating Land 2019. The festival included 21 projects and 38 associated events outside of non-traditional venues, with several community collaboration activities that included First Nations' artists.
- Council continues to collaborate and partner with Kabi Kabi Traditional Custodians on a range of initiatives. A highlight included working with members of the Kabi Kabi Crowe family to produce two short films; Place of Crowes and Tewantin's Oyster Feasts. The films are available online and were distributed to all local schools. They are regularly viewed and utilised in local education programs.
- Regional sporting events were supported through Council's community development team including hosting the Pakistan and West Indies Women T20 World Cup cricket teams for warm-up games, training and community engagement activities.
- The Seniors Health and Wellbeing Program (Ageing Well Noosa) commenced across the Shire. The program provides low-cost exercise classes for seniors to improve balance, strength and mobility and provide opportunities for older people to meet new people.
- Children from prep to year 6 participated in Council's Walking Wheeling Wednesdays program which promotes walking and riding to school. The initiative helps keep kids active, while reducing traffic congestion.
- Digital education opportunities were provided to increase critical skills such as the Library and Digital Hubs 'Fly for Good' program which provided local high school girls learning in drone use and application to solve critical problems
- A motion led by Noosa Council in tandem with Cherbourg Aboriginal Shire Council at the Local Government Association of Queensland (LGAQ) annual conference helped gain the support of Queensland local governments to endorse the Uluru Statement from the Heart and advocate for the constitutional recognition of First Nations peoples.
- Council continues to support and focus on recognising the important work of volunteers in our community. A 'volunteer recognition' event was hosted by Council and a promotional video was developed for our Noosa service clubs.



- Council's service facilities provided a range of innovative online programs through the Covid lockdown to help engage and connect our community.
- The refurbishment and repair of community buildings and sports facilities included restumping and repainting Wallace House (Noosa Arts & Crafts Assoc), repairing termite damage at the Tewanin SES and improving the standard of all community building fire services.
- Council allocated \$27,000 to a Community Disaster Response and Recovery Grant to support community organisations that had immediate essential needs as a result of Covid-19.
- Council continued to provide its community grant program supporting our community groups. During 2019/20, \$849,525 was provided in community grants to 163 recipients to support projects, acquisition of equipment or events. Council staff also facilitated a number of evening information sessions for community organisations to help improve their governance and grant writing skills. Details of the grant categories and amounts are set out below.



Table 1 – Community Grants

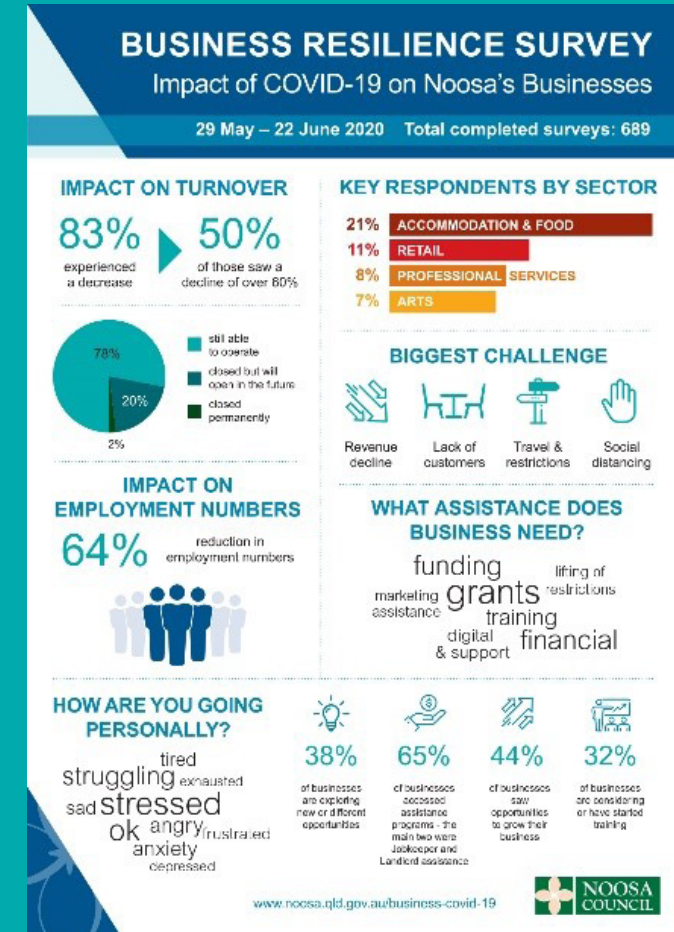
| Grant Type                    | Number of Recipients | Total grant value     |
|-------------------------------|----------------------|-----------------------|
| Community Projects            | 60                   | \$299,874.25          |
| RADF                          | 17                   | \$59,390.00           |
| Alliance Agreements           | 10                   | \$81,628.68           |
| Economic                      | 9                    | \$23,500.00           |
| Emergency Alliance Agreements | 2                    | \$21,959.24           |
| Environmental                 | 15                   | \$399,873.64          |
| Halls and Community Centres   | 10                   | \$81,800.89           |
| Festive Season Events         | 9                    | \$45,905.28           |
| Signature Events              | 4                    | \$37,123.13           |
| Sports Fields                 | 12                   | \$170,269.16          |
| Water Rebates                 | 54                   | \$86,791.40           |
| <b>Total</b>                  | <b>202</b>           | <b>\$1,308,115.67</b> |

## Corporate Plan – Theme 3: The Noosa Economy

Key achievements as we work towards our long term goal include:

### Specific Operational Plan Priorities

- Council continued to successfully implement its Local Economic Plan (LEP) in partnership with local businesses, government agencies and key industry groups. In January 2020, prior to the impact of the Covid-19 pandemic, Noosa's annual Gross Regional Product reached \$3billion for the first time. Since early March 2020, as the impacts of the pandemic took hold, there has been a sharp downturn in the economy and economic forecasts suggest a continuing economic contraction into 20/21.
- The Local Economic Plan review commenced with background research underway. The studies undertaken to inform the Covid Business Recovery Plan will provide the base for the full LEP review.
- Council's Industry Development Program was progressed across the priority sectors of digital, education and training. The Peregian Digital Hub, in its second year of operation, is home to around 50 technology specialists and is building a strong network of digital sector sub-groups, with membership exceeding 1000 digital marketers, coders, screen and music producers. The Noosa Education and Training Alliance (NETA) has expanded and is progressing projects that include education and industry pathways and the establishment of a Future Skills Learning Hub.
- The design team completed the preliminary phase to remodel the existing Peregian Community House as the next stage of the Digital Hub. The design options feature a presentation and events space, small training facility and an upgraded office environment. Detailed design will be complete in 20/21 and construction will occur in 21/22.



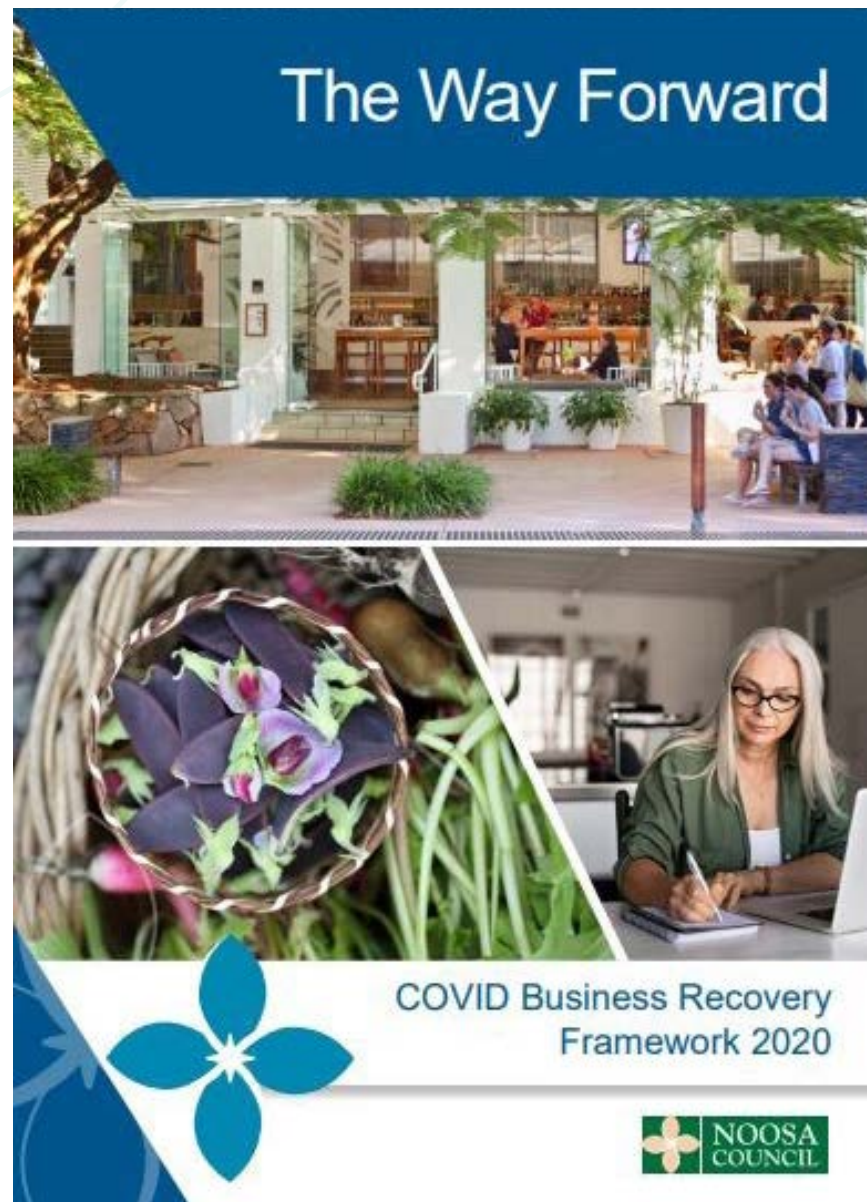
### Other Initiatives to enable Council to achieve its goal for this theme

- Noosa Council worked with local businesses to provide targeted economic development support through the disaster events of the 2019 bushfires and the 2020 coronavirus Covid-19 pandemic, both in the response and recovery phases.
- The Economic Development team led the economic recovery for the bushfires in partnership with State agencies, supporting businesses impacted in Peregian Beach, Tewanin, Noosa North Shore and Cooribah with issues such as clean-up, insurance and funding applications.



- Council has been a key driver in the local business response to the coronavirus Covid-19 pandemic. Initiatives included:

- Establishing a Business Roundtable with representatives from local business associations, State and Federal Govt agencies and other key stakeholders. The group provided a forum for business support, advocacy and the distribution of Covid-safe information for local businesses.
- Providing a subsidised Business Support Panel which offered mentoring and free specialist business advice to affected businesses.
- Developing a 9-point Business Recovery Framework to drive the post-Covid economic recovery.
- Providing fee relief to businesses and organisations and reducing payment terms to seven days for local suppliers.
- Responding to the need for protective health equipment, the Digital Hub team, created over 500 face shields using 3D printing equipment for front line medical workers on the Sunshine Coast.



- In response to the 2019 bushfires, the Digital Hub developed the Firetech Connect Program which is helping to develop communities' bushfire resilience by fast-tracking the commercial readiness of promising companies; and connecting, informing and supporting the sector's transformation. The Hub was awarded a \$100,000 Incubator Support Grant from the Federal Government to support Firetech 2020, a commercialisation program for early stage companies working on fire related technologies.
- The Economic Grants program provided \$21,500 for a range of projects that support the local economy. The recipients included Slow Food Noosa for the Snail of Approval Program, Noosa Open Studios for social media training for local artists, Noosa Hinterland Expo support, and Earthtech for the International Challenge.



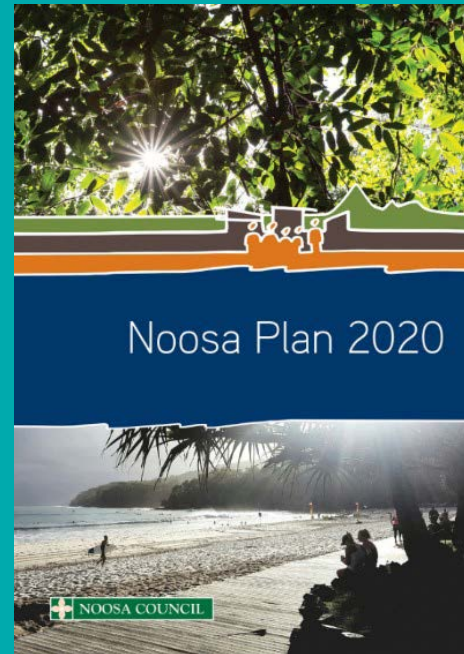
- Council enhanced communications with the business community via a direct bi-monthly Economic Development e-newsletter. Council's business webpages were updated to provide a one-stop portal for local businesses including a business events calendar, grants information, Federal and State government support programs and local economic data and statistics.
- Noosa Council hosted 15 businesses and individuals to celebrate local success in the Sunshine Coast Business Awards (6 wins), GovHack competition and other achievements. Those recognised included: iExpeditions, Noosa Beach House, Provectus Algae, In Noosa Magazine, RACV Resort Noosa, Gravity Fit, Food & Agribusiness Network, Fireball International, Create Noosa and Earthtech.
- The Economic Development team provided support to businesses and associations including one-on-one meetings to better help businesses navigate Council functions and requirements and providing guidance on strategic planning and the development of business plans. A highlight included supporting the establishment of the Sunshine Beach Business Association.
- Council facilitated GovHack, a federal government initiative that encourages technology minded individuals to develop solutions to some of our biggest societal problems. Noosa once again over-represented itself in this national competition with the local event attracting over 40 participants, generating seven projects with one national prize winner and two honourable mentions and two runners-up prizes.



## Corporate Plan – Theme 4: Long term planning for Noosa Shire

Key achievements as we work towards our long term goal include:  
Specific Operational Plan Priorities

- Council completed the community consultation on the draft new Noosa Planning Scheme and the Minister for Planning signed off on the Plan subject to several conditions. Following the local government elections, the New Noosa Plan was adopted by Council at a July 2020 Special Meeting and was scheduled to commence on 31 July 2020. The completion of the Plan paves the way for several key projects including the proposed Placemaking pilot program.
- The risk assessment and cost-benefit analysis for Council's Coastal Hazard Adaptation Plan (CHAP) was completed. The Draft CHAP will be presented to Council in early 20/21 for consideration with the aim of completing community engagement by late 2020.
- Council adopted the Noosa Spit Shoreline Erosion Management Plan which is a detailed study of the erosion occurring on Noosa spit because of river movement, tide and boat wash. Funding has been allocated in Council's 2020/21 and 2021/22 budgets to commence planning and construction works identified in the SEMP.
- Council formed a working group to guide the Revenue Diversification Project. The working group is investigating options to broaden Council's revenue streams to reduce where possible the reliance on general rate increases to fund service delivery.
- Council continued to implement the priority actions of the Noosa Transport Strategy including completing the second annual Christmas 'Go Noosa' Peak Period Traffic Management Plan with the introduction of a Shuttle Bus loop which saw a further 20% increase in public transport use during our busiest time of year.
- Negotiations progressed with Translink to introduce electric buses for Noosa, upgrade the Noosa Heads bus stop to a multimodal interchange and improve public transport generally.
- The Schools program was re-commenced to improve traffic around schools by getting more children using active travel and school buses.
- Council completed a comprehensive analysis of the possible options for the future use of the former Tewantin TAFE site. This included new information regarding constraints on the site. Council determined not to proceed with the purchase at the July 2020 Council meeting.
- Capital planning for the Walking and Cycling Strategy update and High Priority Cycling Corridors continued along with the planning for the Noosa Drive, Noosa Parade and Hasting Street precinct. Council has successfully completed the design of the Noosa Parade corridor upgrade with the assistance of Qld Government funding and has submitted a grant application for delivery in 2020/2021.



### Other Initiatives to enable Council to achieve its goal for this theme

- The Queensland Audit Office gave Council another clean bill of health issuing an unmodified audit opinion.
- Council implemented strong control measures to mitigate the sustainability risks associated with Covid-19 direct financial impacts on Council which included re-prioritising expenditure and projects, reviewing the 2020/21 budget assumptions including preparing detailed cash flow modelling and providing advice to support effective decision-making.
- The Road Infrastructure Asset Management Plan was endorsed which is a blueprint to guide the management of the shire's 867-kilometre road network and associated infrastructure assets now and into the future.
- Council endorsed a new events policy to strike a balance between the use of public land for events and the community's right to use public space for recreation.
- Council progressed planning and design for the Cooroy Noosa Road and Beckmans Road intersection upgrade and secured \$600,000 in funding from the Queensland Government for the design component and is advocating for construction funding.
- Council developed and commenced implementation of a Strategic Tree Management Plan. The new plan provides a framework to guide proactive arboriculture management decisions throughout the Noosa Shire. This is an essential component of achieving both a green liveable shire and effective management of trees on public land.
- Partnerships were established to provide better value for ratepayer money such as working with Gympie Regional Council for the provision pre-cast concrete products.





## Corporate Plan – Theme 5: Excellence as a Council

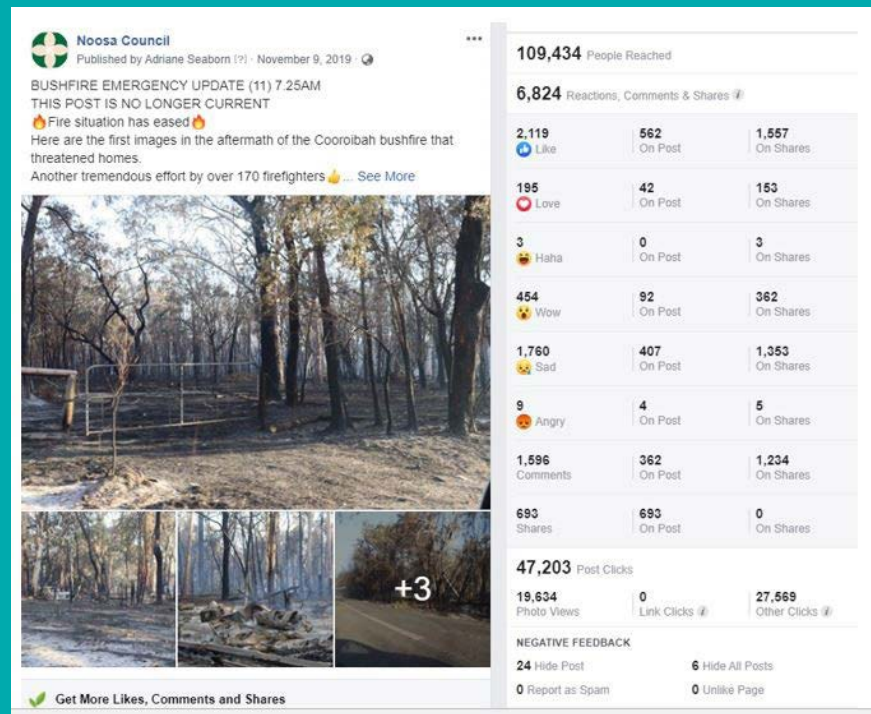
Key achievements as we work towards our long term goal include:

### Specific Operational Plan Priorities

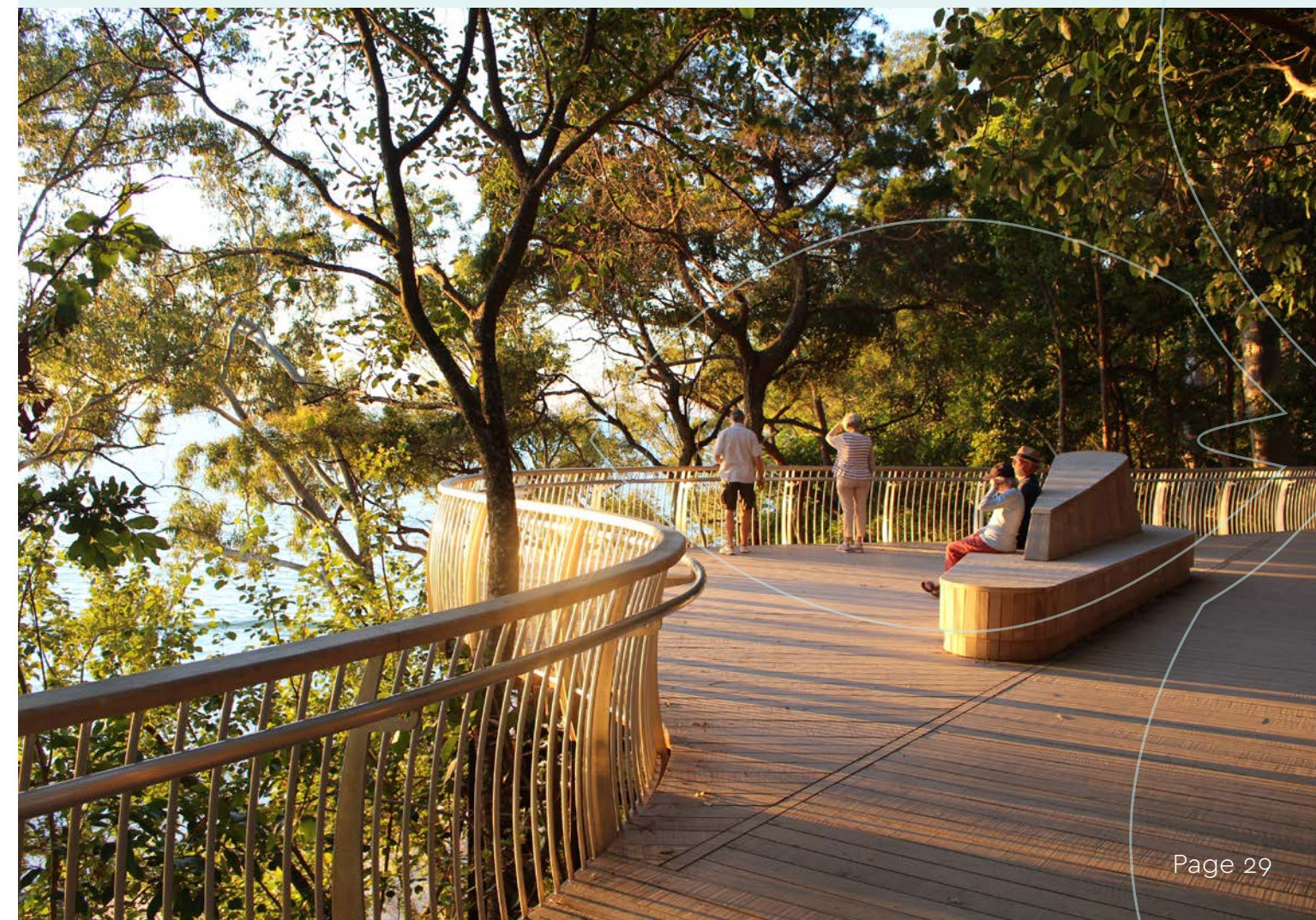
- The Workforce Planning Strategy was finalised with two pilot projects undertaken. Implementation will continue once COVID-19 implications are considered.
- Council has made significant progress transitioning to Technology One Ci Anywhere for Council's enterprise management system. Highlights include new online form options, online application lodgement, mobile inspection capability and the introduction of a new customer request system to improve the customer experience and create internal efficiencies.
- Council's Communications Plan was reviewed and endorsed.
- Local Government elections were conducted on 28 March 2020. The caretaker period during the height of the coronavirus pandemic was capably managed and the new Council was provided with a comprehensive on-boarding process.
- Council continues to grow and support its staff through leadership/ supervisor development programs and the employee training program.
- The 2019/20 leadership development program focused on continuous improvement and the development of a strong, cohesive, high performing leadership team. Staff involved commended the program for delivering genuine improvement in leadership capabilities and helping to build stronger relationships. A pilot mentoring program commenced to provide an additional professional development avenue for emerging leaders.

### Other Initiatives to enable Council to achieve its goal for this theme

- Council's corporate website underwent a redesign in December 2019 which provides a more contemporary looking, easier to use and mobile-responsive website. During 2019-20, 973,776 unique visitors used Council's corporate website, a monthly average of 81,000.
- The use of social media platforms remained an integral part of council's strategy to keep the community informed. Facebook followers on Council's main page grew 86% to finish the year at 16,616 followers. A focus on building the LinkedIn page resulted in an 83% growth to 3,707 followers.
- Regular community video updates helped improve communication and engagement with the community including Mayoral video updates as a key feature through the 2019 bushfires and 2020 coronavirus pandemic.



- Council introduced new online services to assist the community access information and conduct business including:
  - a booking system which allows people to view availability of community spaces such as wedding areas and book and pay online
  - online portal to search cemeteries records
  - online calendar for library events
  - improved mapping information
- Council successfully transitioned to remote working during the Covid-19 restrictions allowing many services to continue to be provided to the community. Employees were supported through flexible work arrangements and initiatives which focused on their health and wellbeing.
- Implementation of the Work Health and Safety System Management System Plan April 2020-March 2022 commenced to manage health and safety at work and help minimise the risk of injury and illness from workplace operations.
- Council introduced a "public question time" at its monthly Ordinary Meetings, in addition to livestreaming Council's General Committee and Ordinary Meetings, as part of its ongoing commitment to accountability and community engagement.
- Noosa's iconic Park Road Boardwalk was voted the best 'Public Works Engineering Project in Queensland'. The project won the top accolade at the Institute of Public Works Engineering Australasia, Queensland Excellence Awards beating major projects from across the State.





- Council adopted and implemented a new Human Rights Policy to comply with the new Queensland Human Rights Act 2019 and ensure the ongoing development of a human rights culture within the organisation.
- The Audit and Risk Committee continued to provide valuable advice and independent assurance for governance and finance matters across Council even during these difficult times impacted by Covid-19. This included reviewing Council's strategic risks, policies and organisational key performance indicators. The two independent members continued to provide crucial guidance, expertise and advice on high-risk matters while the new Councillors provided a new perspective on matters.
- Council's Internal Audit Program delivered independent audits on the following areas:
  - Council's Financial Delegations of Authority
  - Contractor Management and WH&S Management of Contractors

## Challenges and Opportunities

The key areas of focus for FY 2020/21 will include:

- Ensuring that we remain "disaster ready" to assist our community, businesses and vulnerable sectors in the event of any further natural disasters.
- Continuing to lobby the State Government to upgrade Beckmans Road at Noosaville and also have the State Government improve two problem intersections at Cooroy.
- Continuing to manage the uncertainty associated with the Covid-19 pandemic and its impact on our local community and local economy.
- Implementing the new Noosa Plan.
- Delivering the many "shovel ready" projects that have been funded by the State and Commonwealth governments and meeting their compressed timeframes.
- Carefully managing finances and making sound decisions to ensure that we are able to achieve our recovery plan targets as a result of the financial impact of Covid-19.

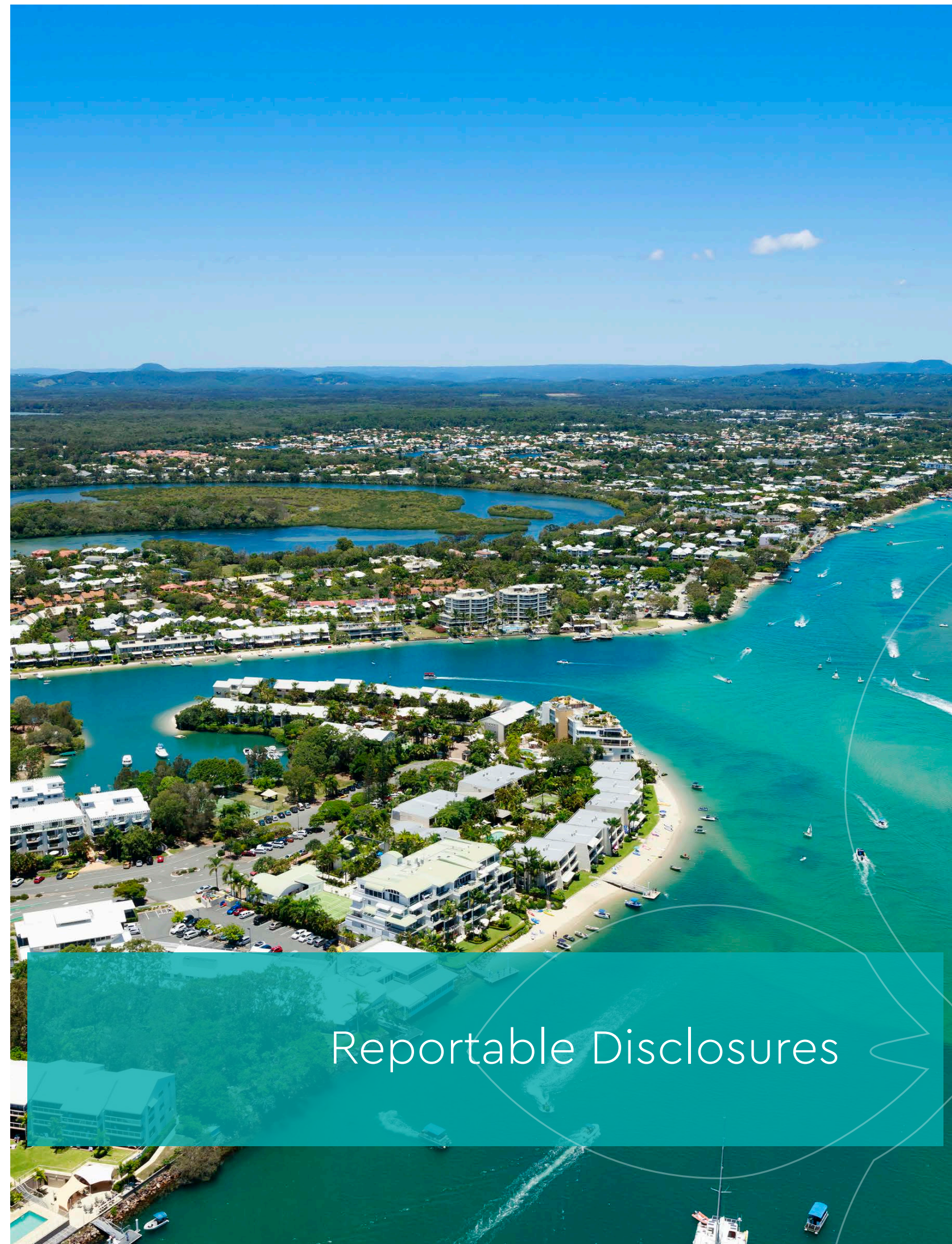




In addition to the specific projects that are undertaken by Council to achieve our long-term corporate plan goals, every day, Council is delivering on-the-ground services to our community across a range of different activities. To put the level of 'day to day' activities into perspective, the following statistics are provided in Table 2.

**Table 2 – Service statistics**

| Services Provided in 2019–20   | 2019–20 Data   |
|--|--|
| Number of visitors to the Noosa Aquatic Centre   | 159,721  |
| Number of visitors to The J  | 62,881   |
| Number of visitors to the Noosa Leisure Centre   | 73,470   |
| Number of clients serviced at Noosa Community Support  | 2,278<br>(40,916 hours of service delivered)   |
| Number of visitors to the Libraries  | Noosaville – 138,935<br>Cooroy – 91,811<br>Mobile – 20,476<br>Total – 251,222  |
| Number of physical items issued by our Libraries   | Noosaville: 222,820<br>Cooroy: 102,020<br>Mobile: 24,943<br>Total: 349,783   |
| Number of bins collections   | 1,553,790 general waste bins<br>669,692 recycling bins<br>407,891 garden bins<br>155,492 public place bins<br>43,791 waste bulk bins<br>18,156 recycling bulk bins |
| Number of customer visits to the Waste Disposal facilities   | 141,789  |
| Number of calls/ enquiries/ transactions by our frontline customer service team  | 88,256   |
| Number of development applications and percentage approved for the year (includes tree removal applications on private land) | 541 applications<br>93.9% approved<br>30 refusals  |
| Number of rate notices issued for the year   | 64,163   |
| Length of road resurfaced  | Asphalt – 6.18km<br>Spray sealing – 4.81km<br>Total – 10.99km  |
| Length of road serviced by street sweeper  | 10,724 km  |
| Number of requests regarding trees on public land (excludes Natural Areas requests)  | 2,092  |



Reportable Disclosures



## Information relating to Councillors

### Remuneration

Councillor remuneration was set by the Local Government Remuneration and Discipline Tribunal (the Tribunal) established under the Local Government Act 2009 ("LG Act"). The Tribunal determined remuneration for Mayors, Deputy Mayors and Councillors and released an annual report which established single remuneration levels for the year.

The Local Government Remuneration and Discipline Tribunal Report 2018 listed Noosa Council as a Category 3 Council, and prescribed the annual rate of remuneration for the Mayor and Councillors for the period 1 July 2019 to 30 June 2020 (the period) as follows:

- Mayor – \$130,584;
- Deputy Mayor – \$81,615; and,
- Councillors – \$69,372.

In accordance with section 244(3) of the Local Government Regulation 2012 ("LG Regulation"), the remuneration prescribed by the Commission cannot include:

- Any amount for expenses to be paid or facilities to be provided to a Councillor of a local government under its expenses reimbursement policy; or
- Any contribution a local government makes for a Councillor to a voluntary superannuation scheme for Councillors established or taken part in by the local government under section 226 of the LG Act.

The LG Act does however allow a local government to take part in a superannuation scheme for its Councillors and on 20 January 2014 Council authorised the payment of superannuation contributions for Councillors of up to 12% of their annual salary on the condition that Councillors:

- Contribute an amount of up to 6% from their salaries and Council contributes a proportionate amount of up to 12% to a nominated superannuation fund;
- Make contributions through an arrangement by way of a formal request to Council; and
- Nominate their preferred superannuation fund, and where no nomination has occurred, the superannuation payments be made to LG Super.

The total remuneration paid to the Councillors for the period is provided in tables below.

**Table 3 – Previous Council – Remuneration for the period 1 July 2019 to 27 March 2020**

| Councillor                     | Salary (\$) | Superannuation (\$) | TOTAL (\$) |
|--------------------------------|-------------|---------------------|------------|
| Mayor Tony Wellington          | 107,880     | 12,945              | 120,825    |
| Cr Frank Wilkie (Deputy Mayor) | 67,425      | 8,091               | 75,515     |
| Cr Brian Stockwell             | 57,310      | 6,877               | 64,187     |
| Cr Ingrid Jackson              | 57,310      | 6,877               | 64,187     |
| Cr Joe Jurisevic               | 57,310      | 6,877               | 64,187     |
| Cr Jess Glasgow                | 57,310      | 6,877               | 64,187     |
| Cr Frank Pardon                | 34,364      | 4,124               | 38,488     |

Notes:

1. Amounts rounded to the nearest dollar.
2. Superannuation shown is Council's 12% contribution.
3. Cr Frank Pardon ceased being a Councillor on 13 December 2019.

Note, Council elections were held on 28 March 2020 and subsequent remuneration amounts are outlined below.

**Table 4 – New Council – Remuneration for the period 28 March 2020 to 30 June 2020**

| Councillor                     | Salary (\$) | Superannuation (\$) | TOTAL (\$) |
|--------------------------------|-------------|---------------------|------------|
| Mayor Clare Stewart            | 22,601      | 2,649               | 25,250     |
| Cr Frank Wilkie (Deputy Mayor) | 14,126      | 1,695               | 15,821     |
| Cr Karen Finzel                | 12,007      | 1,441               | 13,448     |
| Cr Brian Stockwell             | 12,007      | 1,441               | 13,448     |
| Cr Amelia Lorentson            | 12,007      | 1,441               | 13,448     |
| Cr Tom Wegener                 | 12,007      | 1,441               | 13,448     |
| Cr Joe Jurisevic               | 12,007      | 1,441               | 13,448     |

Notes:

1. Amounts rounded to the nearest dollar.
2. Superannuation shown is Council's 12% contribution.

### Councillors' Expenses and Facilities

As required under section 250 of the LG Regulation, the Councillors' Expenses Reimbursement and Provision of Facilities Policy ensures Councillors are provided a reasonable level of resources and facilities, including administrative support, in order to carry out their duties in an effective and efficient manner.

An amendment to the Policy was adopted by Council on 21 May 2020. Categories of expenses and eligibility for reimbursement as per the Policy for the Period include:

- Professional development & representation (Mandatory and Discretionary);
- Travel, as required to represent Council;
- Meals when travelling for Council business;
- Accommodation;
- Private and Council vehicle usage;
- Hospitality;
- Administration support and access to Council office facilities;
- Home office and telecommunication needs;
- Safety equipment; and
- Insurance cover.<sup>1</sup>

The reimbursements that were made to Councillors for the period are outlined in Table 5 and 6 below.

For the period, all claimed expenses were processed and fell within the required limits prescribed by the *Councillors' Expenses Reimbursement and Provision of Facilities Policy*.

<sup>1</sup> Councillors are covered under relevant Council insurance policies while on Council business, including for public liability, professional indemnity, Councillors liability and personal accident, and domestic and overseas travel



Table 5 – Previous Council – Councillor Expenses for the period 1 July 2019 to 27 March 2020

| Councillor            | Mandatory professional development (\$) | Discretionary professional development (\$) | Use of private vehicle – option 1 (\$) | Home office & tele-communication (\$) | Travel expenses as required to represent Council | TOTAL (\$) |
|-----------------------|---|---|--|---------------------------------------|--|------------|
| Mayor Tony Wellington | 1,872                                   | 0   | 3,914                                  | 2,256                                 | -  | 8,042      |
| Cr Frank Wilkie       | 2,315                                   | 0   | 3,914                                  | 2,256                                 | -  | 8,485      |
| Cr Brian Stockwell    | 0                                       | 2,610                                       | 3,914                                  | 2,256                                 | -  | 8,780      |
| Cr Ingrid Jackson     | 0                                       | 0   | 3,914                                  | 2,256                                 | -  | 6,170      |
| Cr Joe Jurisevic      | 0                                       | 683   | 3,914                                  | 2,256                                 | -  | 6,853      |
| Cr Jess Glasgow       | 0                                       | 0   | 3,914                                  | 2,256                                 | -  | 6,170      |
| Cr Frank Pardon       | 0                                       | 0   | 2,500                                  | 1,440                                 | -  | 3,940      |

Note: Amounts exclude GST and are rounded to the nearest dollar.

Table 6 – New Council – Councillor Expenses for the period 28 March 2020 to 30 June 2020

| Councillor          | Mandatory professional development (\$) | Discretionary professional development (\$) | Use of private vehicle – option 1 (\$) | Home office & tele-communication (\$) | Travel expenses as required to represent Council | TOTAL (\$) |
|---------------------|---|---|--|---------------------------------------|--|------------|
| Mayor Clare Stewart | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Frank Wilkie     | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Karen Finzel     | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Brian Stockwell  | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Amelia Lorentson | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Tom Wegener      | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |
| Cr Joe Jurisevic    | -                                       | -   | 1,083                                  | 624                                   | -  | 1,707      |

Note: Amounts exclude GST and are rounded to the nearest dollar.

### Councillor Meeting Attendance

Council conducts its business at open public meetings which are part of Council's commitment to transparent decision making and engagement with our community. Meetings are generally held in the Council Chambers at Tewantin. Council's General Committee, Ordinary and Special Meetings are live streamed on Council's YouTube channel with past recordings also available for viewing on this platform.

Generally, all standing committees are held once per month where a range of issues and recommendations are made for Council consideration.

In accordance with section 186(c) of the LG Regulation, meeting attendance for the period is shown in Table 7 and 8.

Table 7 – Previous Council – Meeting attendance for the period 1 July 2019 to 27 March 2020

| Councillor            | Ordinary Meeting | General Committee | Planning & Environment Committee | Services & Organisation Committee | Special & Budgetary | Audit & Risk Committee |
|-----------------------|------------------|-------------------|----------------------------------|-----------------------------------|---------------------|------------------------|
| Total Meetings        | 9                | 9                 | 7                                | 7                                 | 6                   | 3                      |
| Mayor Tony Wellington | 9                | 8                 | 6                                | 6                                 | 6                   | 2                      |
| Cr Frank Wilkie       | 9                | 8                 | n/a                              | 7                                 | 6                   | 1                      |
| Cr Brian Stockwell    | 9                | 8                 | 7                                | n/a                               | 6                   | n/a                    |
| Cr Ingrid Jackson     | 7                | 8                 | 6                                | n/a                               | 6                   | n/a                    |
| Cr Joe Jurisevic      | 8                | 8                 | n/a                              | 7                                 | 6                   | 3                      |
| Cr Jess Glasgow       | 8                | 9                 | 7                                | n/a                               | 6                   | n/a                    |
| Cr Frank Pardon       | 3                | 5                 | n/a                              | 4                                 | 4                   | n/a                    |

Note: N/A indicates that the Councillor is not a representative of the particular committee.

Table 8 – New Council – Meeting attendance for the period 28 March 2020 to 30 June 2020

| Councillor          | Post-election Meeting | Ordinary Meeting | General | Planning & Environment Committee | Services & Organisation Committee | Special & Budgetary | Audit & Risk |
|---------------------|-----------------------|------------------|---------|----------------------------------|-----------------------------------|---------------------|--------------|
| Total Meetings      | 1                     | 3                | 2       | 2                                | 2                                 | 2                   | 1            |
| Mayor Clare Stewart | 1                     | 3                | 2       | 2                                | 2                                 | 2                   | 1            |
| Cr Frank Wilkie     | 1                     | 3                | 2       | n/a                              | 2                                 | 2                   | n/a          |
| Cr Karen Finzel     | 1                     | 3                | 2       | 2                                | n/a                               | 2                   | n/a          |
| Cr Brian Stockwell  | 1                     | 3                | 2       | 2                                | n/a                               | 2                   | n/a          |
| Cr Amelia Lorentson | 1                     | 3                | 2       | n/a                              | 2                                 | 2                   | 1            |
| Cr Tom Wegener      | 1                     | 3                | 1       | 2                                | n/a                               | 2                   | n/a          |
| Cr Joe Jurisevic    | 1                     | 3                | 2       | n/a                              | 2                                 | 2                   | n/a          |

Note: N/A indicates that the Councillor is not a representative of the particular committee.

### Overseas Travel

No official overseas travel was undertaken by Councillors or employees during the period.

### Councillor Conduct

In 2018, a new Councillor Complaints framework commenced to provide for a simpler, streamlined system for making, investigating and determining complaints about councillor conduct in Queensland<sup>2</sup>. Chapter 5A of the LG Act outlines the requirements for dealing with the conduct of councillors. In particular, the Act prescribes the requirements for local governments for dealing with inappropriate conduct, misconduct and corrupt conduct of Councillors to ensure that:

- Appropriate standards of conduct and performance are maintained; and
- A Councillor who engages in inappropriate, misconduct or corrupt conduct is disciplined.

<sup>2</sup> Local Government (Councillor Complaints) and Other Legislation Amendment Bill 2018 (QLD)



Councillors' conduct is governed by the Code of Conduct for Councillors in Queensland, adopted by Council on 20 December 2018, which sets out the principles and standards of behaviour expected of councillors and mayors when carrying out their roles, responsibilities and obligations as elected representatives of their community. Complaints about the conduct of Councillors are to be made, or referred, to the Independent Assessor for investigation and determination.

In accordance with section 186 of the LG Regulation, table 9 outlines orders, actions and outcomes relating to the conduct of councillors for the period.

**Table 9 – Conduct of Councillors**

| Conduct of councillors – 1 July 2019 to 30 June 2020   |     |
|--|-----|
| The number of orders made under section 150I(2) of the LG Act.   | Nil |
| The number of orders made under section 150AH(1) of the LG Act.  | Nil |
| The number of decisions, orders and recommendations made under section 150AR(1) of the LG Act.   | Nil |
| The name of each councillor for whom a decision, order or recommendation under section 150I(2), 150AH(1) or 150 AR(1) of the LG Act was made.  | Nil |
| A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the councillors.  | Nil |
| A summary of the decision, order or recommendation made for each councillor.   | Nil |
| The number of complaints referred to the assessor under section 150P(2)(a) of the LG Act by the local government, a councillor of the local government or the chief executive officer of the local government.                         | 1   |
| The number of matters, mentioned in section 150P(3) of the LG Act, notified to the Crime and Corruption Commission.  | Nil |
| The number of notices given under section 150R(2) of the LG Act.   | Nil |
| The number of notices given under section 150S(2)(a) of the LG Act.  | Nil |
| The number of decisions made under section 150W(1)(a), (b) and (d) of the LG Act for period 1 July 2019 to 31 August 2019.   | Nil |
| The number of decisions made under section 150W(1)(a), (b) and (e) of the LG Act for period 1 September 2019 to 30 June 2020.  | 11  |
| The number of referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LG Act.   | Nil |
| The number of occasions information was given under section 150AF(4)(a) of the LG Act.   | Nil |
| The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LG Act for the local government, the suspected inappropriate conduct of a councillor.                    | Nil |
| The number of applications heard by the conduct tribunal about the alleged misconduct of a councillor for the period 1 July 2019 to 31 August 2019.  | Nil |
| The number of applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the LG Act about whether a councillor engaged in misconduct or inappropriate conduct for the period 1 September 2019 to 30 June 2020. | Nil |



### Executive Remuneration

Under section 201 of the LG Act, the annual report of a local government must state the total of all remuneration packages that were payable during the reporting period to the senior management of the local government and the number of employees in senior management who are being paid each band of remuneration.

The senior management, of a local government, consists of the CEO and all senior executive employees of the local government. A senior executive employee is an employee who reports directly to the CEO and whose position would ordinarily be considered to be a senior position in the corporate structure.

The total of remuneration packages payable to senior management during the period was \$1,379,017. The annual package bands for Council's senior management team are outlined in Table 10.

**Table 10 – Executive Remuneration**

| Package Band          | Number of senior management employees |
|-----------------------|---------------------------------------|
| \$100,000 – \$200,000 | Nil                                   |
| \$200,001 – \$300,000 | 5                                     |
| \$300,001 – \$400,000 | 1                                     |



### Commitment to Equal Opportunity Employment

Council promotes the values of a diverse workforce and is an equal opportunity employer. Council's employment practices are aligned to Queensland's Anti-Discrimination Act 1991 and relevant federal anti-discrimination laws.

Council recognises the importance of workforce diversity and promotes a working environment where people are treated on their merits at every stage of their employment. At Council, all employees are encouraged to embrace equity and diversity at all levels within the organisation. The Noosa Council Employee Code of Conduct reinforces the standards of behaviours required of employees including non-discriminatory workplace practices.

Council will continue to strive to build a workforce and supporting organisational culture that reflects the diversity of the greater community and is free of all forms of discrimination and harassment.

### Administrative Action Complaints

In accordance with section 187 of the LG Act, Council is committed to managing customer feedback and ensuring all complaints are dealt with in a fair, prompt and confidential manner. Council aspires to provide a level of service that does not attract complaints. However, Council acknowledges the public's right to provide feedback on services, including the right to lodge a complaint about a decision or action Council has taken, or failed to take, where considered appropriate to do so. Essentially, Council is committed to ensuring that the information obtained from complaints is used to improve our overall service delivery.

Council's Administrative Action Complaints process provides customers with the opportunity to request a review of administrative decisions made by Council where there are no other formal appeal provisions available under legislation or within Council. Council's Administrative Action Complaints process has been developed to ensure:

- Complaints are handled in a structured, timely and professional manner which is fair, objective, consistent, considerate and respectful of privacy;
- The community has confidence in Council's complaint handling process;
- All staff members are aware of their responsibilities regarding the management of complaints; and
- Complaints are used to identify problems and to continuously improve Council's services.

Council's Administrative Action Complaints process deals with complaints through a tiered system whereby complaints are assessed objectively and may be allocated as a first level to be managed locally by the relevant operational level. For non-complex matters, first level complaints may be capable of resolution at the frontline.

Generally, complaints may also be investigated and managed at a second level (internal review) once it has progressed through the first level complaint process and the complainant remains dissatisfied. Where a complainant remains dissatisfied with the outcome of a second level review, they may wish to lodge a complaint with an external agency, such as the Queensland Ombudsman's Office. A copy of Council's Administrative Action Complaints Management Process is available on Council's website.

Table 11 provides a summary of Administrative Action Complaints for the period. The below statistics highlight that in 2019–20, 72% of complaints were completed and resolved indicating that Council's Administrative Action Complaints process is effective in ensuring the majority of complaints are considered, investigated and finalised within our policy timeframes.

**Table 11 – Administrative Action Complaints**

| Administrative Action Complaints – 1 July 2019 to 30 June 2020   |    |
|--|----|
| (a) The number of administrative action complaints made to Council   | 18 |
| (b) The number of administrative action complaints resolved by Council under its complaints management process | 13 |
| (c) The number of administrative action complaints not resolved under Council's complaints management process  | 5  |
| (d) The number of administrative action complaints under (c) that were made in a previous financial year       | 0  |

### Privacy Complaints

A key aspect of good governance is the responsible handling of personal information and Council is strongly committed to protecting the individual's right to privacy and protecting the personal information of individuals. Queensland's Information Privacy Act 2009 regulates how personal information is managed within government. Council's Governance Branch investigates complaints made by individuals who believe that Council has failed to fulfill its legislative obligations.

Table 12 outlines privacy complaints for the period.

**Table 12 – Privacy Complaints**

| Privacy Complaints – 1 July 2019 to 30 June 2020        |     |
|---|-----|
| The number of privacy complaints received by Council    | 11  |
| The number of privacy complaints resolved by Council    | 11  |
| The number of privacy complaints outstanding by Council | Nil |

### Human Rights Complaints

Noosa Council is committed to protecting and promoting human rights by ensuring that human rights are considered when making, interpreting and applying laws, developing policies, and providing services to our community. Council also recognises that it has an important role in complying with Queensland's *Human Rights Act 2019* through its actions, decisions, proposals and recommendations.

Under the *Human Rights Act 2019*, a person who believes a public entity has breached their human rights obligations has the right to complain by raising a complaint directly with Council. Under section 65 of the *Human Rights Act 2019*, Council has 45 business days to respond, after which the individual can make a formal complaint to the Queensland Human Rights Commission if the complaint has not been responded to or the person is not satisfied with Council's response.

During 2019–20, Council did not receive any human rights complaints.

### Resolutions

In accordance with section 185 of the LG Regulation, particular resolutions associated with expenses must be reported. These resolutions are outlined in Table 13 for the period.



Table 13 – Resolutions

| LG Regulation provision  | Resolution Adoption  |
|--|--|
| Section 250(1)<br>(Adoption of an expense reimbursement policy)                          | Nil  |
| Section 250(2)<br>(Amendment of its expenses reimbursement policy)                       | <i>Councillors' Expenses Reimbursement and Provision of Facilities Policy</i><br>Council note the report by the Director Executive Services to the Services & Organisation Committee dated 12 May 2020 and adopt the updated <i>Councillors' Expenses Reimbursement and Provision of Facilities Policy</i> .<br>Adopted by Council on 21 May 2020. |
| Section 206(2)<br>(Threshold for non-current physical asset to be treated as an expense) | Nil<br><i>No resolutions were made during the 2019/20 financial year. Council's Non-Current Asset Accounting Policy adopted by Council resolution on 15 June 2017 (effective from 1 July 2016) includes recognition thresholds for non-current assets.</i>   |

### Access to Information

Right to Information and Information Privacy gives the community greater access to government information, including from Council, unless contrary to public interest. Council processes Right to Information (RTI) and Information Privacy (IP) access applications in accordance with the following Queensland legislation:

- *Right to Information Act 2009;*
- *Right to Information Regulation 2009;*
- *Information Privacy Act 2009; and*
- *Information Privacy Regulation 2009.*

During 2019–20, the Council processed 23 formal information access applications. Table 14 provides a summary of RTI and IP access applications for the period.

Table 14 – Information Access

| Information Access – 1 July 2019 to 30 June 2020                                |         |
|---|---------|
| The number of Right to Information access applications received by Council      | 22      |
| The number of Information Privacy access applications received by Council       | 1       |
| The number of Right to Information access applications finalised by Council     | 13      |
| The number of pages released under the Right to Information Act 2009            | 481     |
| The number of pages refused under the Right to Information Act 2009             | 342     |
| The amount of fees and charges received under the Right to Information Act 2009 | \$1,878 |

Note: Amount rounded to the nearest dollar.

### Council Registers

Under section 190 of the LG Regulation, Council must maintain certain registers. A number of these registers are available for public inspection at Council's Tewantin office or can be viewed on Council's website.

Below is a list of registers kept by Council:

- Asbestos Register
- Asset Register
- Backflow Device Register
- Building and Plumbing Fees and Charges
- Cemetery Register
- Complaints Register
- Contracts Register
- Delegations Register
- Development Application Register
- Engineering and Environment Fees and Charges
- General Cost Fees and Commercial Charges
- Gifts and Benefits Register
- Health Licensing Register
- Instrument of Appointments
- Insurance Claims Register
- Local Laws Register
- Noosa Policy Register
- On-site Sewerage Facility Register
- Other Development Fees and Charges
- Planning and Development Fees and Charges
- Public Interest Disclosure Register
- Public Pool License Register
- Registers of Interests
- Regulated Dog Register
- Roads Register
- Secondary Employment Register

### Corporate Governance

Good governance is at the heart of everything we do at Council and ensures the community has trust and confidence in the decisions we make. The Noosa Council Governance framework consists of rules, relationships, systems and processes within and by which authority is exercised and decisions are made and actioned to optimise Council's performance to achieve its objectives.

### Enterprise Risk Management

Council's Enterprise Risk Management Framework is an organisation-wide commitment to a consistent approach to managing risks, which extends beyond traditional divisional, departmental or cultural barriers. Council's Enterprise Risk Management Framework is integral in ensuring that Council's strategies, processes, people, technology and knowledge align with the purpose of evaluating and managing risk. Risk can be broadly defined as any issue that may impact upon desired objectives.

The management of risk is not the responsibility of a single branch or a stand-alone function within Council but a shared responsibility across the organisation and is embedded in Council's core business processes and practices.

Council has a Risk Management Policy, Risk Management Framework and a Risk Assessment Guide to assist in the identification, assessment and prioritisation of risks and opportunities identified across Council. Council's Enterprise Risk Management Framework and supporting documents align to the international standard for risk management – AS/NZS ISO 31000:2018.



## Audit and Risk Committee

In accordance with Subdivision 2 of the LG Regulation, Council conducts Audit and Risk Committee meetings to promote good corporate governance through the provision of independent advice and counsel on audit and risk management issues covering a wide range of Council operations and projects.

Under Council's Audit and Risk Committee Charter, a key duty of the Committee is to provide reasonable assurance to Council that its core business goals and objectives are being achieved in an efficient and economical manner, within an appropriate framework of internal control and risk management.

Four formal Audit and Risk Committee meetings were held throughout the period. The Audit and Risk Committee comprises of two councillor members and two expert independent external members. Post-election, the Audit and Risk Committee reviewed the terms of its Charter and membership. As such, the members of Council's Audit and Risk Committee are:

- Mayor Clare Stewart
- Cr Amelia Lorentson
- Scott Williams (Chair)
- Tim Cronin

## Internal Audit

Under section 105 of the LG Act, Council has established an efficient and effective internal audit function that will provide independent, objective assurance and appropriate services designed to add value and improve Council's operations

On 19 March 2020, Council adopted changes to the Internal Audit Policy (previously adopted by Council in December 2018) which provides the framework for the conduct of the internal audit function of Council as endorsed by the Audit and Risk Committee.

The Policy seeks to achieve the following outcomes in undertaking the annual Internal Audit Plan:

- Assess and evaluate Council's processes, procedures and internal control environment to assist with the management of operational risks;
- Appraise the relevance, reliability and integrity of management, business systems, financial and operating records and reports;
- Assist the Chief Executive Officer and Council in the effective discharge of their responsibilities by providing them with analyses, appraisals, recommendations and information concerning the activities reviewed;
- Review compliance with Council policies and procedures, legislative requirements and regulations; and,
- Provide outcomes that will generally improve practices across Council.

Council's Internal Audit Plan for each financial year is developed having regard to current operational risks and is reviewed and adopted by the Audit and Risk Committee. Council's internal audits are conducted in accordance with Council's Internal Audit Terms of Reference and Internal Audit Policy. The Internal Audit activities undertaken for the period include the following:

- Financial Delegations of Authority; and,
- Contractor Management and WH&S Management of Contractors.

The audits were undertaken by specialist external providers. Council has in place a number of systems and processes to ensure that recommendations resulting from its internal audits are appropriately actioned and implemented into day-to-day operations.

## Grants

Council provides a range of services to assist not-for-profit (volunteer) organisations to meet community needs. As such, Council's grants are intended to help organisations and individuals to meet community and environmental needs, build community skills and resilience and develop and maintain community infrastructure.

Council's grants for the period were managed in accordance with several policies including, Council's Community Grants Policy, which was updated and endorsed by Council on 21 May 2020 to align with Council's Social Strategy. Additionally, Council's Environment Grants Policy was updated and adopted by Council on 21 February 2019 and Council's Economic Development Grants Policy was endorsed by Council in November 2017.

The Community Grants Policy does not apply to sponsorships, donations, advertising, naming rights and service level agreements. The outcomes of this Policy include:

- Providing community organisations and individuals (for Regional Arts Development Funds only) with financial support to meet identified community needs;
- Building community skills and resilience;
- Developing and maintaining sustainable community infrastructure;
- Providing opportunities for community organisations to leverage Council's financial assistance to obtain funding from other sources; and
- Providing opportunities for community organisations to deliver on Council's strategic goals and identified key initiatives, such as Council's Corporate Plan, Noosa Social Strategy and Local Economic Plan.

Council's Environment Grants Policy aims to continue to support and collaborate with the community to achieve significant environmental outcomes that align with Council's key environment strategies and plans. The outcomes of this Policy include:

- Implementation of Council's key environment strategies and plans, and the actions within them, that are appropriately delivered through grants;
- Increased capacity of local groups through a collaborative approach to environmental management; and
- Increased funding directed to environmental activities through the opportunities of community groups/organisations to leverage extra funding or resources.

A total of \$1,308,115.67 was supplied by Council through grants for the period. Table 15 below provides a summary of the grants for the period.



Table 15 – Grants

| Grant Recipient  | Funding Amount (\$) |
|--|---------------------|
| <b>Community Project Grants</b>                                      |                     |
| Anywhere Theatre Festival Limited                                    | 7,500.00            |
| Australian Skateboarding Federation Ltd.                             | 9,000.00            |
| AV Coastguard Association Inc.                                       | 9,021.00            |
| Coorora Woodworking Club Inc.  | 2,000.00            |
| Cooroy Gymnastics Club Inc.  | 30,000.00           |
| Cooroy Horse & Pony Club Inc.  | 7,500.00            |
| Cooroy Memorial Hall Association Inc.                                | 3,725.00            |
| Federal Memorial Hall Inc.   | 6,944.00            |
| Friends of Noosa Botanic Gardens Inc.                                | 2,250.00            |
| Girraween Sports Complex   | 8,800.00            |
| Katie Rose Cottage Hospice Ltd                                       | 6,436.25            |
| Men's Shed Pomona Inc.   | 8,431.00            |
| National Heron Sailing Association Australia Inc.                    | 5,000.00            |
| Noosa A H & I Society Inc.   | 10,314.00           |
| Noosa Arts Theatre Inc.  | 14,058.00           |
| Noosa Chorale Inc.   | 5,000.00            |
| Noosa Community Gardens Inc.   | 4,000.00            |
| Noosa District Netball Assoc. Inc.                                   | 6,341.00            |
| Noosa District Rugby League Football Club Inc.                       | 30,000.00           |
| Noosa District Rugby Union Inc.                                      | 2,834.00            |
| Noosa International Film Festival (repayment)                        | -5,000.00           |
| Noosa Lions Football Club Inc.                                       | 15,238.00           |
| Noosa Outrigger Canoe Club Inc.                                      | 1,770.00            |
| Noosa Pickleball Club Inc.   | 2,120.00            |
| Noosa Pirates Rugby League Club                                      | 1,140.00            |
| Noosa Rainbow Festival (Auspiced by Noosaville Business Association) | 1,000.00            |
| Noosa Shire Arts and Crafts Association Inc.                         | 14,700.00           |
| Noosa Strade Bianche Association Inc.                                | 4,500.00            |
| Noosa Table Tennis Club Inc.   | 4,450.00            |
| Noosa Water Polo Inc.  | 1,116.27            |
| Noosa World Surfing Reserve Inc.                                     | 6,848.00            |
| Permaculture Noosa Inc.  | 1,000.00            |
| Pomona Tennis Club Inc.  | 2,000.00            |
| Ridgewood Community Hall Association Inc.                            | 3,272.00            |
| SunnyStreet (Auspiced by Bread and Roses Sisterhood Australia Ltd)   | 5,000.00            |
| Sunshine Butterflies Inc.  | 4,500.00            |
| Tewantin Noosa Cricket Club Inc.                                     | 5,000.00            |

| Grant Recipient  | Funding Amount (\$) |
|--|---------------------|
| The Noosa Croquet Club Inc.  | 2,353.00            |
| The Scout Association of Australia Queensland Branch Inc.  | 3,443.00            |
| United Synergies Ltd   | 16,292.73           |
| Women Initiating New Directions Organization (WINDO) Inc.  | 1,000.00            |
| Zero Emissions Noosa Inc.  | 11,700.00           |
| SUB-TOTAL  | <b>282,597.25</b>   |
| <b>Economic Development Grants</b>   |                     |
| Cooroy Chamber of Commerce Inc.  | 2,000.00            |
| Innovate Noosa Inc.  | 2,000.00            |
| J&S Investing (trustee for Robb family t/a Noosa Hinterland Property Expo)                               | 2,500.00            |
| Noosaville Business Association  | 2,000.00            |
| Silicon Coast Ltd  | 2,000.00            |
| Slow Food Noosa  | 8,000.00            |
| Sunshine Coast Creative Alliance Inc.  | 5,000.00            |
| SUB-TOTAL  | <b>23,500</b>       |
| <b>Environment Project Grants</b>  |                     |
| Ecosystem Management and Biosecurity Solutions   | 19,998.00           |
| Flyin Fox Rescue Release Noosa   | 11,000.00           |
| Mary River Catchment Coordinating Committee  | 10,000.00           |
| Multi-year Environment Collaborative Grant – Keep it in Kin Kin  | 79,156.00           |
| Multi-year Environment Collaborative Grant – Marry River Catchment Coordinating Committee – Biodiversity | 7,200.00            |
| Noosa & District Landcare Group Inc.   | 9,099.00            |
| Noosa Bush Beach and Creek Care Inc.   | 18,493.64           |
| Noosa District Landcare Group  | 10,000.00           |
| Noosa Integrated Catchment Assoc. Inc.   | 27,850.00           |
| Noosa River Plan   | 8,840.00            |
| Wildcare Australia   | 1,000.00            |
| SUB-TOTAL  | <b>202,636.64</b>   |
| <b>Regional Arts Development Fund</b>  |                     |
| Amanda Bennetts  | 5,000.00            |
| Amanda Cole and Noosa Mini Strings   | 3,000.00            |
| Ayla Scanlan   | 3,500.00            |
| Barbora Tomikov  | 5,000.00            |
| Emma Bridget Tomlinson   | 3,000.00            |
| Gail Hewton  | 4,690.00            |
| Gareth Davies  | 5,000.00            |
| James Oxley  | 2,000.00            |
| Jamison Kehl   | 2,000.00            |



| Grant Recipient   | Funding Amount (\$) |
|---|---------------------|
| Lisa Smith  | 3,000.00            |
| Lorissa Manners   | 4,000.00            |
| Noosa Arts Theatre Inc.                                   | 3,000.00            |
| Noosa Long Weekend Inc.                                   | 2,500.00            |
| Pam Walpole   | 3,000.00            |
| Red Chair Pty. Ltd.                                       | 3,000.00            |
| Saren Dobkins   | 2,200.00            |
| The Dennis Sisters (6973 Pty Ltd)                         | 2,000.00            |
| Yanni Van Zijl  | 3,500.00            |
| SUB-TOTAL   | <b>59,390.00</b>    |
| <b>Three Year Alliance Agreement – Emergency Services</b> |                     |
| AV Coastguard Association Inc.                            | 10,979.62           |
| LifeFlight Foundation Ltd                                 | 10,979.62           |
| SUB-TOTAL   | <b>21,959.24</b>    |
| <b>Three Year Alliance Agreement – Environment</b>        |                     |
| Zero Emissions Noosa Inc.                                 | 18,000.00           |
| SUB-TOTAL   | <b>18,000.00</b>    |
| <b>Grants and Subsidies</b>                               |                     |
| Coastguard  | 1,500.00            |
| Cooroora United Football Club                             | 500.00              |
| Cooroy Gymnastics Club Inc.                               | 900.00              |
| Croquet Club  | <b>1,250.00</b>     |
| Hinterland Art Group Inc                                  | 900.00              |
| Noosa Boardriders   | 500.00              |
| Noosa District Rugby League Football Club Inc.            | 1,250.00            |
| Noosa Heads Jazz Club                                     | 500.00              |
| Noosa Table Tennis  | 300.00              |
| Noosa Trailblazers  | 2,150.00            |
| Oz Harvest  | 2,500.00            |
| Pomona & Cooroy AFC                                       | 900.00              |
| QLD Oztag Group   | 700.00              |
| St Vincent de Paul Qld                                    | 2,227.00            |
| U3A   | 1,200.00            |
| SUB-TOTAL   | <b>17,277.00</b>    |
| <b>Three Year Festive Season Event Grant</b>              |                     |
| Cooroy Chamber of Commerce Inc.                           | 7,319.75            |
| Cooroy Pomona Lions Club Inc.                             | 2,509.63            |
| East Coast Originals Inc.                                 | 3,659.87            |
| Kin Kin Community Group Inc.                              | 1,568.52            |

| Grant Recipient  | Funding Amount (\$) |
|--|---------------------|
| Lake Cootharaba Sailing Club Inc.  | 3,137.04            |
| Noosa Christian Outreach Church  | 8,365.43            |
| Noosa Marina Ltd. (Auspiced by Noosa Strade Bianchi Inc.)                          | 5,228.39            |
| Tewantin Noosa Lions Club Inc.   | 10,456.78           |
| Tewantin Noosa Sub Branch RSL  | 3,659.87            |
| SUB-TOTAL  | <b>45,905.28</b>    |
| <b>Three Year Management and Maintenance Community Halls and Centres Agreement</b> |                     |
| Cooran Memorial School of Arts Inc   | 7,507.03            |
| Cooroy Memorial Hall Association Inc.  | 12,549.82           |
| Federal Memorial Hall Inc.   | 5,135.94            |
| Kin Kin Community Group Inc.   | 6,228.08            |
| Peregian Beach Community House Inc   | 9,531.36            |
| Pomona & District Community House Inc.   | 17,830.91           |
| Pomona Memorial School Of Art Hall   | 12,754.41           |
| Ridgewood Community Hall Association Inc.  | 4,475.50            |
| Rotary Club of Noosa Heads Queensland Inc.   | 2,614.20            |
| Tinbeerwah Hall Inc.   | 3,173.64            |
| SUB-TOTAL  | <b>81,800.89</b>    |
| <b>The Nature Conservancy Partnership</b>  |                     |
| The Nature Conservancy   | 179,237.00          |
| SUB-TOTAL  | <b>179,237.00</b>   |
| <b>Three Year Signature Event</b>  |                     |
| Cooroy Future Group Inc.   | 7,319.75            |
| Noosa A H & I Society Inc.   | 10,980.14           |
| Noosa Long Weekend Inc.  | 10,980.14           |
| United Synergies Ltd   | 7,843.10            |
| SUB-TOTAL  | <b>37,123.13</b>    |
| <b>Three Year Sports Field Maintenance Agreement</b>                               |                     |
| Cooroora United Football Club Inc.   | 8,883.61            |
| Cooroy Eumundi Cricket Club Inc.   | 8,883.61            |
| Noosa Australian Football Club Inc.  | 17,767.23           |
| Noosa District Junior Rugby League Football Club Inc.                              | 11,844.82           |
| Noosa District Rugby Union Inc.  | 14,806.02           |
| Noosa District Senior Rugby League Football Club Inc.                              | 14,805.77           |
| Noosa District Softball Association Inc.   | 14,806.02           |
| Noosa Lions Football Club Inc.   | 20,728.46           |
| Noosa Touch Association Inc.   | 11,844.82           |
| Pomona, Cooroy and Districts Australian Football Club Inc.                         | 8,883.61            |
| Pomona-Cooran Amateur Rugby League Football Club Inc.                              | 14,806.02           |



| Grant Recipient                                      | Funding Amount (\$) |
|--|---------------------|
| Tewantin Noosa Cricket Club Inc.                     | 22,209.17           |
| SUB-TOTAL  | <b>170,269.16</b>   |
| Water Rebates  |                     |
| 54 different not-for-profit community organisations. | 86,791.40           |
| SUB-TOTAL  | <b>86,791.40</b>    |
| <b>TOTAL EXPENDITURE FOR THE PERIOD:</b>             | <b>1,308,115.67</b> |

Notes:

1. The Regional Arts Development Fund (RADF) is a partnership between the Queensland Government and Noosa Shire Council to support the development of local arts and culture. It supports local arts and cultural development opportunities by providing one-off, short-term, project-based financial assistance.
2. Grant repayments relate to grants that were unclaimed or refunds returned to Council relating to previous grant rounds that were not acquitted.

### Discretionary Funds

Section 109 of the LG Act defines discretionary funds as funds in the local government's operating fund that are:

- Budgeted for community purposes; and
- Allocated by a Councillor at the Councillor's discretion.

During the period, Council did not establish any discretionary funds.

### Beneficial Enterprises

Section 39(3) of the LG Act 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. Additionally, section 39(4) of the LG Act provides that a local government is conducting a beneficial enterprise if the local government is engaging in, or helping, the beneficial enterprise.

During the period, Council did not engage in any beneficial enterprises.

### Business Activities

A business activity is defined in Schedule 4 of the LG Act as the trading in goods and services by the local government.

Council conducted the following business activities during the period:

- Waste management; and
- Holiday parks, including the Boreen Point Campground, Noosa North Shore Beachfront Caravan Park and Noosa River Holiday Park.

### Significant Business Activity

In accordance with threshold of expenditure and the methodology prescribed by sections 19 and 20 of the LG Regulation, Council's waste management activity was considered a significant business activity for the period.

### Commercial Business Units

Pursuant to section 27(2) of the LG Regulation, a commercial business unit is a business unit that conducts business in accordance with the prescribed key principles of commercialisation.

Council did not nominate any business activities as commercial business units during the period.

### Competitive Neutrality

Council is committed to ongoing compliance with National Competition Policy principles and its legislative obligations in this area. Furthermore, Council is committed to ensuring that its business activities operate on a level playing field with private businesses in the community.

Council ensures that the pricing practises for each business activity comply with the principles of full cost pricing such that total revenue, inclusive of identified and measured community service obligations and net of any advantages and disadvantages of public ownership, should aim to cover the following elements:

- Operational and resource costs;
- Administration and overhead costs;
- Depreciation;
- Tax and debt equivalents; and
- Return on capital / return on cost.

During the period, there were no investigation notices provided to Council relating to competitive neutrality complaints. Accordingly, the Queensland Competition Authority did not make any reportable recommendations to Council in relation to a competitive neutrality complaint.





### Services, facilities and activities for which special rates / charges were levied

Below is a list of Council levies and special rates / charges for the period:

- Tourism and Economic Levy
- Noosa Waters Lock and Weir Maintenance Levy
- Noosa Waters Canal Maintenance Levy
- Noosa Junction Levy
- Noosa Junction Streetscape Levy
- Hastings Street Precinct Levy
- Noosa Main Beach Levy
- Rural Fire Charge
- Hastings Street Community Safety Program Charge
- Lower Noosa North Shore Electricity Charge

There were no levies or special charges supplied by another local government under an agreement for conducting a joint government activity.

### Summary of concessions for rates and charges

#### General rate concessions

In addition to those classes of land granted a general rate exemption per the relevant provisions of the LG Act and supporting regulations, Council also provides general rates concessions to land deemed eligible in accordance with Council's General Rates Donations Policy.

Applications received during the 2019/20 year that meet the policy eligibility requirements will be granted a general rate concession for the year. Property owners must immediately notify Council if there is a substantive change of land use for a property in receipt of a general rate concession.

#### Deferment of general rates

Chapter 4 Part 10 of the LG Regulation allows Council to grant a rating concession to certain ratepayers by entering an agreement to defer the payment of rates and charges.

Pursuant to section 120(1)(a), section 121(b) and section 122(1)(b) of the LG Regulation, Council may allow eligible pensioners to enter into an agreement to defer the payment of rates.



### Deferment for pensioners

To assist eligible pensioners who have experienced large increases in the value of their property as determined by the Department of Natural Resources, Mines and Energy or have experienced financial hardship, Council will allow deferment of up to 50% of the general rate. The deferred rates will accumulate as a debt against the property until it is sold or until the death of the ratepayer.

The deferment of general rates applies only to rates payable with respect to land included in Differential General Rates Categories 1, 5, 6, 7, 8, 9, 10, 11, or 24.

To be eligible to defer up to 50% of the general rate the applicant must:

- own and occupy the property; and
- have no overdue rates and charges on the said property; and
- be the holder of a Pension Concession Card issued by Centrelink or the Department of Veteran Affairs; or
- a Repatriation Health (Gold) Card issued by the Department of Veteran Affairs; or
- a Commonwealth Seniors Health Card; or
- a Queensland Seniors Card issued by the Queensland State Government.

Note that automatic eligibility applies to those ratepayers currently receiving a Pension Concession on their rate notice. Eligibility for those ratepayers with a Seniors Card will be assessed accordingly.

In accordance with section 122(5) of the LG Regulation Council is authorised to charge interest, or request payment of an additional charge, to all deferred general rates for the relevant period.

For the period one ratepayer had their general rates deferred.

### Pensioner Concessions

Council's pensioner rate concession to eligible pensioners is allowed under Chapter 4, Part 10 of the LG Regulation. Table 16 outlines the method of calculation.

Table 16 – Method of calculation

| Pension Rate                 | Sole title to the property | Joint title to the property |
|------------------------------|----------------------------|-----------------------------|
| Maximum level of pension     | \$230 p.a. maximum         | \$180 p.a. maximum          |
|                              | \$115 per half year        | \$90 per half year          |
| Not Maximum level of pension | \$115 p.a. maximum         | \$65 p.a. maximum           |
|                              | \$57.50 per half year      | \$32.50 per half year       |

### Single owner on the maximum rate of pension

Where the pensioner is in receipt of the maximum level of pension and has sole title to the property that is their principal place of residence, the concession shall be 25% of the general rate up to a maximum amount of \$230.00 per annum.

### Joint owner on the maximum rate of pension

Where the pensioner is in receipt of the maximum level of pension and owns the property jointly with one or more people, the concession shall be 25% of the general rate up to a maximum amount of \$180.00 per annum.

### Single owner not on the maximum rate of pension

Where the pensioner is not in receipt of the maximum level of pension and has sole title to the property that is their principal place of residence, the concession shall be 25% of the general rate up to a maximum amount of \$115.00 per annum.

### Joint owner not on the maximum rate of pension

Where the pensioner is not in receipt of the maximum level of pension and owns the property jointly with one or more people, the concession shall be 25% of the general rate up to a maximum amount of \$65.00 per annum.

### Invitations to Change Tenders

There were no reportable invitations made by Council to change tenders during the period.

### Infrastructure Charges

Under Queensland infrastructure charges legislation, Council levies infrastructure charges on development approvals. They can be collected in the form of monetary contributions, or in some instances in the form of physical trunk infrastructure in lieu of paying the charge. The timing of money contributions received may differ from the timing of when the infrastructure is constructed, and any unspent funds are held by Council in reserve for that purpose in future years.

Council's planning scheme identifies the particular trunk infrastructure can be funded through infrastructure charges in its Local Government Infrastructure Plan (LGIP).

The following table summarises the infrastructure charges revenue and expenditure for the 2019-20 year. In accordance with the Planning Regulation 2017 full details of infrastructure charges are provided on Council's website.

| Infrastructure charges revenue   |  | Infrastructure charges expenditure   |   |  |
|--|--|--|---|--|
| Total amount of infrastructure charges revenue collected (by way of infrastructure charges levied) | Total amount of infrastructure charges that were offset (i.e. infrastructure provided by a developer in lieu of paying the charge) | Total amount of infrastructure charges spent on the supply of trunk infrastructure | Total amount of infrastructure charges that the local government refunded | Total amount of unspent infrastructure charges revenue |
| \$'000   | \$'000   | \$'000   | \$'000  | \$'000   |
| 1,994.3  | 12.8   | 1,956.7  | 0.0   | 24.8   |



The following table outlines the trunk infrastructure that was funded through infrastructure charges during the 2019–20 year.

| Trunk infrastructure description  | Trunk infrastructure network | Locality   | Method of delivery | Value (\$'000) |
|---|------------------------------|------------|--------------------|----------------|
| Upgrade existing trunk footpath along frontage  | Transport                    | Noosaville | Developer          | 5.4            |
| Funding of loan repayment costs associated with loan funds raised historically to construct trunk infrastructure in the Noosa Shire | Transport                    | Various    | Council            | 1,956.7        |

Council's long term financial plan, adopted as part of the 2020–2021 budget, provides a forward projection of anticipated infrastructure charges revenue and expenditure.

| Financial Year                   | 2020–2021 | 2021–2022 | 2022–2023 | 2023–2024 |
|----------------------------------|-----------|-----------|-----------|-----------|
| \$'000                           | \$'000    | \$'000    | \$'000    | \$'000    |
| Infrastructure charges revenue   | 1,475.7   | 2,000.0   | 2,000.0   | 2,000.0   |
| Trunk infrastructure expenditure | 1,475.7   | 2,000.0   | 2,000.0   | 2,000.0   |



# Community Financial Report

## OVERVIEW

This report simplifies the detailed financial information that Council is required to prepare under legislation and provides a summary of Council financial performance for the 2019/20 financial year.

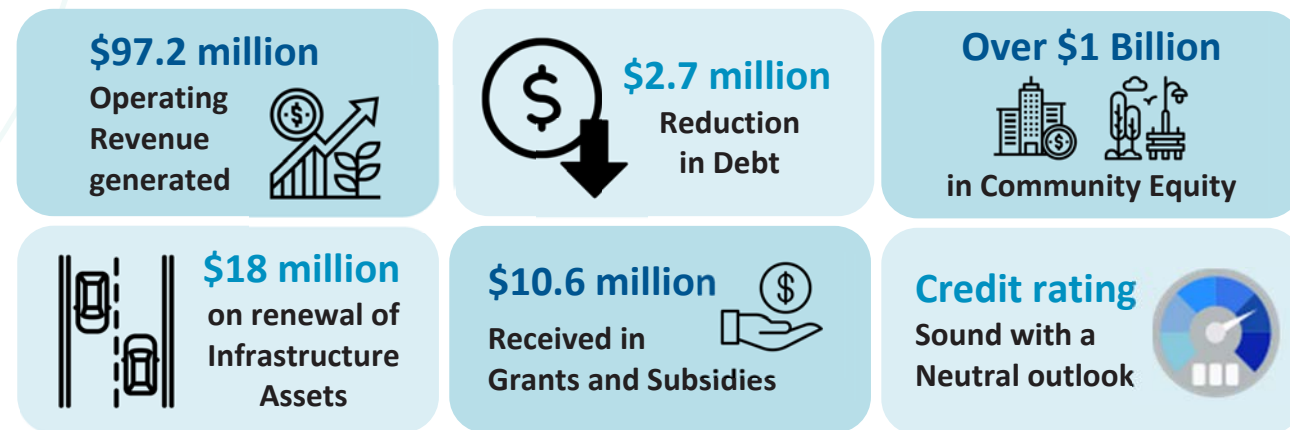
The period ended 30 June 2020 represents another positive financial result for Council and provides a firm foundation for future operations. Ongoing innovation and a commitment to strong financial management through compliance with our Financial Sustainability policy will ensure that this position is maintained into the future.



## Highlights and achievements

Council has achieved another positive financial result this year. The following outcomes were achieved during the year:

1. An operating surplus of \$0.64 million was still achieved even after accommodating the financial impacts of the COVID-19 pandemic.
2. The key COVID-19 financial impacts for Council included lost revenues from the closure of community facilities between March and June, reductions in waste collection charges, the provision of business and community financial support packages as well as increased personal protection measures for the community and staff.
3. A net financial result of \$10.98 million when adding Council's share of Unitywater's annual profit, capital revenue and capital income to Council's operating profit.
4. A decrease in debt levels supported by stable cash balances.



## Background

Council's annual financial statements are prepared to comply with Australian Accounting Standards and contain specific information regarding financial performance.

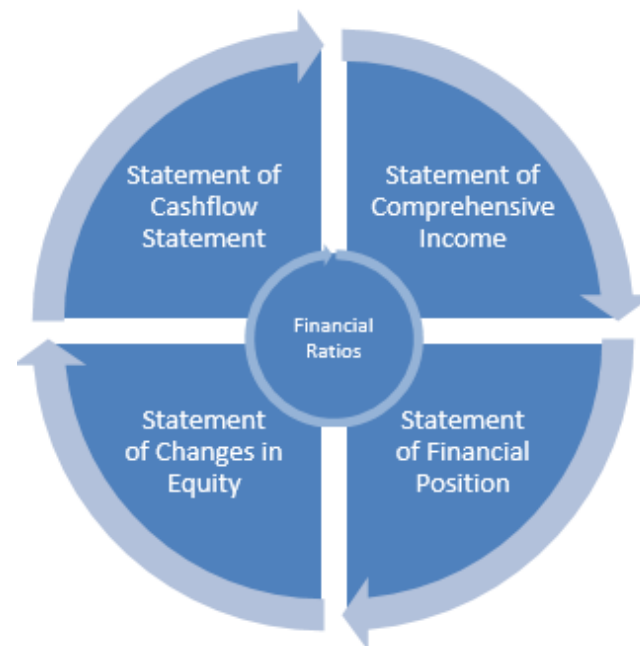
Financial statements include:

- a Statement of Comprehensive Income (i.e. Profit and Loss),
- a Statement of Financial Position (i.e. Balance Sheet),
- a Statement of Changes in Equity, and
- a Statement of Cash Flows.

Collectively, these financial statements provide a formal picture of the financial strength of an organisation.

The Community Financial Report (CFR) consists of five key reporting elements, each of which has a specific purpose for the measurement and presentation of Council's finances. The linkages between the five key elements are shown in Figure 1.

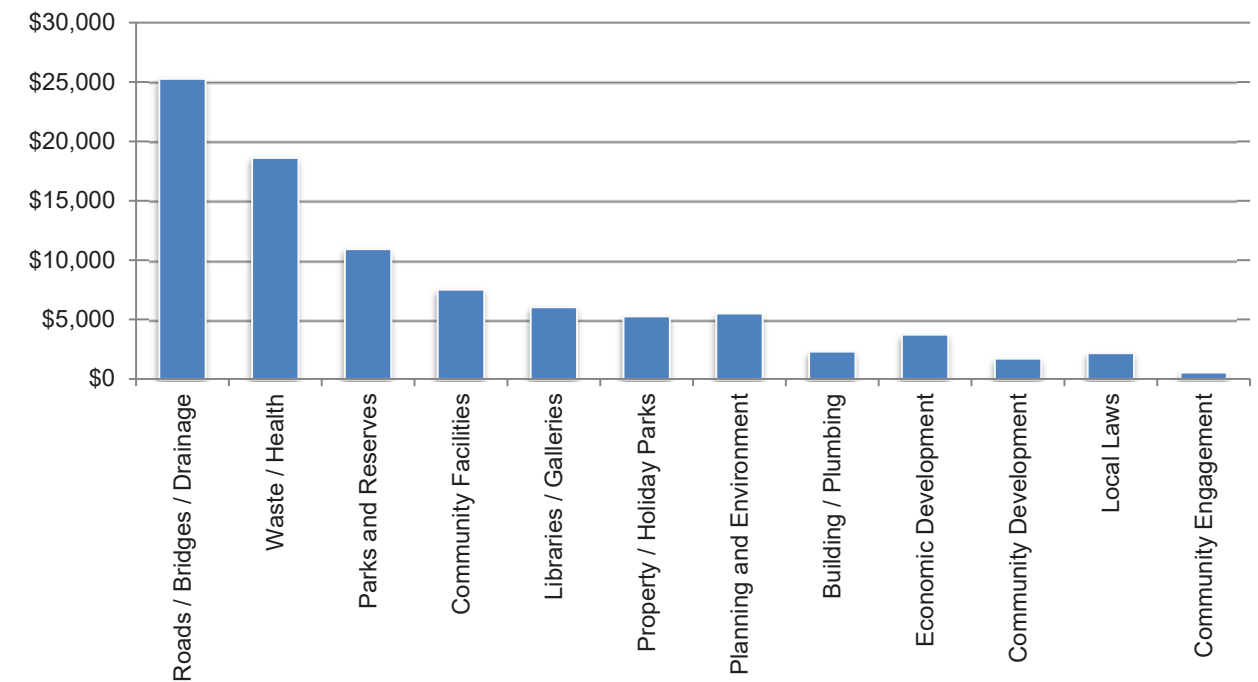
Figure 1 – Financial Reporting Elements



## Where was the budget spent?

Council spends significant amounts of ratepayer funds providing a range of services to the Noosa community. A summary of the cost of the services for our major service areas is provided in Figure 2. Spending on these services (including roads, bridges, parks, community facilities and waste management) makes up a significant component of Council's annual budget.

Figure 2 – Operating Cost of Core Council Services 2019/20 (\$'000)



## Statement of Comprehensive income

This statement (also known as the profit and loss) measures how Council performed financially in relation to funding its operations during the financial year. In simple terms, it summarises how much money was received by Council and how much was spent in a particular year. Figure 3 summarises Council's 2019/20 financial performance.

The 2019/20 net result of \$10.98 million includes non-operational items such as revenue received specifically to fund capital expenditure (including grants and subsidies and developer contributions), Council's share of Unitywater's annual profit and movements in investment property valuations.

Figure 3 – Council Net Result Financial Performance 2019/20 (\$'000)

|                   | 2018/19 (\$'000) | 2019/20 (\$'000) |
|-------------------|------------------|------------------|
| <b>Revenue</b>    | 112,575          | 111,738          |
| <b>Expenses</b>   | 95,090           | 100,750          |
| <b>Net Result</b> | <b>17,485</b>    | <b>10,988</b>    |

The removal of \$10.34 million of non-operational items shows Council's actual operating surplus to be \$0.64 million



## Operating revenue – where the money came from

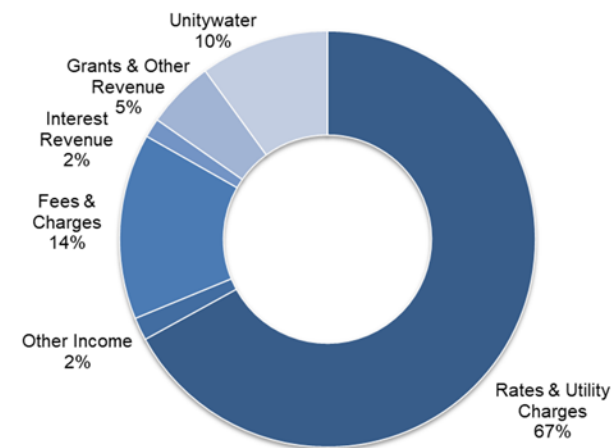
Throughout the financial year, Council received a total of \$97.2 million in operating revenues (rates, fees, operating grants), \$8.4 million in capital revenues (developer contributions, capital grants) and \$6.1 million recorded as revenue from Council's share of investment in Unitywater.

Figure 4 outlines the sources of Council's \$97.2 million in operating revenue received in 2019/20.

Key Council revenue sources include:

- Rates and utility charges comprising general rates, charges for waste collection and disposal, special rates such as the tourism and economic levy as well as other separate rates and special charges.
- Fees and charges include a range of regulatory fees and charges as well as revenue from commercial operations such as holiday parks and waste management.
- Interest revenue includes the return from the investment of available cash.
- Revenue from other income includes tax payments from Council's shareholding in Unitywater

Figure 4 – Operating Revenue Sources 2019/20



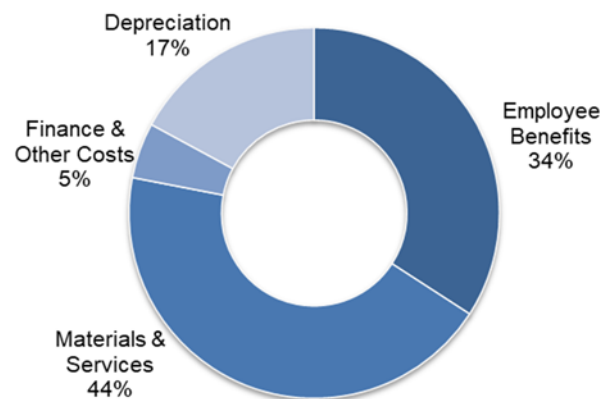
The above breakdown in operating revenue confirms that Council continues to have significant control over the majority of its income sources, and as a result is not reliant on other levels of government or external agencies to maintain its financial independence.

## Operating expenditure – where the money goes

Council expended a total of \$96.6 million in undertaking operating activities during the financial year.

Figure 5 presents a breakdown by expenditure type for operating expenditure incurred during 2019/20.

Figure 5 – Operating Expenses by Function 2019/20



Key Council expenditure sources include:

- Employee benefits - includes staff wages, superannuation, fees paid to Councillors and other employment costs.
- Depreciation expenditure – records the consumption of community infrastructure assets over their respective useful lives and provides an indication of the level of required expenditure on the rehabilitation and renewal of existing assets annually. The revaluation of infrastructure assets during the year has also impacted the annual depreciation charge.
- Materials and services – include information communication technology, consultancy services, contractor services, electricity, external hire, rentals, repairs and maintenance, and advertising and donations.
- Finance and other costs – include interest paid on loan borrowings, fees associated with the early repayment of borrowings and movement in the provision for future landfill rehabilitation costs.

## Statement of Financial Position

The Statement of Financial Position (or balance sheet) measures what Council owns (i.e. its assets), and what we owe (i.e. liabilities) to determine the total community equity (net worth) at the end of each financial year. Overall, Council's investment in community capital continues to grow steadily.

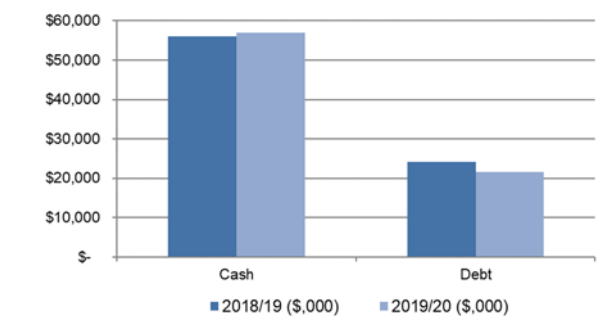
Figure 6 summarises the movement in Council's assets and liabilities that comprise community equity.

Figure 6 – Comparative Statement of Financial Position 2019/20 (\$'000)

|                         | 2018/19 (\$'000) | 2019/20 (\$'000) |
|-------------------------|------------------|------------------|
| <b>Assets</b>           | 1,095,611        | 1,146,785        |
| <b>Liabilities</b>      | 53,035           | 56,987           |
| <b>Community Equity</b> | <b>1,042,576</b> | <b>1,089,798</b> |

Figure 7 shows Council's cash and debt holdings as at 30 June 2020 compared to the previous year. Cash levels have increased despite the impacts of the COVID-19 pandemic and Council's delivery of a large capital program. Debt levels decreased as Council continues to minimise its debt position. Overall, our net cash position (i.e. cash less debt) still actually increased by \$3.7 million during the year.

Figure 7 – Cash and Debt Comparison 2018/19 (\$'000)



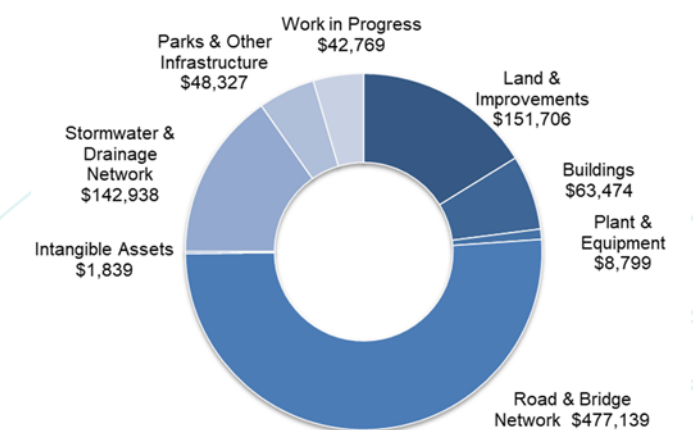
## Assets – what we own

Current assets are represented by cash, investments, inventories and receivables (money owed to Council). Council's current assets as at 30 June 2020 equated to \$69.0 million.

Non-current assets of over \$1 billion includes property, plant and equipment totalling \$929 million, as well as the value of Council's investment in Unitywater. Property, Plant and Equipment represents community infrastructure which includes roads, bridges, stormwater, buildings, land and other operational assets owned and controlled by Council.

The main non-current asset categories and their respective values are shown in the Figure 8.

Figure 8 – Non-Current Assets and Community Infrastructure 2019/20 (\$'000)



## Liabilities – what we owe

Money owed by Council is presented as both current and non-current liabilities in the statement of financial position. Current liabilities are those amounts that are payable by Council within the next twelve months, and non-current liabilities are payable beyond the twelve month horizon.

The most significant element is loans raised by Council to fund the investment in community infrastructure. Council's total loan borrowings continued to reduce in 2019/20 as no new loans were drawn down and the standard annual loan repayment schedule was met



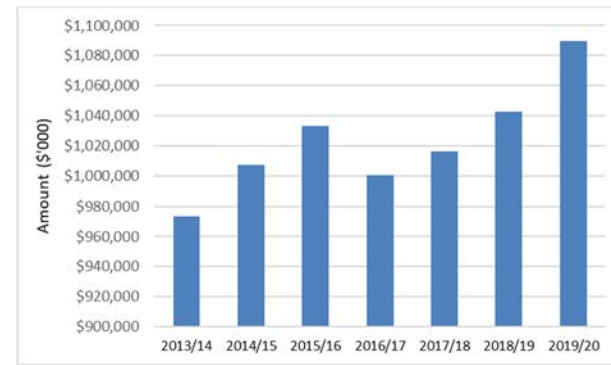
## Statement of Changes in Equity.

The Statement of Changes in Equity illustrates how the net worth of Council has changed as a result of activities undertaken during the period. Council's total community equity as at 30 June 2020 is \$1.0 billion.

Community equity is equal to total assets (what we own) less total liabilities (what we owe) and represents Council's net investment in assets.

Figure 9 shows the movement in Community Equity since the De-Amalgamation of Council in 2014.

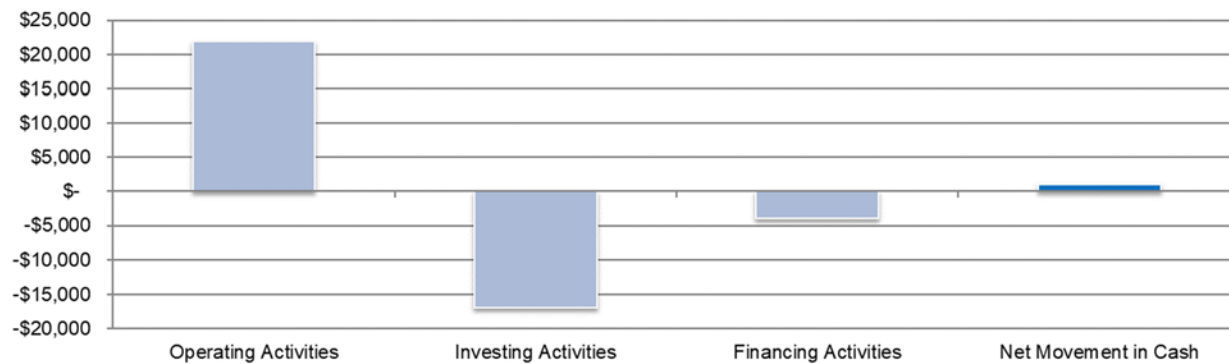
Figure 9 - Community Equity movement



## Statement of Cash Flows

The Statement of Cash Flows shows where Council has generated cash and where these funds have been expended. The detailed schedule in the financial statements is summarised in Figure 10 (columns above the line represent cash flowing into the organisation, and columns below the line represent cash payments made).

Figure 10 –Net Cash Flow Sources 2019/20 (\$'000)



Key elements to Council's annual cash flow include:

- **Operating activities** depicts the net of income received from rates, interest, grants, etc. and payments made to suppliers and employees.
- **Investing activities** relate to the acquisition and sale/disposal of long-term assets, generally in the form of roads, bridges, plant and equipment, etc. A negative outcome here represents a net investment in community infrastructure during the reporting period.
- **Financing activities** shows the receipt and repayment of Council borrowings. A negative outcome here represents that Council has repaid more loans compared to new borrowings raised.
- **Net movement in cash** represents the total physical movement of cash, with any accounting adjustments and accruals removed. The net positive movement in cash for the year of \$1.0 million represents a net increase in cash on hand, with all significant outlays fully funded within the period.

## Financial ratios

Ratios are useful tools for getting a snapshot of the financial status and trends of an organisation. Ratios can also be useful in comparing Noosa Council to other Councils to gain an understanding of relative financial strength. This analysis is undertaken periodically by the Queensland Treasury Corporation (QTC) in assessing the financial sustainability of Council.

A number of sustainability ratios are mandated under the *Local Government Regulation 2012*, including target ranges for each measure. Details of these ratios are shown in Figure 11, including actual results for the current reporting period plus projections over the next 9 years.

Figure 11 – Financial Ratios 2019/20 (Actual) to 2028/29 (Forecast)

| Period Ended 30 June                   | 2020         | 2021     | 2022          | 2023   | 2024   | 2025   | 2026    | 2027    | 2028    | 2029    |
|--|--------------|----------|---------------|--------|--------|--------|---------|---------|---------|---------|
| <b>Sustainability Ratios</b>           |              |          |               |        |        |        |         |         |         |         |
| <b>Operating Surplus Ratio</b>         |              |          |               |        |        |        |         |         |         |         |
| Operating Position                     | 6.5%         | (2.3)%   | (0.6)%        | 0.0%   | 0.2%   | 0.3%   | 0.2%    | 0.2%    | 0.1%    | 0.2%    |
| Local Govt Act upper indicator         | 10%          | 10%      | 10%           | 10%    | 10%    | 10%    | 10%     | 10%     | 10%     | 10%     |
| <b>Net Financial Liabilities Ratio</b> |              |          |               |        |        |        |         |         |         |         |
| Net Financial Liabilities Ratio        | (11.6)%      | (6.3)%   | (7.5)%        | (6.5)% | (5.6)% | (9.4)% | (13.1)% | (14.8)% | (17.3)% | (19.9)% |
| Local Govt Act upper indicator         | 60%          | 60%      | 60%           | 60%    | 60%    | 60%    | 60%     | 60%     | 60%     | 60%     |
| <b>Asset Sustainability Ratio</b>      |              |          |               |        |        |        |         |         |         |         |
| Asset Sustainability Ratio             | 121.7%       | 100.2%   | 106.9%        | 122.9% | 121.4% | 93.2%  | 92.1%   | 99.8%   | 96.0%   | 93.9%   |
| Local Govt Act minimum indicator       | 90%          | 90%      | 90%           | 90%    | 90%    | 90%    | 90%     | 90%     | 90%     | 90%     |
| <b>Colour Scale:</b>                   |              |          |               |        |        |        |         |         |         |         |
|  | Within range | Moderate | Outside range |        |        |        |         |         |         |         |

### Operating surplus ratio

Council's should be aiming to achieve as a minimum a balanced operating position to ensure that revenues received are sufficient to fund operations and capital replacement works. A surplus will be represented by a positive result.

The 2019/20 operating surplus ratio of 6.5% is a reflection of consistent revenue growth along with good management of our expenditure, partial prepayment of the 2019/20 financial assistance grant early in June 2020, revaluation of non-current asset impacts on depreciation expense as well as some unspent levy funds that are required to be held for future use. The forecast shows Council's ongoing commitment to strong financial management.

### Operating Surplus / (Deficit)

Total Operating Revenue

### Net financial liabilities ratio

The target range is less than 60%. A negative percentage indicates that current assets exceed total liabilities and is considered a very strong position.

Net Financial Liabilities  
(Total liabilities less current assets)

Total Operating Revenue

The strong position of (11.6%) at 30 June 2020 indicates that Council has the capacity to service higher levels of debt if needed.

### Asset sustainability ratio


This is a measure of whether Council is reinvesting in existing assets to ensure that they meet required levels of service for the community.

Annual Asset Renewal and Rehabilitation Expenditure

Annual Depreciation Charge

During 2019/20 Council achieved a ratio of 121.7%. This ratio is reflective of the efficient delivery of the capital program during the year, including an investment of \$18 million in the replacement of infrastructure such as roads, bridges and buildings. This result reflects Council's continued investment in infrastructure replacement and adherence to sound asset management principles to maintain levels of service to the community.



 NOOSA COUNCIL



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# Financial Statements 2019-20



# Noosa Shire Council

## General Purpose Financial Statements for the year ended 30 June 2020

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# Noosa Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2020

|   | Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|---|-------|----------------|----------------|
| <b>Income</b>   |       |                |                |
| <b>Revenue</b>  |       |                |                |
| <b>Recurrent Revenue</b>  |       |                |                |
| Rates, Levies and Charges   | 3a    | 69,237         | 66,453         |
| Fees and Charges  | 3b    | 6,444          | 7,059          |
| Sales Revenue   | 3c    | 8,486          | 9,726          |
| Grants, Subsidies, Contributions and Donations                          | 3d    | 5,446          | 5,447          |
| <b>Total Recurrent Revenue</b>  |       | <b>89,613</b>  | <b>88,685</b>  |
| <b>Capital Revenue</b>  |       |                |                |
| Grants, Subsidies, Contributions and Donations                          | 3d    | 8,400          | 8,696          |
| <b>Total Capital Revenue</b>  |       | <b>8,400</b>   | <b>8,696</b>   |
| <b>Other Income</b>   |       |                |                |
| Rental Income   | 18    | 1,003          | 1,281          |
| Interest and Investment Revenue   | 4b    | 3,937          | 4,763          |
| Equity share of profit (loss) in Associate through Participation Rights | 12    | 6,094          | 6,452          |
| Other Income  | 4a    | 2,691          | 2,698          |
| <b>Total Other Income</b>   |       | <b>13,725</b>  | <b>15,194</b>  |
| <b>Total income</b>   |       | <b>111,738</b> | <b>112,575</b> |
| <b>Expenses</b>   |       |                |                |
| <b>Recurrent Expenses</b>   |       |                |                |
| Employee Benefits   | 5     | 32,996         | 31,962         |
| Materials and Services  | 6     | 42,394         | 38,893         |
| Finance Costs   | 7     | 4,688          | 5,146          |
| Depreciation and Amortisation:  |       |                |                |
| - Property, Plant and Equipment   | 14    | 16,063         | 15,489         |
| - Intangible Assets   | 16    | 404            | 316            |
| - Right of Use Assets   | 18    | 54             | -              |
| <b>Total Recurrent Expenses</b>   |       | <b>96,599</b>  | <b>91,806</b>  |
| <b>Other Expenses</b>   |       |                |                |
| Capital Expenses  | 8     | 4,151          | 3,284          |
| <b>Total Other Expenses</b>   |       | <b>4,151</b>   | <b>3,284</b>   |
| <b>Total Expenses</b>   |       | <b>100,750</b> | <b>95,090</b>  |
| <b>Net Result</b>   |       | <b>10,988</b>  | <b>17,485</b>  |
| <b>Other Comprehensive Income</b>                                       |       |                |                |
| <b>Items that will not be reclassified to Net Result</b>                |       |                |                |
| Increase/(Decrease) in Asset Revaluation Surplus                        | 14    | 35,715         | 9,070          |
| <b>Total Other Comprehensive Income</b>                                 |       | <b>35,715</b>  | <b>9,070</b>   |
| <b>Total Comprehensive Income for the year</b>                          |       | <b>46,703</b>  | <b>26,555</b>  |

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



# Noosa Shire Council

## Statement of Financial Position as at 30 June 2020

|                                      | Notes | 2020<br>\$'000   | 2019<br>\$'000   |
|--------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                        |       |                  |                  |
| <b>Current Assets</b>                |       |                  |                  |
| Cash and Cash Equivalents            | 9     | 57,024           | 55,981           |
| Receivables                          | 10    | 8,883            | 8,752            |
| Inventories                          |       | 181              | 198              |
| Contract Assets                      | 17    | 27               | -                |
| Other Assets                         | 11    | 2,885            | 2,455            |
| <b>Total Current Assets</b>          |       | <b>69,000</b>    | <b>67,386</b>    |
| <b>Non-Current Assets</b>            |       |                  |                  |
| Receivables                          | 10    | 49,593           | 49,718           |
| Equity Investments                   | 12    | 88,040           | 83,342           |
| Investment Property                  | 13    | 3,000            | 3,300            |
| Property, Plant and Equipment        | 14    | 929,355          | 885,912          |
| Right of Use Assets                  | 18    | 161              | -                |
| Intangible Assets                    | 16    | 7,636            | 5,953            |
| <b>Total Non-Current Assets</b>      |       | <b>1,077,785</b> | <b>1,028,225</b> |
| <b>TOTAL ASSETS</b>                  |       | <b>1,146,785</b> | <b>1,095,611</b> |
| <b>LIABILITIES</b>                   |       |                  |                  |
| <b>Current Liabilities</b>           |       |                  |                  |
| Payables                             | 19    | 7,692            | 7,051            |
| Contract Liabilities                 | 17    | 1,568            | -                |
| Borrowings                           | 20    | 3,023            | 3,112            |
| Lease Liabilities                    | 18    | 54               | -                |
| Provisions                           | 21    | 7,582            | 7,461            |
| Other Liabilities                    | 22    | 3,158            | 2,768            |
| <b>Total Current Liabilities</b>     |       | <b>23,077</b>    | <b>20,392</b>    |
| <b>Non-Current Liabilities</b>       |       |                  |                  |
| Borrowings                           | 20    | 18,493           | 21,120           |
| Lease Liabilities                    | 18    | 110              | -                |
| Provisions                           | 21    | 15,307           | 11,523           |
| <b>Total Non-Current Liabilities</b> |       | <b>33,910</b>    | <b>32,643</b>    |
| <b>TOTAL LIABILITIES</b>             |       | <b>56,987</b>    | <b>53,035</b>    |
| <b>Net Community Assets</b>          |       | <b>1,089,798</b> | <b>1,042,576</b> |
| <b>COMMUNITY EQUITY</b>              |       |                  |                  |
| Asset Revaluation Surplus            | 23    | 86,524           | 50,809           |
| Retained Surplus/(Deficiency)        |       | 1,003,274        | 991,767          |
| <b>Total Community Equity</b>        |       | <b>1,089,798</b> | <b>1,042,576</b> |

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



# Noosa Shire Council

## Statement of Changes in Equity for the year ended 30 June 2020

|  | Notes | Asset<br>Revaluation<br>Surplus<br>\$'000 | Retained<br>Surplus<br>\$'000 | Total<br>Equity<br>\$'000 |
|--|-------|---|-------------------------------|---------------------------|
| <b>2020</b>  |       |   |                               |                           |
| <b>Balance as at 1 July 2019</b>                         |       | 50,809                                    | 991,767                       | <b>1,042,576</b>          |
| Correction of prior period errors                        |       | -   | 3,019                         | <b>3,019</b>              |
| Adjustment on initial application of AASB 15 / AASB 1058 |       | -   | (2,500)                       | <b>(2,500)</b>            |
| <b>Restated Balance as at 1 July 2019</b>                |       | <b>50,809</b>                             | <b>992,286</b>                | <b>1,043,095</b>          |
| <b>Net Result for the Year</b>                           |       | -   | 10,988                        | <b>10,988</b>             |
| Other Comprehensive Income for the year                  |       |   |                               |                           |
| - Increase/(Decrease) in Asset Revaluation Surplus       | 14    | 35,715                                    | -                             | <b>35,715</b>             |
| <b>Other Comprehensive Income</b>                        |       | <b>35,715</b>                             | -                             | <b>35,715</b>             |
| <b>Total Comprehensive Income for the year</b>           |       | <b>35,715</b>                             | <b>10,988</b>                 | <b>46,703</b>             |
| <b>Balance as at 30 June 2020</b>                        |       | <b>86,524</b>                             | <b>1,003,274</b>              | <b>1,089,798</b>          |

|  | Notes | Asset<br>Revaluation<br>Surplus<br>\$'000 | Retained<br>Surplus<br>\$'000 | Total<br>Equity<br>\$'000 |
|--|-------|---|-------------------------------|---------------------------|
| <b>2019</b>  |       |   |                               |                           |
| <b>Balance as at 1 July 2018</b>                   |       | 41,739                                    | 974,285                       | <b>1,016,024</b>          |
| Adjustment on initial application of AASB 9        |       | -   | (3)                           | <b>(3)</b>                |
| <b>Restated Balance at 1 July 2018</b>             |       | <b>41,739</b>                             | <b>974,282</b>                | <b>1,016,021</b>          |
| <b>Net Result for the Year</b>                     |       | -   | 17,485                        | <b>17,485</b>             |
| Other Comprehensive Income                         |       |   |                               |                           |
| - Increase/(Decrease) in Asset Revaluation Surplus | 14    | 9,070                                     | -                             | <b>9,070</b>              |
| <b>Other Comprehensive Income</b>                  |       | <b>9,070</b>                              | -                             | <b>9,070</b>              |
| <b>Total Comprehensive Income for the year</b>     |       | <b>9,070</b>                              | <b>17,485</b>                 | <b>26,555</b>             |
| <b>Balance as at 30 June 2019</b>                  |       | <b>50,809</b>                             | <b>991,767</b>                | <b>1,042,576</b>          |

The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.



# Noosa Shire Council

## Statement of Cash Flows

for the year ended 30 June 2020

|   | Notes | 2020<br>\$'000  | 2019<br>\$'000  |
|---|-------|-----------------|-----------------|
| <b>Cash Flows from Operating Activities</b>                             |       |                 |                 |
| Receipts from Customers   |       | 91,168          | 92,597          |
| Payments to Suppliers and Employees                                     |       | (82,671)        | (78,821)        |
|   |       | 8,497           | 13,776          |
| <b>Receipts:</b>  |       |                 |                 |
| Interest and Investment Revenue Received                                |       | 3,937           | 4,763           |
| Rental Income   |       | 1,003           | 1,281           |
| Non Capital Grants and Contributions                                    |       | 5,315           | 5,447           |
| Income Tax Equivalent Received  |       | 1,857           | 1,754           |
| Income from Equity Investment   |       | 1,396           | 1,487           |
| <b>Payments:</b>  |       |                 |                 |
| Interest Expense  |       | (143)           | (133)           |
| <b>Net Cash Inflows/(Outflows) from Operating Activities</b>            | 27    | <b>21,862</b>   | <b>28,375</b>   |
| <b>Cash Flows from Investing Activities</b>                             |       |                 |                 |
| <b>Receipts:</b>  |       |                 |                 |
| Proceeds of Sale of Property, Plant and Equipment                       |       | 284             | 383             |
| Grants, Subsidies, Contributions and Donations                          |       | 8,640           | 5,140           |
| <b>Payments:</b>  |       |                 |                 |
| Payments for Property, Plant and Equipment                              |       | (23,830)        | (24,848)        |
| Payments for Intangible Assets  |       | (2,088)         | (1,347)         |
| Net movement in Loans and Advances                                      |       | 125             | (625)           |
| <b>Net Cash Inflows/(Outflows) from Investing Activities</b>            |       | <b>(16,869)</b> | <b>(21,297)</b> |
| <b>Cash flows from Financing Activities</b>                             |       |                 |                 |
| <b>Payments:</b>  |       |                 |                 |
| Repayment of Borrowings   |       | (3,950)         | (15,290)        |
| <b>Net Cash Inflows/(Outflows) from Financing Activities</b>            |       | <b>(3,950)</b>  | <b>(15,290)</b> |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents held</b>        |       | <b>1,043</b>    | <b>(8,212)</b>  |
| <b>Cash and Cash Equivalents at the beginning of the financial year</b> |       | <b>55,981</b>   | <b>64,193</b>   |
| <b>Cash and Cash Equivalents at the end of the financial year</b>       | 9     | <b>57,024</b>   | <b>55,981</b>   |



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies

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#### **(1.a) Basis of preparation**

The Noosa Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020. They are prepared in accordance with 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 financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment and investment property.

#### **(1.b) New and revised Accounting Standards adopted during the year**

Noosa Shire Council adopted all Australian Accounting Standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019. The standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy Note 28 for transition disclosures for AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of NFP Entities and AASB 16 Leases.

#### **(1.c) Standards issued by the AASB not yet effective**

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

#### **Effective for NFP annual reporting periods beginning on or after 1 January 2020**

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-6 Amendments to Australia Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

#### **Effective for NFP annual reporting periods beginning on or after 1 January 2021**

- AASB 17 Insurance Contracts

#### **Effective for NFP annual reporting periods beginning on or after 1 January 2022**

- AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)

#### **(1.d) Estimates and Judgements**

Councils make 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:

- Investment Property - Note 13
- Valuation and depreciation of Property, Plant & Equipment - Note 14
- Impairment of Property, Plant and Equipment - Note 8



## Notes to the Financial Statements for the year ended 30 June 2020

### Note 1. Summary of Significant Accounting Policies (continued)

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- Provisions - Note 21
- Contingent Liabilities - Note 25
- Financial instruments and financial assets – Note 30
- Revenue - Note 3

During the 2019/20 financial year, Council commenced a project to stocktake and align asset data between financial, asset management and spatial systems for buildings and stormwater asset classes. This work aligned to the comprehensive revaluation of buildings and stormwater also undertaken during the 2019/20 financial year.

The stocktake identified various assets to be derecognised, initially recognised and valuations amended due to the following:

- Derecognised buildings in prior periods which resulted in not accounting for asset disposals. (\$0.139m decrease)
- Initial recognition of buildings that should have been included in previous years financial statements. (\$3.159m increase)
- Improved attribute information for stormwater assets resulted in a change in valuation estimates. (\$7.915m increase)

The net impact of these adjustments is not considered material.

#### (1.e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

#### (1.f) Volunteer Services

Council currently utilises volunteer resources at Noosa Community Support Centre, Noosaville & Cooroy Libraries, Noosa Botanic Gardens, Noosa Bushland Care and Noosa Gallery.

Council has not recognised the value of volunteer services in these financial statements as the value donated cannot be reliably measured at this time. Further, if these volunteer services had not been donated they would not have been procured.

#### (1.g) Taxation

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

#### (1.h) COVID -19

The COVID-19 pandemic has impacted on Council's operations and this is expected to continue into 2020-21. In line with the State Government directives implemented as a result of the pandemic the following Council facilities were closed; Holiday Parks, Libraries, Leisure Centre, Aquatic Centre, The J and the Digital Hub. These closures directly impacted the revenue streams from these operations.

Council also provided a business support package which included rent abatement periods for some its commercial tenants and the waiving of various fees and permits to impacted businesses.

Council also amended its supplier payments terms from 30 days to seven days to assist local business with cashflow.

Impacts of COVID-19 on asset revaluations undertaken during the current year were assessed, however it was determined that there was not a significant impact and Council's assets as presented in the financial statement are at fair value.

The overall financial impact on Council attributed to the COVID-19 pandemic in the 2019/20 financial year was not material.



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 2(a). Council functions - Component Descriptions

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**Details relating to the Council's functions / activities as reported in Note 2(b) are as follows:**

#### **CEO OFFICE**

The goal of the Chief Executive Officer function is to provide leadership to the organisation to ensure it meets its strategic and operational objectives, as well as to provide executive support to Councillors and guidance to the Council leadership team. Service areas include the CEO's Office and Internal Audit.

#### **COMMUNITY SERVICES**

Community Service's goals are to provide facilities and opportunities for residents and visitors to participate in community, cultural and recreational activities across the shire; protect the health and safety of the Noosa community; and assist community groups and organisations through the provision of advice and community grants. Service areas include Cemeteries, Community Development, Cooroy and Noosaville Libraries, Environmental Health, Local Laws, Noosa Aquatic Centre, Noosa Community Support, Noosa Leisure Centre, Noosa Regional Gallery, Pest and Vector Control, the J and Waste Management.

#### **INFRASTRUCTURE SERVICES**

The goal of the Infrastructure Services department is to provide efficient planning, maintenance and delivery of infrastructure over its lifecycle. The department operates and maintains infrastructure including roads and bridges, buildings, canals, parks, stormwater drainage, waterways and beaches in the Noosa Shire in accordance with established service levels. Service areas include Asset Management, Council Buildings and Facilities, Civil Operations, Infrastructure Planning, Design and Delivery.

#### **EXECUTIVE SERVICES**

The goal of the Executive Services department is to provide effective governance oversight of the organisation, human resource management support to the organisation and ensure Council's customer focus including communication and community engagement processes. Service areas include Community Engagement, Customer Service, Executive Services, Governance as well as People and Culture.

#### **CORPORATE SERVICES**

The goal of the Corporate Services department is to provide effective support to the organisation to ensure that Council services are provided in accordance with agreed service levels that ensure Council's ongoing sustainability. Service areas include Financial Services, Information Communication Technology, Procurement and Fleet, Property and Facilities as well as Revenue Services.

#### **ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

The goal of the Environment and Sustainable Development department is to provide effective planning, development compliance, economic development and environmental services that promote long-term sustainable outcomes for the Noosa community. Service areas include Building and Plumbing Services, Economic Development, Development Assessment, Environmental Services and Strategic Land Use Planning.



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 2(b). Analysis of Results by Function

| Functions                               | Gross Program Income |                | Elimination of Inter-function Transactions | Total Income   | Gross Program Expenses | Elimination of Inter-function Transactions | Total Expenses   | Net Result    | Total Assets     |
|---|----------------------|----------------|--|----------------|------------------------|--|------------------|---------------|------------------|
|   | Recurring            |                |  |                | Recurring              |  |                  |               |                  |
|   | Grants               | Other          |  |                | Recurring              |  |                  |               |                  |
| 2020                                    | \$'000               | \$'000         | \$'000                                     | \$'000         | \$'000                 | \$'000                                     | \$'000           | \$'000        | \$'000           |
| CEO Office                              | -                    | 44             | (44)                                       | -              | (2,046)                | 267  | (1,779)          | (1,779)       | -                |
| Community Services                      | 2,843                | 24,293         | (1,517)                                    | 25,619         | (37,170)               | 7,105                                      | (30,065)         | (4,446)       | (105)            |
| Infrastructure Services                 | 4,473                | 6,956          | (3,273)                                    | 8,156          | (40,033)               | 7,869                                      | (32,164)         | (24,008)      | 158              |
| Executive Services                      | 4                    | 3,633          | (3,631)                                    | 6              | (4,512)                | 773  | (3,739)          | (3,733)       | 371              |
| Corporate Services                      | 2,378                | 70,187         | (10,893)                                   | 61,672         | (22,768)               | 1,423                                      | (21,345)         | 40,327        | 1,118,079        |
| Environment and Sustainable Development | 907                  | 10,893         | (213)                                      | 11,587         | (13,794)               | 2,136                                      | (11,658)         | (71)          | 1,220            |
| <b>Total Council</b>                    | <b>10,605</b>        | <b>116,006</b> | <b>(19,571)</b>                            | <b>107,040</b> | <b>(120,323)</b>       | <b>19,573</b>                              | <b>(100,750)</b> | <b>6,290</b>  | <b>1,119,723</b> |
| Controlled Entity Net of Eliminations   | -                    | 4,698          | -  | 4,698          | -                      | -  | -                | 4,698         | 27,062           |
| <b>Total</b>                            | <b>10,605</b>        | <b>120,704</b> | <b>(19,571)</b>                            | <b>111,738</b> | <b>(120,323)</b>       | <b>19,573</b>                              | <b>(100,750)</b> | <b>10,988</b> | <b>1,146,785</b> |

| Functions                               | Gross Program Income |                | Elimination of Inter-function Transactions | Total Income   | Gross Program Expenses | Elimination of Inter-function Transactions | Total Expenses  | Net Result    | Total Assets     |
|---|----------------------|----------------|--|----------------|------------------------|--|-----------------|---------------|------------------|
|   | Recurring            |                |  |                | Recurring              |  |                 |               |                  |
|   | Grants               | Other          |  |                | Recurring              |  |                 |               |                  |
| 2019                                    | \$'000               | \$'000         | \$'000                                     | \$'000         | \$'000                 | \$'000                                     | \$'000          | \$'000        | \$'000           |
| CEO Office                              | -                    | 43             | -  | 43             | (1,741)                | 227  | (1,514)         | (1,471)       | 5                |
| Community Services                      | 3,581                | 24,192         | (1,528)                                    | 26,245         | (35,150)               | 7,081                                      | (28,069)        | (1,824)       | 1,203            |
| Infrastructure Services                 | 2,372                | 8,537          | (3,127)                                    | 7,782          | (38,612)               | 7,232                                      | (31,380)        | (23,598)      | 140              |
| Executive Services                      | 15                   | 3,469          | (3,464)                                    | 20             | (4,359)                | 813  | (3,546)         | (3,526)       | 339              |
| Corporate Services                      | 2,322                | 72,668         | (11,910)                                   | 63,080         | (23,081)               | 2,735                                      | (20,346)        | 42,734        | 1,070,321        |
| Environment and Sustainable Development | 34                   | 10,630         | (224)                                      | 10,440         | (12,399)               | 2,164                                      | (10,235)        | 205           | 1,239            |
| <b>Total Council</b>                    | <b>8,324</b>         | <b>119,539</b> | <b>(20,253)</b>                            | <b>107,610</b> | <b>(115,342)</b>       | <b>20,252</b>                              | <b>(95,090)</b> | <b>12,520</b> | <b>1,073,247</b> |
| Controlled Entity Net of Eliminations   | -                    | 4,965          | -  | 4,965          | -                      | -  | -               | 4,965         | 22,364           |
| <b>Total</b>                            | <b>8,324</b>         | <b>124,504</b> | <b>(20,253)</b>                            | <b>112,575</b> | <b>(115,342)</b>       | <b>20,252</b>                              | <b>(95,090)</b> | <b>17,485</b> | <b>1,095,611</b> |



Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue

|   |       | AASB 15<br>2020<br>\$'000 | AASB 1058<br>2020<br>\$'000 |
|---|-------|---------------------------|-----------------------------|
|   | Notes |                           |                             |
| <b>Revenue recognised at a point in time</b>  |       |                           |                             |
| Rates, Levies and Charges (excluding those related to services)   | 3a    | -                         | 69,237                      |
| Fees and Charges  | 3b    | 6,229                     | -                           |
| Sale of Goods and Services  | 3c    | 8,486                     | -                           |
| Grants, Subsidies, Donations and Contributions  | 3d    | -                         | 6,677                       |
|   |       | <u>14,715</u>             | <u>75,914</u>               |
| <b>Revenue recognised over time</b>   |       |                           |                             |
| Fees and Charges  | 3b    | 215                       | -                           |
| Grants and Subsidies  | 3d    | 2,423                     | 4,746                       |
|   |       | <u>2,638</u>              | <u>4,746</u>                |
| <b>Total Revenue</b>  |       | <u>17,353</u>             | <u>80,660</u>               |
| <b>(a). Rates, Levies and Charges</b>   |       |                           |                             |
| <b>2020 accounting policy</b>   |       |                           |                             |
| Rates and annual charges are recognised as revenue when the council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period. |       |                           |                             |
| The COVID-19 pandemic has impacted Council rates, levies and charges revenue for the 2019/20 financial year due to a reduction in demand for waste collection services from commercial businesses.  |       |                           |                             |
| <b>2019 accounting policy</b>   |       |                           |                             |
| Rates are recognised as revenue at the start of the rating period. If a ratepayer pays their rates before the start of the rating period, they are recognised as revenue when they are received.  |       |                           |                             |
| General Rates   |       | 51,150                    | 49,740                      |
| Separate Rates  |       | 6,154                     | 5,691                       |
| Special Rates   |       | 2,037                     | 1,553                       |
| Waste Utility Charges   |       | 12,838                    | 12,368                      |
| <b>Total Rates and Utility Charge Revenue</b>   |       | <u>72,179</u>             | <u>69,352</u>               |
| Less: Discounts   |       | (2,148)                   | (2,112)                     |
| Less: Pensioner Remissions  |       | (794)                     | (787)                       |
| <b>TOTAL RATES, LEVIES AND CHARGES</b>  |       | <u>69,237</u>             | <u>66,453</u>               |



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue (continued)

| Notes  | 2020<br>\$'000      | 2019<br>\$'000      |
|--|---------------------|---------------------|
| <b>(b). Fees and Charges</b>   |                     |                     |
| <b>2020 accounting policy</b>  |                     |                     |
| Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / 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.   |                     |                     |
| <b>2019 accounting policy</b>  |                     |                     |
| Fees and charges are recognised when council is unconditionally entitled to those funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.   |                     |                     |
| Building and Development Fees  | 2,919               | 3,216               |
| Permits and Licences   | 846                 | 944                 |
| Fines and Penalties  | 242                 | 233                 |
| Registration Fees  | 401                 | 381                 |
| Parking Penalties  | 799                 | 1,007               |
| User Fees and Charges  | 727                 | 777                 |
| Other Statutory Fees   | 510                 | 501                 |
| <b><u>TOTAL FEES AND CHARGES</u></b>   | <b><u>6,444</u></b> | <b><u>7,059</u></b> |

### (c). Sales Revenue

Sale of goods revenue is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

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, based on costs incurred 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.

The COVID-19 pandemic has impacted Council sales revenue for the 2019/20 financial year due to the closure of key community facilities between March and June 2020. These closures included holiday parks, aquatic centre and leisure centre facilities.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

| Notes                                 | 2020<br>\$'000      | 2019<br>\$'000      |
|---------------------------------------|---------------------|---------------------|
| <b>(c). Sales Revenue (continued)</b> |                     |                     |
| <b>Sale of services</b>               |                     |                     |
| Contract and Recoverable Works        | 24                  | 26                  |
| Waste Management Charges              | 3,297               | 2,492               |
| Venue Hire                            | 311                 | 403                 |
| Holiday Parks Fees and Charges        | 2,153               | 3,093               |
| Learn to Swim                         | 398                 | 655                 |
| Admission Fees                        | 875                 | 1,260               |
| <b>Total Sale of Services</b>         | <b>7,058</b>        | <b>7,929</b>        |
| <b>Sale of Goods</b>                  |                     |                     |
| Sale of Recyclables                   | 988                 | 1,129               |
| Retail Shop Sales                     | 440                 | 668                 |
| <b>Total Sale of Goods</b>            | <b>1,428</b>        | <b>1,797</b>        |
| <b><u>TOTAL SALES REVENUE</u></b>     | <b><u>8,486</u></b> | <b><u>9,726</u></b> |

(d) Grants, Subsidies, Contributions and Donations

**2020 accounting policy**

**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 obligations is satisfied.

The performance obligations are varied based on the agreement but include respite and care service hours completed; events, workshops and exhibitions held; programs developed and traineeships offered and completed. 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 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.

**Grant income under AASB 1058**

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils 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.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue (continued)

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

(d) Grants, Subsidies, Contributions and Donations (continued)

**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.

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

**2019 accounting policy**

Grants, subsidies, donations and contributions that are non-reciprocal in nature are recognised as revenue when recognised as revenue when Council obtains control over them, which is usually upon receipt of funds. Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. In 2019, Council did not have any reciprocal grants.

Physical assets contributed to Council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

Developers also pay cash trunk infrastructure charges to contribute to the provision of trunk infrastructure, such as roads, bridges and stormwater. These contributions fall within the scope of AASB 1058. Where there is an enforceable agreement which ties these funds to a specific performance obligation, then revenue will be met when the obligations are met. The majority of Council's infrastructure charges do not have enforceable performance obligations and are therefore recognised as revenue when received.

(i) Recurrent

|  |                     |                     |
|--|---------------------|---------------------|
| General Purpose Grants   | 2,329               | 2,269               |
| State Government Subsidies and Grants  | 949                 | 742                 |
| Commonwealth Government Subsidies and Grants                                     | 2,085               | 2,398               |
| Donations  | 70                  | 28                  |
| Contributions  | 13                  | 3                   |
| Other Non-government Subsidies   | -                   | 7                   |
| <b><u>TOTAL RECURRENT GRANTS, SUBSIDIES,<br/>CONTRIBUTIONS AND DONATIONS</u></b> | <b><u>5,446</u></b> | <b><u>5,447</u></b> |



# Noosa Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue (continued)

|   | 2020                | 2019                |
|---|---------------------|---------------------|
| Notes   | \$'000              | \$'000              |
| <b>(d) Grants, Subsidies, Contributions and Donations (continued)</b>   |                     |                     |
| <b>(ii) Capital</b>   |                     |                     |
| 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. |                     |                     |
| State Government Subsidies and Grants   | 1,878               | 1,437               |
| Commonwealth Government Subsidies and Grants  | 3,364               | 1,468               |
| Contributions   | 2,058               | 2,235               |
| Non-monetary Developer Assets Contributed by Developers at Fair Value   | 1,100               | 3,556               |
|   | <u>8,400</u>        | <u>8,696</u>        |
| <b><u>TOTAL CAPITAL GRANTS, SUBSIDIES,<br/>CONTRIBUTIONS AND DONATIONS</u></b>  | <b><u>8,400</u></b> | <b><u>8,696</u></b> |

### Note 4. Interest and Other Income

#### (a). Other Income

|   |                     |                     |
|---|---------------------|---------------------|
| Unitywater Income Tax Equivalent Received | 1,857               | 1,754               |
| Other                                     | 834                 | 944                 |
| <b><u>TOTAL OTHER INCOME</u></b>          | <b><u>2,691</u></b> | <b><u>2,698</u></b> |

#### (b). Interest and Investment Revenue

|   |                     |                     |
|---|---------------------|---------------------|
| Investments   | 1,038               | 1,781               |
| Interest from overdue Rates and Utility Charges     | 507                 | 511                 |
| Loan to Unitywater                                  | 2,392               | 2,471               |
| <b><u>TOTAL INTEREST AND INVESTMENT REVENUE</u></b> | <b><u>3,937</u></b> | <b><u>4,763</u></b> |



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Employee Benefits

|  | Notes | 2020<br>\$'000       | 2019<br>\$'000       |
|--|-------|----------------------|----------------------|
| Wages and Salaries                               |       | 26,336               | 24,940               |
| Councillors Remuneration                         |       | 540                  | 548                  |
| Annual, Sick and Long Service Leave Entitlements |       | 4,329                | 4,303                |
| Superannuation                                   | 26    | 3,426                | 3,275                |
|  |       | <u>34,631</u>        | <u>33,066</u>        |
| Other Employee Related Expenses                  |       | 1,344                | 1,491                |
|  |       | <u>35,975</u>        | <u>34,557</u>        |
| Less: Capitalised Employee Expenses              |       | (2,979)              | (2,595)              |
| <b><u>TOTAL EMPLOYEE BENEFITS</u></b>            |       | <b><u>32,996</u></b> | <b><u>31,962</u></b> |

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

#### Additional information:

Total Council employees at the reporting date:

|   |            |            |
|---|------------|------------|
| Administration Staff                        | 286        | 282        |
| Depot and Outdoors Staff                    | 93         | 93         |
| <b>Total Full Time Equivalent Employees</b> | <b>379</b> | <b>375</b> |
| <b>Total Elected Members</b>                | <b>7</b>   | <b>7</b>   |

#### Note 6. Materials and Services

|  |                      |                      |
|--|----------------------|----------------------|
| Administration Supplies and Consumables    | 634                  | 724                  |
| Audit Services *                           | 211                  | 147                  |
| Communications and IT                      | 758                  | 828                  |
| Consultancy Services                       | 1,182                | 1,117                |
| Contract Services                          | 20,279               | 19,314               |
| Commission Paid                            | 768                  | 954                  |
| Donations, Contributions and Prizes        | 3,711                | 3,295                |
| Electricity                                | 1,594                | 1,695                |
| Fleet Operating Costs                      | 2,038                | 1,639                |
| Grants Paid to Community Organisations     | 1,308                | 893                  |
| Insurance                                  | 563                  | 509                  |
| Legal Expenses                             | 1,432                | 1,158                |
| Operating Leases - Rentals                 | 195                  | 135                  |
| Software and Maintenance                   | 2,041                | 1,809                |
| Water and Sewerage Costs                   | 845                  | 967                  |
| Other Materials and Services               | 5,075                | 3,960                |
| Less: Capitalised Internal Expenses        | (240)                | (251)                |
| <b><u>TOTAL MATERIALS AND SERVICES</u></b> | <b><u>42,394</u></b> | <b><u>38,893</u></b> |

\* Total audit fees quoted by the Queensland Audit Office relating to the 2019/20 financial statements were \$138,000 (2019: \$134,800).



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 7. Finance Costs

|   | Notes | 2020<br>\$'000      | 2019<br>\$'000      |
|---|-------|---------------------|---------------------|
| Finance Costs - Queensland Treasury Corporation |       | 1,234               | 3,382               |
| Bank Charges                                    |       | 130                 | 131                 |
| Impairment of Receivables                       |       | 12                  | 1                   |
| Interest on Leases                              |       | 5                   | -                   |
| Landfill Restoration                            |       | 3,307               | 1,632               |
| <b><u>TOTAL FINANCE COSTS</u></b>               |       | <b><u>4,688</u></b> | <b><u>5,146</u></b> |

#### Note 8. Capital Expenses

##### (a) Revaluation Decrement

|  |    |                   |                   |
|--|----|-------------------|-------------------|
| Downwards Revaluation of Investment Property | 13 | <u>300</u>        | <u>867</u>        |
|  |    | <b><u>300</u></b> | <b><u>867</u></b> |

##### (b) Other Capital Expenses

|                                      |  |                     |                     |
|--------------------------------------|--|---------------------|---------------------|
| Loss on Write-off of Assets          |  | <u>3,851</u>        | <u>2,417</u>        |
|                                      |  | <b><u>3,851</u></b> | <b><u>2,417</u></b> |
| <b><u>TOTAL CAPITAL EXPENSES</u></b> |  | <b><u>4,151</u></b> | <b><u>3,284</u></b> |



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 9. Cash and Cash Equivalents

|  | 2020          | 2019          |
|--|---------------|---------------|
| Notes  | \$'000        | \$'000        |
| <p>Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received 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 cash and which are subject to an insignificant risk of changes in value.</p> |               |               |
| <h4>Cash and Cash Equivalents</h4>   |               |               |
| Cash at Bank and On Hand   | 258           | 209           |
| Deposits at Call   | 56,766        | 39,772        |
| Term Deposits  | -             | 16,000        |
| <b>Total Cash and Cash Equivalents</b>   | <b>57,024</b> | <b>55,981</b> |
| <b>TOTAL CASH AND CASH EQUIVALENTS</b>   | <b>57,024</b> | <b>55,981</b> |

#### Restricted Cash and Cash Equivalents

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 following cash assets:

|   |               |              |
|---|---------------|--------------|
| Unspent Government Grants and Subsidies | 2,624         | 97           |
| Unspent Levy Funds                      | 6,696         | 5,595        |
| Unspent Developer Contributions         | 768           | 980          |
| Unspent Carbon Tax                      | 502           | 502          |
| <b>Total External Restrictions</b>      | <b>10,590</b> | <b>7,174</b> |

Internally imposed expenditure restrictions at the reporting date:

|                                    |              |              |
|------------------------------------|--------------|--------------|
| Future Asset Replacement           | 840          | -            |
| Natural Disaster Rehabilitation    | 2,558        | 2,487        |
| Waste Management                   | 1,328        | 3,714        |
| Specific Purpose Recurrent         | 1,489        | 1,482        |
| <b>Total Internal Restrictions</b> | <b>6,215</b> | <b>7,683</b> |

#### Total Unspent Restricted Cash

|               |               |
|---------------|---------------|
| <b>16,805</b> | <b>14,857</b> |
|---------------|---------------|

Cash and deposits at call are held in the Commonwealth Bank in a normal business cheque account.

On call accounts are also held with QTC. Deposits at call earned variable interest over varying terms at interest rates of between 0.77% and 2.70%.

#### Investments

Term deposits with a maturity date greater than three months post reporting date are treated as investments, with deposits of less than three months being reported as cash equivalents.

## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 10. Receivables

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

Receivables, loans and advances are amounts owed to council at year end. They are recognised at the amount due at the time of sale or service delivery or advance. Settlement of receivables is required within 30 days after invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income.

Because 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 rate receivables.

#### Current

|   |              |              |
|---|--------------|--------------|
| Rates and Charges                             | 5,007        | 4,461        |
| Other Debtors                                 | 12           | 4            |
| GST Recoverable                               | 688          | 632          |
| Accrued Revenues                              | 1,846        | 2,087        |
| Fees and Charges                              | 1,221        | 1,447        |
| Loans and Advances to Community Organisations | 125          | 125          |
| <b>Total</b>                                  | <u>8,899</u> | <u>8,756</u> |

#### less: Provision for Impairment

|   |             |            |
|---|-------------|------------|
| Fees and Charges                                    | (16)        | (4)        |
| <b>Total Provision for Impairment - Receivables</b> | <u>(16)</u> | <u>(4)</u> |

#### TOTAL CURRENT RECEIVABLES

|              |              |
|--------------|--------------|
| <u>8,883</u> | <u>8,752</u> |
|--------------|--------------|

#### Non-Current

|   |        |        |
|---|--------|--------|
| Loans and Advances to Associates              | 49,218 | 49,218 |
| Loans and Advances to Community Organisations | 375    | 500    |

#### TOTAL NON-CURRENT RECEIVABLES

|               |               |
|---------------|---------------|
| <u>49,593</u> | <u>49,718</u> |
|---------------|---------------|



Notes to the Financial Statements

for the year ended 30 June 2020

Note 10. Receivables (continued)

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

Refer also to Note 30 for further information about credit risk.

Interest is charged on outstanding rates (9.83% per annum from 1 July 2019, previously 11% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

A loan agreement for the subordinated debt was executed on the 21 June 2013. The interest only loan structure terminates on the 30 June 2033 with the interest rate set by QTC annually. Applicable interest rate for 2020 was 4.86% (2019: 5.02%).

Note 11. Other Assets

Current

|  |                     |                     |
|--|---------------------|---------------------|
| Prepayments                              | 2,885               | 2,455               |
| <b><u>TOTAL CURRENT OTHER ASSETS</u></b> | <b><u>2,885</u></b> | <b><u>2,455</u></b> |

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Equity Investments

#### Accounting recognition:

As at 1 July 2010 a water distribution and retail business called Unitywater was established in accordance with the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* to deliver water and waste water services to customers within the local government areas of Moreton Bay Regional Council, Sunshine Coast Regional Council and Noosa Shire Council.

Under the Act, governance arrangements for Unitywater were established in a Participation Agreement which commenced from 1 July 2010. The agreement provides for participation rights to be held by the participating Councils. The participating Councils are Noosa Shire Council, Moreton Bay Regional Council and the Sunshine Coast Regional Council. The Participation Rights effectively represent an investment in an associate by Noosa Shire Council.

Investment in Associates are accounted for using the Equity Accounting Method - and are disclosed as a one line entry in both the Income Statement and Statement of Financial Position.

|              | Council's Share of Net Income |              | Council's Share of Net Assets |               |
|--------------|-------------------------------|--------------|-------------------------------|---------------|
|              | 2020                          | 2019         | 2020                          | 2019          |
|              | \$'000                        | \$'000       | \$'000                        | \$'000        |
| Unitywater   | 6,094                         | 6,452        | 91,639                        | 86,569        |
| <b>Total</b> | <b>6,094</b>                  | <b>6,452</b> | <b>91,639</b>                 | <b>86,569</b> |

#### Associates

Council has incorporated the following Associates into it's Financial Statements.

##### (a) Net Carrying Amounts - Council's Share

| Name of Entity                | Nature of Relationship | Measurement Method | 2020          | 2019          |
|-------------------------------|------------------------|--------------------|---------------|---------------|
| Unitywater                    | Associate              | Equity             | 88,040        | 83,342        |
| <b>Total Carrying Amounts</b> |                        |                    | <b>88,040</b> | <b>83,342</b> |

##### (b) Details

| Name of Entity | Principal Activity            | Place of Business                             |
|----------------|-------------------------------|---|
| Unitywater     | Water and Wastewater Services | Moreton Bay, Sunshine Coast and Noosa Regions |

##### (c) Relevant Interests and Fair Values

| Name of Entity | Participation Portion |       |
|----------------|-----------------------|-------|
|                | 2020                  | 2019  |
| Unitywater     | 4.25%                 | 4.25% |



# Noosa Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 12. Equity Investments (continued)

|  | 2020              | 2019           |
|--|-------------------|----------------|
| Notes  | \$'000            | \$'000         |
| <b>(d) Summarised financial information for Associates</b>         |                   |                |
| <b>Summarised Statement of Financial Position - Councils Share</b> |                   |                |
|  | <b>Unitywater</b> |                |
| Assets   | 172,223           | 165,843        |
| <b>Total Assets</b>  | <b>172,223</b>    | <b>165,843</b> |
| Liabilities  | 80,584            | 79,274         |
| <b>Total Liabilities</b>   | <b>80,584</b>     | <b>79,274</b>  |
| <b>Net Assets</b>  | <b>91,639</b>     | <b>86,569</b>  |
| <b>Reconciliation of the Carrying Amount</b>                       |                   |                |
| Opening Net Assets (1 July)  | 83,342            | 78,377         |
| Profit/(Loss) for the period                                       | 6,094             | 6,452          |
| Dividends Payable  | (1,396)           | (1,487)        |
| <b>Closing Participation Rights</b>                                | <b>88,040</b>     | <b>83,342</b>  |
| Council's share in %   | 4.25%             | 4.25%          |
| Council's share in \$  | 91,639            | 86,569         |
| <b>Summarised Statement of Comprehensive Income</b>                |                   |                |
|  | <b>Unitywater</b> |                |
| Income   | 31,027            | 31,050         |
| Income Tax Expense   | (2,607)           | (2,757)        |
| Other Expenses   | (22,326)          | (21,841)       |
| <b>Profit/(Loss) for period</b>                                    | <b>6,094</b>      | <b>6,452</b>   |
| <b>Total Comprehensive Income</b>                                  | <b>6,094</b>      | <b>6,452</b>   |
| Dividends received by Council                                      | 1,396             | 1,487          |

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 13. Investment Property

| Notes   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| Investment property is property held for the primary purpose of earning rentals and/or capital appreciation. This includes land held by Council for a currently undetermined future use. Investment property does not include community housing or other property held to provide a social service. |                |                |
| Investment property is initially recognised at cost (including transaction costs) and subsequently at fair value. Where investment property is acquired for significantly below fair value it is recorded at fair value on initial recognition.   |                |                |
| Gains or losses arising from changes in the fair value of investment property are recognised as incomes or expenses respectively for the period in which they arise. Investment property is not depreciated and is not tested for impairment.   |                |                |
| <b>Owned Investment Property</b>  |                |                |
| Fair Value at Beginning of Financial Year   | 3,300          | 4,167          |
| Revaluation Decrement   | (300)          | (867)          |
| <b><u>TOTAL INVESTMENT PROPERTY</u></b>   | <u>3,000</u>   | <u>3,300</u>   |

Operating expenses in respect of investment property are reported in Note 6 and 18.

### Note 14. Property, Plant and Equipment

#### Recognition

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment losses. Items of property, plant and equipment with a total value of less than \$5,000, \$1,000 for computer equipment and \$15,000 for Buildings, except for land and network assets (which have a recognition threshold of \$1) are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by Council are reported in the table contained in this

#### Acquisition of assets

Acquisitions of 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, engineering design fees and all other establishment costs.

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

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

#### Valuation

Land and improvements, buildings, major plant and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with *AASB 116 Property, Plant and Equipment* and *AASB 13 Fair Value* requirements. Other plant and equipment and work in progress are measured at cost.



### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Property, Plant and Equipment (continued)

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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 every three to five 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.

Council uses internal engineers to assess the condition and cost assumptions associated with all infrastructure assets, the results of which are considered in combination with the relevant indices independently published for the Sunshine Coast region. Together these are used to form the basis of a management valuation for infrastructure asset classes in each of the intervening years. With respect to the valuation of the land and improvements, and buildings classes in the intervening years, management engage independent, professionally qualified valuers to perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

##### Capital work in progress

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

##### Depreciation

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

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

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

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the 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, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Road formation has an unlimited life and is not subject to depreciation. The range of estimated useful lives for each class of asset are detailed in the table contained in this note.

Noosa Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 14. Property, Plant and Equipment

| 30 June 2020   |      | Capital Work<br>in Progress | Land           | Buildings     | Plant and<br>Equipment | Road and<br>Bridge<br>Network | Storm Water    | Other<br>Infrastructure<br>Assets | Total            |
|--|------|-----------------------------|----------------|---------------|------------------------|-------------------------------|----------------|-----------------------------------|------------------|
|  |      | \$'000                      | \$'000         | \$'000        | \$'000                 | \$'000                        | \$'000         | \$'000                            | \$'000           |
| Measurement basis  | Note | Cost                        | Fair value     | Fair value    | Cost                   | Fair value                    | Fair value     | Fair value                        |                  |
| Opening Gross Balance - at Cost  |      | 39,706                      | -              | -             | 13,903                 | -                             | -              | -                                 | <b>53,609</b>    |
| Opening Gross Balance - at Fair Value  |      | -                           | 151,708        | 84,166        | -                      | 571,183                       | 180,313        | 92,447                            | <b>1,079,817</b> |
| Opening Gross Balance as at 1 July 2019  |      | 39,706                      | 151,708        | 84,166        | 13,903                 | 571,183                       | 180,313        | 92,447                            | <b>1,133,426</b> |
| Correction to Opening Balances   |      | -                           | -              | 4,479         | -                      | -                             | -              | -                                 | <b>4,479</b>     |
| Additions *  |      | 24,283                      | -              | -             | -                      | -                             | -              | -                                 | <b>24,283</b>    |
| Contributed assets   |      | -                           | -              | -             | -                      | 666                           | 397            | 36                                | <b>1,099</b>     |
| Disposals  |      | -                           | -              | (2,316)       | (630)                  | (4,102)                       | (615)          | (608)                             | <b>(8,271)</b>   |
| Write-offs   |      | (271)                       | -              | -             | -                      | -                             | -              | -                                 | <b>(271)</b>     |
| Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)             | 23   | -                           | -              | (736)         | -                      | 21,945                        | 4,162          | -                                 | <b>25,371</b>    |
| Work in Progress Transfers   |      | (26,290)                    | -              | 3,465         | 808                    | 17,472                        | 3,577          | 968                               | -                |
| Transfers from/(to) intangible assets  | 16   | (456)                       | -              | -             | -                      | -                             | -              | -                                 | <b>(456)</b>     |
| Internal Transfers to / from other Asset Classes   |      | -                           | (2)            | 1,154         | 72                     | 27                            | -              | (1,251)                           | -                |
| <b>Total Gross Value of Property, Plant and Equipment - at Cost as at 30 June 2020</b>       |      | <b>36,972</b>               | -              | -             | <b>14,153</b>          | -                             | -              | -                                 | <b>51,125</b>    |
| <b>Total Gross Value of Property, Plant and Equipment - at Fair Value as at 30 June 2020</b> |      | -                           | <b>151,706</b> | <b>90,212</b> | -                      | <b>607,191</b>                | <b>187,834</b> | <b>91,592</b>                     | <b>1,128,535</b> |
| <b>Total Gross Value of Property, Plant and Equipment as at 30 June 2020</b>                 |      | <b>36,972</b>               | <b>151,706</b> | <b>90,212</b> | <b>14,153</b>          | <b>607,191</b>                | <b>187,834</b> | <b>91,592</b>                     | <b>1,179,660</b> |
| Opening Accumulated Depreciation as at 1 July 2019   |      | -                           | -              | 22,087        | 4,388                  | 119,637                       | 60,487         | 40,915                            | <b>247,514</b>   |
| Correction to Opening Balances   |      | -                           | -              | 1,320         | -                      | -                             | -              | -                                 | <b>1,320</b>     |
| Depreciation Provided in the Period  |      | -                           | -              | 1,481         | 1,206                  | 7,896                         | 2,302          | 3,178                             | <b>16,063</b>    |
| Depreciation on Write-offs   |      | -                           | -              | (1,050)       | (258)                  | (2,227)                       | (220)          | (493)                             | <b>(4,248)</b>   |
| Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)             | 23   | -                           | -              | 2,585         | -                      | 4,744                         | (17,673)       | -                                 | <b>(10,344)</b>  |
| Adjustments and Other Transfers  |      | -                           | -              | 315           | 18                     | 2                             | -              | (335)                             | -                |
| <b>Total Accumulated Depreciation of Property, Plant and Equipment</b>                       |      | -                           | -              | <b>26,738</b> | <b>5,354</b>           | <b>130,052</b>                | <b>44,896</b>  | <b>43,265</b>                     | <b>250,305</b>   |
| <b>Consolidated Book Value as at 30 June 2020</b>  |      | <b>36,972</b>               | <b>151,706</b> | <b>63,474</b> | <b>8,799</b>           | <b>477,139</b>                | <b>142,938</b> | <b>48,327</b>                     | <b>929,355</b>   |
| <b>Other Information</b>   |      |                             |                |               |                        |                               |                |                                   |                  |
| Range of Estimated Useful Life (years)   |      | -                           | -              | 0 - 100       | 1 - 50                 | 0 - 120                       | 10 - 100       | 2 - 120                           |                  |
| <b>*Asset Additions Comprise</b>   |      |                             |                |               |                        |                               |                |                                   |                  |
| Asset Renewals   |      | -                           | -              | 1,245         | 796                    | 12,217                        | 1,640          | 2,181                             | <b>18,079</b>    |
| Other Additions  |      | -                           | -              | 1,233         | 47                     | 1,131                         | 37             | 3,756                             | <b>6,204</b>     |
| <b>Total Asset Additions</b>   |      | -                           | -              | <b>2,478</b>  | <b>843</b>             | <b>13,348</b>                 | <b>1,677</b>   | <b>5,937</b>                      | <b>24,283</b>    |



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 14. Property, Plant and Equipment

| 30 June 2019   |      | Capital Work<br>in Progress | Land           | Buildings     | Plant and<br>Equipment | Road and<br>Bridge<br>Network | Storm Water    | Other<br>Infrastructure<br>Assets | Total            |
|--|------|-----------------------------|----------------|---------------|------------------------|-------------------------------|----------------|-----------------------------------|------------------|
|  |      | \$'000                      | \$'000         | \$'000        | \$'000                 | \$'000                        | \$'000         | \$'000                            | \$'000           |
| Measurement basis  | Note | Cost                        | Fair value     | Fair value    | Cost                   | Fair value                    | Fair value     | Fair value                        | \$'000           |
| Opening Gross Balance - at Cost  |      | 39,687                      | -              | -             | 12,679                 | -                             | -              | -                                 | 52,366           |
| Opening Gross Balance - at Fair Value  |      | -                           | 141,746        | 80,852        | -                      | 555,935                       | 178,393        | 92,063                            | 1,048,989        |
| Opening Gross Balance as at 1 July 2018  |      | 39,687                      | 141,746        | 80,852        | 12,679                 | 555,935                       | 178,393        | 92,063                            | 1,101,355        |
| Additions *  |      | 24,848                      | -              | -             | -                      | -                             | -              | -                                 | 24,848           |
| Contributed assets   |      | -                           | 481            | -             | -                      | 1,160                         | 1,723          | 192                               | 3,556            |
| Disposals  |      | -                           | -              | (73)          | (706)                  | -                             | -              | -                                 | (779)            |
| Write-offs   |      | (521)                       | -              | -             | -                      | (3,766)                       | (13)           | (324)                             | (4,624)          |
| Revaluation Decrements to P/L  | 8    | -                           | -              | -             | -                      | -                             | -              | -                                 | -                |
| Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)             | 23   | -                           | 9,070          | -             | -                      | -                             | -              | -                                 | 9,070            |
| Work in Progress Transfers   |      | (24,308)                    | 411            | 3,387         | 1,930                  | 17,854                        | 210            | 516                               | -                |
| Internal Transfers to / from other Asset Classes   |      | -                           | -              | -             | -                      | -                             | -              | -                                 | -                |
| <b>Total Gross Value of Property, Plant and Equipment - at Cost as at 30 June 2019</b>       |      | <b>39,706</b>               | -              | -             | <b>13,903</b>          | -                             | -              | -                                 | <b>53,609</b>    |
| <b>Total Gross Value of Property, Plant and Equipment - at Fair Value as at 30 June 2019</b> |      | -                           | <b>151,708</b> | <b>84,166</b> | -                      | <b>571,183</b>                | <b>180,313</b> | <b>92,447</b>                     | <b>1,079,817</b> |
| <b>Total Gross Value of Property, Plant and Equipment as at 30 June 2019</b>                 |      | <b>39,706</b>               | <b>151,708</b> | <b>84,166</b> | <b>13,903</b>          | <b>571,183</b>                | <b>180,313</b> | <b>92,447</b>                     | <b>1,133,426</b> |
| Opening Accumulated Depreciation as at 1 July 2018   |      | -                           | -              | 20,645        | 3,459                  | 114,440                       | 58,251         | 37,955                            | 234,750          |
| Depreciation Provided in the Period  |      | -                           | -              | 1,478         | 1,165                  | 7,402                         | 2,236          | 3,208                             | 15,489           |
| Depreciation on Disposals  |      | -                           | -              | -             | -                      | -                             | -              | -                                 | -                |
| Depreciation on Write-offs   |      | -                           | -              | (36)          | (236)                  | (2,205)                       | -              | (248)                             | (2,725)          |
| Revaluation Decrements to P/L  | 8    | -                           | -              | -             | -                      | -                             | -              | -                                 | -                |
| Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)             | 23   | -                           | -              | -             | -                      | -                             | -              | -                                 | -                |
| <b>Total Accumulated Depreciation of Property, Plant and Equipment</b>                       |      | -                           | -              | <b>22,087</b> | <b>4,388</b>           | <b>119,637</b>                | <b>60,487</b>  | <b>40,915</b>                     | <b>247,514</b>   |
| <b>Consolidated Book Value as at 30 June 2019</b>  |      | <b>39,706</b>               | <b>151,708</b> | <b>62,079</b> | <b>9,515</b>           | <b>451,546</b>                | <b>119,826</b> | <b>51,532</b>                     | <b>885,912</b>   |
| <b>Other Information</b>   |      |                             |                |               |                        |                               |                |                                   |                  |
| Range of Estimated Useful Life (years)   |      | -                           | -              | 3 - 120       | 1 - 50                 | 3-120                         | 17 - 100       | -                                 |                  |
| <b>*Asset Additions Comprise</b>   |      |                             |                |               |                        |                               |                |                                   |                  |
| Asset Renewals   |      | -                           | -              | 2,393         | 2,102                  | 14,414                        | 418            | 1,362                             | 20,689           |
| Other Additions  |      | -                           | 608            | 576           | 166                    | 2,271                         | 35             | 503                               | 4,159            |
| <b>Total Asset Additions</b>   |      | -                           | <b>608</b>     | <b>2,969</b>  | <b>2,268</b>           | <b>16,685</b>                 | <b>453</b>     | <b>1,865</b>                      | <b>24,848</b>    |

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Fair Value Measurement

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##### Recognised fair value measurement

Council measures and recognises the following assets at fair value on a recurring basis:

- Investment Property
- Land
- Buildings
- Road and Bridge Network
- Storm Water
- Other Infrastructure Assets

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the other notes.

Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred.

The fair value of borrowings disclosed in Note 20 is provided by the Queensland Treasury Corporation (QTC) and represents the market value to extinguish the debt at balance date. This information was provided by QTC and represents the contractual undiscounted cash flows at balance date. Liquidity risk information on Council's borrowings is also disclosed in Note 30.

In accordance with AASB 13 Fair Value Measurements are categorised on the following basis:

- Level 1 - Fair value based on quoted prices in active markets for the asset or liability
- Level 2 - Fair value based on inputs that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - Fair value based on unobservable inputs for the asset and liability.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in Level 3. This is the case for Council infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

The table below presents all items that are measured and recognised within the Statement of Financial Position at fair value. In accordance with AASB 13, all fair value measurements are on a recurring basis and categorised as either Level 2 or Level 3 fair value measurements. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as Level 1.



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 15. Fair Value Measurement (continued)

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

|  | Date<br>of latest<br>valuation | Fair Value<br>Measurement using:                         |  | Total          |
|--|--------------------------------|--|--|----------------|
|  |                                | Level 2<br>Significant<br>observable<br>inputs<br>\$'000 | Level 3<br>Significant<br>unobservable<br>inputs<br>\$'000 |                |
| <b>2020</b>                                |                                |  |  |                |
| <b>Property, Plant and Equipment</b>       |                                |  |  |                |
| - Land                                     | 31/03/18                       | 7,228  | 144,478  | 151,706        |
| - Buildings                                | 30/06/20                       | -  | 63,474   | 63,474         |
| - Road and bridge network                  | 31/03/18                       | -  | 477,139  | 477,139        |
| - Storm water                              | 30/06/20                       | -  | 142,938  | 142,938        |
| - Other infrastructure assets              | 30/06/16                       | -  | 48,327   | 48,327         |
| - Investment Property                      | 30/06/20                       | 3,000  | -  | 3,000          |
| <b>Total Property, Plant and Equipment</b> |                                | <b>10,228</b>  | <b>876,356</b>   | <b>886,584</b> |
| <b>2019</b>                                |                                |  |  |                |
| <b>Property, Plant and Equipment</b>       |                                |  |  |                |
| - Land                                     | 31/03/18                       | 7,228  | 144,480  | 151,708        |
| - Buildings                                | 30/06/15                       | -  | 62,079   | 62,079         |
| - Road and bridge network                  | 31/03/18                       | -  | 451,546  | 451,546        |
| - Storm water                              | 30/06/15                       | -  | 119,826  | 119,826        |
| - Other infrastructure assets              | 30/06/16                       | -  | 51,532   | 51,532         |
| - Investment Property                      | 30/06/19                       | 3,300  | -  | 3,300          |
| <b>Total Property, Plant and Equipment</b> |                                | <b>10,528</b>  | <b>829,463</b>   | <b>839,991</b> |

(2) Transfers between Level 1 and Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 2 and Level 3 fair value hierarchies for recurring fair value measurements.

Council's policy for determining transfers between fair value hierarchies is at the end of the reporting period.

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. Level 1 inputs) Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Fair Value Measurement (continued)

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#### Infrastructure, Property, Plant and Equipment

##### Land (Level 2 and 3)

The fair value of land was last comprehensively valued at 31 March 2018 by independent valuers AssetVal Pty Ltd.

Fair values have been derived based on a combination of market approach and direct comparison by analysing land sales occurring over the past year within the Noosa Shire Council area.

Where there was an active and liquid market as evidenced by sales transactions of similar property types, a market approach by way of direct comparison or income methods can be utilised, and are accepted valuation methodologies under AASB 13. If a market approach is adopted, the valuation is deemed to be a Level 2 input.

The direct comparison method which is considered a Level 2 input on the fair value hierarchy, involves the analysis of sales evidence and comparisons with the subject land taking into account matters such as area, location and other general site characteristics. Direct Comparison approach was utilised in the assessment for all Council land assets, however, the fair value measurement has been either a Level 2 or 3, depending on the assumptions as to:

- Whether the land is subject to restrictions as to use and/or sale;
- Whether there is no active market.

Land that is utilised for footpath or access restriction purposes, land that is a volumetric title, or due to its general characteristics land that has no observable active market have been assessed as a Level 3.

Council applied an index rate to the value of land assets for the period to 31 March 2019. Index for the period from 1 April 2019 to 30 June 2020 shows no significant material changes and therefore the values are considered still at fair value. As a result, no indexation has been applied to this class for 2019/20.

##### Buildings (Level 3)

The fair value of Buildings were comprehensively valued at 30 June 2020 by independent registered valuers Australis Asset Advisory Group. The results of the valuation are a \$3.3 million decrement to the fair value of building assets.

For the majority of Council's buildings, there is no active market due to the specialised nature of the assets and the services they provide. Due to the predominately specialised nature of local government buildings, the valuations have been undertaken using a cost approach. This is deemed to be a Level 3 input.

Under this approach the cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation. The valuer disaggregated the building into different components and for each component determined a value based on the interrelationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as pattern of consumption and future economic benefit.

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component. Where these are supported by observable evidence obtained via inspection and market evidence they have been classified as a Level 2 inputs. The unobservable inputs (such as estimates pattern of consumption and (based on the asset consumption score) its relationship to the assessed level of remaining service potential of the depreciable amount, required extensive professional judgement and impacted significantly on the final determination of fair value. As these inputs are significant to the valuation the overall valuation has been classified as Level 3.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Noosa Shire Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Noosa Shire Council's own understanding of the assets and the level of remaining service potential.



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Fair Value Measurement (continued)

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#### **Other Infrastructure Assets (Level 3)**

The fair value of Other Infrastructure was last comprehensively valued as at 30 June 2016 by Aurecon Australia Pty Ltd.

The valuation technique used to determine fair value is essentially based on price modelling of the fair value through Level 3 unobservable inputs. These include a variety of sources to obtain the best information available for each asset type, including actual contract prices or supply quotes for similar assets.

The unit rates were predominantly developed from first principles by estimating the plant, material and labour required for asset replacement. The base rates were sourced from local suppliers estimates and quotes, contract schedules for work recently completed and council records. Where costs have not been readily available then rates were obtained from Aurecon's cost database or the Rawlinson 2014 edition of the Australian Construction Handbook.

Council applied an index rate to the value of Other Infrastructure for the period to 31 March 2018. Index rates for the period from 1 April 2018 to 30 June 2020 shows no significant material changes and therefore the values are considered still at fair value. As a result of this, no indexation has been applied to this class for 2019/20.

#### *Accumulated Depreciation*

In determining the level of accumulated depreciation, assets are disaggregated into significant components which exhibit different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset.

#### **Infrastructure Assets (Level 3)**

Due to the specialised nature of Council's infrastructure assets and the services they provide, there is no active measurable market. The fair value of all infrastructure assets is determined on the basis of replacement of a new asset or modern equivalent.

Current Replacement Cost (CRC) is measured by reference to the lowest cost at which the gross economic benefits of the asset could be obtained in the normal course of business. Where existing assets were over designed, had excess capacity or where redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.

Infrastructure assets are comprehensively revalued every three to five years, based on component unit rates developed in line with asset renewal methods.

#### **Specific Valuation Techniques used to value Council Infrastructure Assets comprise: Road and Bridge Network - current replacement cost**

#### **Roads (Level 3)**

The fair value of Roads and Bridges was last comprehensively valued at 31 March 2018 by independent valuers AssetVal Pty Ltd.

The valuation technique used to determine fair value is essentially based on price modelling of the fair value through 'Level 3' unobservable inputs. These include a variety of sources to obtain the best information available for each asset type, including actual contract prices or supply quotes for similar assets.

The unit rates were predominantly developed from first principles by estimating the plant, material and labour required for asset replacement. The base rates were sourced from local suppliers estimates and quotes, contract schedules for work recently completed and council records. Where costs have not been readily available then rates were obtained from AssetVal's cost database or the Rawlinson 2017 edition of the Australian Construction Handbook.

Council uses 3 distinct location factors categorising its road infrastructure into urban, rural and commercial/industrial. Roads are further categorised as sealed or unsealed and managed in segments. All road segments are then further componentised into the sub classes of assets that make up each segment, i.e. road surface, road pavement - base, road pavement - sub-base, road shoulder, formation, kerbs, footpaths etc. Each asset unit rate is determined on cost to construct, material type and useful life to facilitate valuation and depreciation.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Fair Value Measurement (continued)

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Council applied an index rate of 3.8% to the value of roads assets for the period from 1 April 2018 to 30 June 2020. This resulted in an increase to the value of roads assets of \$17.2 million.

#### *Accumulated Depreciation*

In determining the level of accumulated depreciation, roads are disaggregated into significant components which exhibit different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset.

#### **Bridges (Level 3)**

The fair value of Roads and Bidges was last comprehensively valued at 31 March 2018 by independent valuers AssetVal Pty Ltd.

All bridges, with exception to 3 major bridges, were valued based on unit rates developed according to varying material types used for construction, as well as the deck area, size and length of construction. Construction estimates were determined on a similar basis to roads. Significant bridge structures were individually assessed by AssetVal Ply Ltd.

Council applied an index rate of 3.8% to the value of bridge assets for the period from 1 April 2018 to 30 June 2020. This resulted in an increase to the value of roads assets of \$4.52 million.

#### *Accumulated Depreciation*

In determining the level of accumulated depreciation, bridges are disaggregated into significant components which exhibit different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset.

#### **Stormwater (Level 3)**

A comprehensive valuation of stormwater infrastructure was undertaken by independent valuers Jones Lang LaSalle effective 30 June 2020. As there is a significant level of professional judgement used in determining the valuation due to the level of unobservable data, the valuation of drainage assets has been determined as Level 3.

The fair value unit rates were determined using the prevailing market costs for supply and installation of similar assets or their modern equivalent. The methodology for calculation of unit rates from first principles consists of breaking down each asset into its cost components such as demolition, reinstatement, excavation, construction, delivery and installation. The models used to determine the unit rates included internal selection of variables for asset size, depth, location and soil type.

#### *Accumulated Depreciation*

In determining the level of accumulated depreciation, stormwater assets are disaggregated into significant components which exhibit different useful lives. Useful lives are an estimate of the total service capacity in years for that type of asset.

#### **Investment Property**

Investment Property was valued at fair value by AEC Group Limited, an independent professionally qualified valuation firm, as at 30 June 2020.

A market-based approach was applied to determine the fair value of investment property. The two calculation methodologies underpinning this approach by the valuation firm are the capitalisation rate valuation approach and the discounted cashflow valuation approach.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Intangible Assets

| Notes  | 2020<br>\$'000      | 2019<br>\$'000      |
|--|---------------------|---------------------|
| <b>Intangible assets are as follows;</b>               |                     |                     |
| <b>Opening Gross Carrying Value</b>                    | 3,087               | 3,087               |
| Acquired at Cost                                       | 645                 | -                   |
| Work in Progress                                       | 5,797               | 4,355               |
| <b>Closing Gross Carrying value</b>                    | <u>9,529</u>        | <u>7,442</u>        |
| <b>Opening Accumulated Amortisation and Impairment</b> | (1,489)             | (1,173)             |
| Amortisation in the period                             | (404)               | (316)               |
| <b>Closing Accumulated Amortisation and Impairment</b> | <u>(1,893)</u>      | <u>(1,489)</u>      |
| <b><u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u></b> | <u><u>7,636</u></u> | <u><u>5,953</u></u> |

Software assets have a finite life estimated at 10 years. Town planning scheme assets are amortised over the term of the plan. Straight line amortisation has been used with no residual value.

Note 17. Contract Balances

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.

(a) Contract Assets

|  |                  |
|--|------------------|
| Contract Assets                            | 27               |
| <b><u>TOTAL CONTRACT ASSETS</u></b>        | <u><u>27</u></u> |
| <b>Classified as:</b>                      |                  |
| Current Contract Assets                    | 27               |
| Non-current Contract Assets                | -                |
| <b>Total contract assets</b>               | <u><u>27</u></u> |
| Contracts with Customers                   | -                |
| Contracts to Construct Councils Own Assets | 27               |

## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 17. Contract Balances (continued)

|  | 2020                | 2019   |
|--|---------------------|--------|
| Notes  | \$'000              | \$'000 |
| <b>(b) Contract Liabilities</b>  |                     |        |
| Funds received upfront to construct Council controlled assets  | 1,568               |        |
| <b><u>TOTAL CONTRACT LIABILITIES</u></b>   | <b><u>1,568</u></b> |        |
| <b>Classified as:</b>  |                     |        |
| Current Contract Liabilities   | 1,568               |        |
| Non-current Contract Liabilities   | -                   |        |
| <b>Total contract liabilities</b>  | <b><u>1,568</u></b> |        |
| <b>Revenue recognised that was included in the Contract Liability balance at the beginning of the year</b> |                     |        |
| Funds to construct Council controlled assets   | 69                  |        |
| <b><u>Total Revenue included in the Contract Liability</u></b>   | <b><u>69</u></b>    |        |

#### (c) Significant changes in Contract Balances

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the Statement of Financial Position.

### Note 18. Leases

#### Council as a lessee

Council has leases in place over property and various IT and Office equipment. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Leases (continued)

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

**Exceptions to lease accounting**

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

**Leases at significantly below market value / concessionary leases**

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

**Terms and conditions of leases**

**Buildings**

Council leases a building which is used as office space. The lease is for a two year term with the option of a further two, 1 year extensions. This lease includes a fixed annual increase and no market review date. It is reasonably certain that Council will exercise one of the 1 year extensions.

**Land**

Council leases a parcel of land which is currently being utilised as a commercial slipway. The term of the lease was for 20 years and will expire in 2025, there are no extension provisions contained in the lease. Rent is calculated based on a 3 years average rental value at 6% and is payable for the term of the lease.

**IT and Office Equipment**

Council leases a number of items of equipment, many of these assets are considered low value and are therefore not subject to lease accounting. The more significant items have lease terms of 3 years and fixed payments for the term of the lease

**Right of Use Assets**

|                                    | Buildings<br>\$'000 | Land<br>\$'000 | IT and Office<br>Equipment<br>\$'000 | Total<br>\$'000 |
|------------------------------------|---------------------|----------------|--------------------------------------|-----------------|
| <b>2020</b>                        |                     |                |                                      |                 |
| Adoption of AASB 16 at 1 July 2019 | 63                  | 124            | 13                                   | 200             |
| Additions to Right-of-Use Assets   | -                   | -              | 15                                   | 15              |
| Depreciation charge                | (23)                | (22)           | (9)                                  | (54)            |
| <b>Balance at 30 June 2020</b>     | <u>40</u>           | <u>102</u>     | <u>19</u>                            | <u>161</u>      |

**Lease Liabilities**

**Classified as:**

|                                |                   |                 |
|--------------------------------|-------------------|-----------------|
| Current Lease Liability        | 54                | -               |
| Non-current Lease Liability    | 110               | -               |
| <b>Total Lease Liabilities</b> | <u><u>164</u></u> | <u><u>-</u></u> |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Leases (continued)

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

The table below shows the maturity analysis of the Lease Liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the Statement of Financial Position.

|                       | < 1 year<br>\$'000 | 1 to 5 years<br>\$'000 | > 5 years<br>\$'000 | Total<br>\$'000 | Total per<br>Statement of<br>Financial<br>Position<br>\$'000 |
|-----------------------|--------------------|------------------------|---------------------|-----------------|--|
| <b>2020</b>           |                    |                        |                     |                 |  |
| Buildings             | 23                 | 18                     | -                   | 41              | 41   |
| Land                  | 23                 | 87                     | -                   | 110             | 104  |
| IT & Office Equipment | 10                 | 10                     | -                   | 20              | 19   |
|                       | <u>56</u>          | <u>115</u>             | <u>-</u>            | <u>171</u>      | <u>163</u>   |

**Future Cash Outflows not reflected in the measurement of Lease Liabilities**

The lease liability relating to building includes all annual fixed rate increases for the term of the lease plus one x 1 year extension. It does not include any provision for outgoings, make good costs or an allowance for the remaining one x 1 year extension option.

The slipway lease liability has been calculated based on the current 3 years average rental value at 6%, no adjustment has been included for movement in the rental value over the remainder of the lease term. No allowance has been included for restoration costs that may be incurred at the end of the lease. The lease also contains various restrictions and conditions about what the site can be used for.

IT and Office equipment lease payments are generally fixed for the term of the arrangement and are not subject to any residual values at the end of the lease.

**Amounts included in the Statement of Comprehensive Income related to Leases**

The following amounts have been recognised in the Statement of Comprehensive Income for Leases where Council is the lessee.

**Income**

|                                 |   |
|---------------------------------|---|
| Sub-leasing Right-of-Use Assets | - |
|---------------------------------|---|

**Expenses**

|                                       |     |
|---------------------------------------|-----|
| Depreciation of Right-of-Use Assets   | 54  |
| Interest Expense on Lease Liabilities | 5   |
| Expenses relating to Low-value Assets | 212 |

|                                       |            |
|---------------------------------------|------------|
| <b>Net Expense relating to Leases</b> | <u>271</u> |
|---------------------------------------|------------|

|   |            |
|---|------------|
| <b>Total Cash Inflows/(Outflows) for Leases</b> | <u>268</u> |
|---|------------|



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 18. Leases (continued)

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components then the non-lease components are accounted for in accordance with *AASB 15 Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term.

The COVID-19 pandemic has impacted lease revenue for the 2019/20 financial year through the provision of rent abatements to community and business lessees between March and June 2020.

Operating leases

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the investment property in the statement of financial position.

Rent from investment and other property is recognised as income on a periodic straight line basis over the lease term.

The minimum lease receipts are as follows:

|  |            |            |
|--|------------|------------|
| Not later than one year                        | 219        | 227        |
| Later than one year and not later than 5 years | 474        | 299        |
| Later than 5 years                             | -          | -          |
| <b>Total lease receipts</b>                    | <b>693</b> | <b>526</b> |

Rental income from investment property recognised in the operating result is \$194,808 (2019: \$281,457).

Direct operating expenses primarily for repairs and maintenance on property that did not generate rental income for the period were \$4,662 (2019: \$13,149). Direct operating expenses primarily for repairs and maintenance on property that did generate rental income for the period were \$32,636 (2019: \$39,449).

There are no restrictions on the realisability of investment property or remittance of income and proceeds of disposal. The Council does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 19. Payables

| Notes   | 2020<br>\$'000      | 2019<br>\$'000      |
|---|---------------------|---------------------|
| <u>Trade creditors</u>  |                     |                     |
| 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.   |                     |                     |
| <u>Employee related accruals</u>  |                     |                     |
| Employee related accruals comprise annual leave, long service leave and accrued salaries and wages in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current. |                     |                     |
| <b>Current</b>  |                     |                     |
| Employee Entitlements   | 90                  | 85                  |
| ATO - net GST payable   | 124                 | 106                 |
| Trade Creditors   | 1,367               | 2,332               |
| Accruals  | 4,583               | 3,279               |
| Employee Related Accruals   | 1,528               | 1,249               |
| <b><u>TOTAL CURRENT PAYABLES</u></b>  | <b><u>7,692</u></b> | <b><u>7,051</u></b> |

### Note 20. Borrowings

Loans payable are measured at amortised cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. Borrowing costs, which includes interest calculated using the effective interest method and administration fees, are expensed in the period in which they arise. Costs that are not settled in the period in which they arise are added to the carrying amount of the borrowing.

All borrowing costs are expensed in the period in which they are incurred.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Council adopts an annual debt policy that sets out council's management of existing and future debt. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

#### Current

|   |                     |                     |
|---|---------------------|---------------------|
| Loans - Queensland Treasury Corporation | 3,023               | 3,112               |
| <b><u>TOTAL CURRENT BORROWINGS</u></b>  | <b><u>3,023</u></b> | <b><u>3,112</u></b> |

#### Non-current

|  |                      |                      |
|--|----------------------|----------------------|
| Loans - Queensland Treasury Corporation    | 18,493               | 21,120               |
| <b><u>TOTAL NON-CURRENT BORROWINGS</u></b> | <b><u>18,493</u></b> | <b><u>21,120</u></b> |



# Noosa Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 20. Borrowings (continued)

|  | 2020                 | 2019                 |
|--|----------------------|----------------------|
| Notes  | \$'000               | \$'000               |
| <b>Reconciliation of Loan Movements for the year</b> |                      |                      |
| <b>Loans - Queensland Treasury Corporation</b>       |                      |                      |
| Opening Balance at beginning of financial year       | 24,232               | 36,141               |
| Loan Interest Capitalised in period                  | 1,234                | 3,382                |
| Principal Repayments                                 | <u>(3,950)</u>       | <u>(15,291)</u>      |
| <b>Book value at end of financial year</b>           | <b><u>21,516</u></b> | <b><u>24,232</u></b> |

The QTC loan market value at the reporting date was \$24,772,274 (2019: \$27,668,386). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. No assets have been pledged as security by the council for any liabilities.

Borrowings are all in \$AUD and are underwritten by the Queensland State Government.

### Note 21. Provisions

#### Annual Leave Provision

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected futures wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

#### Long Service Leave Provision

Long service leave liability 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 the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The 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 this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

#### Restoration Provisions

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of the facility. This liability is provided in respect of Quarries and Landfill sites.

Council has the following restoration provisions:

#### Landfill Sites

The provision represents the present value of the anticipated future costs associated with the closure of the Eumundi Rd landfill sites, decontamination and monitoring of historical residues and leaching on the site.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Provisions (continued)

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

The provision recognised for the Eumundi Rd landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will fully close in 2070 and that site restoration will occur progressively over the subsequent thirty years. The provision recognises the costs associated with closure and rehabilitation of historical and existing cells as well as the rehabilitation of the site following full closure in 2070.

**Quarry Sites**

The provision represents the present value of the anticipated future costs associated with the closure of the Ringtail Creek quarry site, reclamation and rehabilitation of the site.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for quarry sites rehabilitation is reviewed at least annually and updated based on the facts and circumstances available at the time.

**Current**

|  |                     |                     |
|--|---------------------|---------------------|
| Annual Leave                           | 2,952               | 2,543               |
| Long Service Leave                     | 4,630               | 4,630               |
| Landfill Sites                         | -                   | 288                 |
| <b><u>TOTAL CURRENT PROVISIONS</u></b> | <b><u>7,582</u></b> | <b><u>7,461</u></b> |

**Non-Current**

|  |                      |                      |
|--|----------------------|----------------------|
| Long Service Leave                         | 965                  | 776                  |
| Quarry Rehabilitation                      | 50                   | 50                   |
| Landfill Sites                             | 14,292               | 10,697               |
| <b><u>TOTAL NON-CURRENT PROVISIONS</u></b> | <b><u>15,307</u></b> | <b><u>11,523</u></b> |

**Details of movements in provisions:**

**Quarry Rehabilitation**

|  |           |           |
|--|-----------|-----------|
| Balance at beginning of financial year | 50        | 50        |
| Balance at end of financial year       | <u>50</u> | <u>50</u> |

**Landfill Sites**

|   |               |               |
|---|---------------|---------------|
| Balance at beginning of financial year                          | 10,985        | 9,353         |
| Increase in provision due to unwinding of discount              | 221           | 251           |
| Increase/(decrease) in provision due to change in discount rate | 3,086         | 1,381         |
| Balance at end of financial year                                | <u>14,292</u> | <u>10,985</u> |



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 22. Other Liabilities

|  | Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|--|-------|----------------|----------------|
| <b>Current</b>                         |       |                |                |
| Waste Levy Refund received in advance  |       | -              | 1,941          |
| Unearned Revenue                       |       | 1,561          | 827            |
| Prepaid Rates Liability                |       | 1,597          | -              |
| <b>TOTAL CURRENT OTHER LIABILITIES</b> |       | <b>3,158</b>   | <b>2,768</b>   |

The State Government made an advance payment to Council in June 2019 to mitigate the impacts on households for 2019/20 of the State Waste Levy, which took effect from 1 July 2019. The Council is liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposal sites from 1 July 2019.

The State is required to make an annual payment to the Council that essentially refunds the Council for the portion of the Levy that relates to households. Council will fund the portion of the Levy that relates to commercial waste through charges to commercial users of disposal sites. As at 30 June 2020, Council had not received an advanced payment in respect to the 2020/21 Waste Levy and accordingly no liability was recognised.

#### Note 23. 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 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 in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

|  | Balance at<br>beginning of<br>year<br>\$'000 | Movements<br>\$'000 | Balance at end<br>of year<br>\$'000 |
|--|--|---------------------|-------------------------------------|
| <b>Movements in the Asset Revaluation Surplus:</b> |  |                     |                                     |
| <b>2020</b>  |  |                     |                                     |
| Land   | 23,020                                       | -                   | 23,020                              |
| Buildings  | 9,348  | (3,321)             | 6,027                               |
| Stormwater   | 13,818                                       | 21,835              | 35,653                              |
| Roads and Bridges                                  | -  | 17,201              | 17,201                              |
| Other Infrastructure Assets                        | 4,623  | -                   | 4,623                               |
|  | <b>50,809</b>                                | <b>35,715</b>       | <b>86,524</b>                       |
| <b>2019</b>  |  |                     |                                     |
| Land   | 13,950                                       | 9,070               | 23,020                              |
| Buildings  | 9,348  | -                   | 9,348                               |
| Stormwater   | 13,818                                       | -                   | 13,818                              |
| Other Infrastructure Assets                        | 4,623  | -                   | 4,623                               |
|  | <b>41,739</b>                                | <b>9,070</b>        | <b>50,809</b>                       |

# Noosa Shire Council

## Notes to the Financial Statements for the year ended 30 June 2020

### Note 24. Commitments for Expenditure

| Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|-------|----------------|----------------|
|-------|----------------|----------------|

#### (a) Operating Leases (2019 only)

Minimum lease payments in relation to non-cancellable operating leases are as follows:

|                       |            |
|-----------------------|------------|
| Within one year       | 237        |
| One to five years     | 683        |
| Later than five years | 17         |
|                       | <u>937</u> |

2019: IT equipment lease payments are generally fixed, but with inflation clauses on which future rentals are determined.

Refer to note 18 for information on leases for 2020.

#### (b) Operational Contractual Commitments

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

|                       |               |               |
|-----------------------|---------------|---------------|
| Within one year       | 12,528        | 14,260        |
| One to five years     | 30,633        | 38,909        |
| Later than five years | 943           | 3,158         |
|                       | <u>44,104</u> | <u>56,327</u> |

#### (c) Capital Commitments (exclusive of GST)

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

##### Property, Plant and Equipment

|                               |              |              |
|-------------------------------|--------------|--------------|
| Roads, Bridges and Stormwater | 3,393        | 130          |
| Pathways                      | -            | 25           |
| Other                         | -            | 915          |
|                               | <u>3,393</u> | <u>1,070</u> |

##### These expenditures are payable as follows:

|  |              |              |
|--|--------------|--------------|
| Within the next year                           | 3,393        | 1,070        |
| Later than one year and not later than 5 years | -            | -            |
| Later than 5 years                             | -            | -            |
|  | <u>3,393</u> | <u>1,070</u> |



### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 25. Contingent Liabilities

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

##### Local Government Mutual

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

As at 30 June 2020 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 \$940,516 (2019: \$800,535).

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 26. Superannuation

Council contributes to the LGIASuper 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 LGIASuper 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 defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, 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 governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper 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 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 assets 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 LGIASuper 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.

|   | Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|---|-------|----------------|----------------|
| Superannuation contributions made to the Regional Defined Benefits Fund |       | 201            | 213            |
| Other superannuation contributions for employees                        |       | 3,225          | 3,062          |
| Total superannuation contributions paid by Council for employees        | 5     | <u>3,426</u>   | <u>3,275</u>   |



Notes to the Financial Statements

for the year ended 30 June 2020

Note 27. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

| Notes   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| Net Operating Result from Income Statement  | 10,988         | 17,485         |
| <b>Non-cash items</b>   |                |                |
| Depreciation and Amortisation   | 16,521         | 15,805         |
| Changes in Accounting Policy  | (3,869)        | -              |
|   | <u>12,652</u>  | <u>15,805</u>  |
| <b>Losses/(Gains) recognised on fair value re-measurements through the Income Statement</b> |                |                |
| Investment Properties   | 300            | 867            |
| Unwinding of discount rates on reinstatement provisions                                     | 3,307          | 1,632          |
|   | <u>3,607</u>   | <u>2,499</u>   |
| <b>Investing and Development Activities</b>   |                |                |
| Net (Profit)/Loss on Disposal of Assets   | 3,851          | 2,417          |
| Non cash Capital Grants and Contributions   | (8,400)        | (8,696)        |
| Share of Net (Profits)/Losses of Associates   | (6,094)        | (6,452)        |
| Impairment of Receivables and Bad Debts written off   | 1              | 1              |
| Interest Expense capitalised in QTC loans   | 1,234          | 3,382          |
|   | <u>(9,408)</u> | <u>(9,348)</u> |
| <b>Changes in Operating Assets and Liabilities:</b>   |                |                |
| (Increase)/Decrease in Receivables  | (572)          | (94)           |
| Increase/(Decrease) in Provision for Doubtful Debts   | 12             | -              |
| (Increase)/Decrease in Inventories  | 17             | 27             |
| (Increase)/Decrease in Contract Assets  | (27)           | -              |
| (Increase)/Decrease in other Assets   | 1,396          | 1,487          |
| Increase/(Decrease) in Payables   | 339            | (2,287)        |
| Increase/(Decrease) in Contract Liabilities   | 1,568          | -              |
| Increase/(Decrease) in Employee Leave Entitlements  | 598            | 424            |
| Increase/(Decrease) in Other Provisions   | 0              | (1)            |
| Increase/(Decrease) in Other Liabilities  | 692            | 2,378          |
|   | <u>4,023</u>   | <u>1,934</u>   |
| Net Cash provided from/(used in) Operating activities from the Statement of Cash Flows      | <u>21,862</u>  | <u>28,375</u>  |

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 28. Changes in Accounting Policy

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Changes in Accounting Policies

During the year ended 30 June 2020, the Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 1058 Income of NFP Entities* and *AASB 16 Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with *AASB 111 Construction Contracts*, *AASB 117 Leases*, *AASB 118 Revenue*, *AASB 1004 Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15, AASB 1058 and AASB 16 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

**Revenue standards - AASB 15 and AASB 1058**

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements.
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

**Changes in accounting policy on adoption of AASB 15 and AASB 1058**

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Balance at  
1-Jul-19  
\$'000

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**Opening Contract Balances on transition at 1 July 2019**

**Contract Assets**

|                              |          |
|------------------------------|----------|
| Under AASB 15                | 2        |
| Under AASB 1058              | -        |
| <b>Total Contract Assets</b> | <b>2</b> |

**Contract Liabilities**

|                                   |            |
|-----------------------------------|------------|
| Under AASB 15                     | 82         |
| Under AASB 1058                   | 69         |
| <b>Total Contract Liabilities</b> | <b>151</b> |



Notes to the Financial Statements

for the year ended 30 June 2020

Note 28. Changes in Accounting Policy (continued)

|       | Carrying<br>amount per<br>Statement<br>of Financial<br>Position<br>Dr / (Cr)<br>\$'000 | Adjustments<br>Dr / (Cr)<br>\$'000 | Carrying<br>amount if<br>previous<br>Standards had<br>been applied<br>Dr / (Cr)<br>\$'000 |
|-------|--|------------------------------------|---|
| Notes |  |                                    |   |

**Comparison of affected Financial Statement lines between AASB 15/1058 and previous revenue**

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

**Statement of Comprehensive Income for the year ended 30 June 2020**

**Revenue**

|                           |                 |            |                 |
|---------------------------|-----------------|------------|-----------------|
| Operating Grants          | (5,446)         | (50)       | (5,496)         |
| Fees and Charges          | (6,444)         | (3)        | (6,447)         |
| Capital Revenue           | (8,400)         | (1,339)    | (9,739)         |
| Rates, Levies and Charges | (69,237)        | 1,872      | (67,365)        |
| <b>Net Revenue</b>        | <b>(89,527)</b> | <b>480</b> | <b>(89,047)</b> |

**Statement of Financial Position at 30 June 2020**

|                      |                    |          |                    |
|----------------------|--------------------|----------|--------------------|
| Contract Assets      | 27                 | (27)     | -                  |
| Contract Liabilities | (1,568)            | 1,568    | -                  |
| Other Liabilities    | (3,158)            | 480      | (2,678)            |
| Retained Earnings    | (1,003,274)        | (2,021)  | (1,005,295)        |
|                      | <b>(1,007,973)</b> | <b>-</b> | <b>(1,007,973)</b> |

The adjustments above relate to the recognition of Contract Assets and Contract Liabilities for revenue streams where the revenue is recognised over time rather than on receipt of funding under AASB 1004.

**Statement of Cash Flows for the year ended 30 June 2020**

The adoption of AASB 15 and AASB 1058 has not caused a material change to the Statement of Cash Flows for the year ended 30 June 2020.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 28. Changes in Accounting Policy (continued)

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**Lease standard - AASB 16**

***Council as a lessee***

Under the previous lease accounting standard, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the Statement of Financial Position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Statement of Comprehensive Income on a straight-line basis.

***Practical expedients used on transition***

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**Impact of adopting AASB 16 at 1 July 2019**

Council has recognised right-of-use assets and lease liabilities of \$199,719 at 1 July 2019 for leases previously classified as operating leases.

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 2.31%.

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|   | \$'000     |
|---|------------|
| <b>Leases Opening Balance Reconciliation</b>  |            |
| Operating Lease Commitment at 30 June 2019 per Council Financial Statements               | 937        |
| Discounted using the incremental borrowing rate at 1 July 2019                            | 922        |
| <b>Add:</b>   |            |
| Extension options reasonably certain to be exercised not included in the commitments note | 23         |
| <b>Less:</b>  |            |
| Leases for low-value assets included in commitments note                                  | (745)      |
| <b>Lease Liabilities recognised at 1 July 2019</b>  | <b>200</b> |



### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 29. Events after the Reporting Period

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Council is unaware of any material or significant "non adjusting events" that should be disclosed.

#### Note 30. Financial Instruments and Financial Risk Management

Noosa Shire Council has exposure to the following risks arising from financial instruments; (i) interest rate risk, (ii) credit risk, and (iii) liquidity risk.

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Council has reviewed its exposure to financial risk as a result of the COVID-19 pandemic, and at present does not anticipate likelihood of increased financial risk through either the decline in credit rating of financial institutions or increased levels of default in receivables.

##### Financial Risk Management

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

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

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

The Council's audit committee (or other appropriate oversight body) oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk managements framework in relation to the risks faced by the Council. The Council audit committee (or other appropriate oversight body) 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 (or other appropriate oversight body).

Council does not enter into derivatives.

##### Credit Risk Exposure

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

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

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar 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 Noosa Shire Council.

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

## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 30. Financial Instruments and Financial Risk Management (continued)

|  | Notes | 2020<br>\$'000 | 2019<br>\$'000 |
|--|-------|----------------|----------------|
| 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: |       |                |                |
| <b>Financial Assets</b>  |       |                |                |
| Cash and Cash Equivalents  | 9     | 57,024         | 55,981         |
| Receivables - Rates  | 10    | 5,007          | 4,461          |
| Receivables - Other  | 10    | 51,623         | 51,922         |
| Equity Investments   | 12    | 88,040         | 83,342         |
|  |       | <u>201,694</u> | <u>195,706</u> |
| <b>Other Credit Exposures</b>  |       |                |                |
| Guarantee  | 25    | 941            | 801            |
|  |       | <u>941</u>     | <u>801</u>     |
| <b>Total</b>   |       | <u>202,635</u> | <u>196,506</u> |

#### Cash and Cash Equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and QTC working capital facility. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC cash fund are capital guaranteed. Working capital facility deposits have a duration of one day and all investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

#### Other Financial Assets

Other investments are held with financial institutions, which are rated AAA to AA- based on rating agency Standard and Poor's ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote (if applicable).

#### Receivables

In the case of rate receivables, the Council has the power to sell the property to recover any defaulted amounts. In effect this power protects the Council against credit risk in the case of defaults.

In other cases, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Councils operations, there is a geographical concentration of risk in the Council's area.

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 30. Financial Instruments and Financial Risk Management (continued)

|                         | 2020<br>\$'000 | 2019<br>\$'000 |
|-------------------------|----------------|----------------|
| Community Organisations | 500            | 625            |
| Property Charges        | 5,096          | 4,582          |
| Fees and Charges        | 1,116          | 1,294          |
| GST Recoverable         | 688            | 632            |
| Associates              | 49,218         | 49,218         |
| Other                   | 12             | 32             |
| <b>Total</b>            | <b>56,630</b>  | <b>56,383</b>  |

|   | 2020<br>Not credit-<br>impaired<br>\$'000 | 2020<br>Credit-<br>impaired<br>\$'000 | 2019<br>\$'000 |
|---|---|---------------------------------------|----------------|
| A summary of the Council's exposure to credit risk for trade receivables is as follows: |   |                                       |                |
| Not Past Due  | 1,030                                     | -                                     | 1,282          |
| Past Due 31-60 Days   | 48  | -                                     | 133            |
| Past Due 61-90 Days   | 43  | -                                     | 57             |
| More than 90 Days   | 5,806                                     | (10)                                  | 5,072          |
| Loans to Community Organisations  | 500                                       | -                                     | 625            |
| Loans and Advances to Associates  | 49,218                                    | -                                     | 49,218         |
| Loss Allowance  | (5)                                       | -                                     | (4)            |
| <b>Total</b>  | <b>56,640</b>                             | <b>(10)</b>                           | <b>56,383</b>  |

Refer to Note 10 for further details.

**Accounting policies**

**Accounting policy - Receivables**

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

**Accounting policy - Grouping**

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

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses (ECL) and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 3 distinctive groupings of its receivables: rates and charges, statutory charges and other debtors.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 30. Financial Instruments and Financial Risk Management (continued)

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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.

Statutory charges: In some limited circumstances Council may write off impaired statutory charges, on this basis Council calculates an ECL for statutory charges (non-rates and utility charges). Although not material, disclosure is being made for the purposes of public interest and transparency.

Other debtors: Council identifies other debtors as receivables which are not rates and charges or statutory charges. This includes, but is not limited to, grants, property leases, respite services, venue hire, commercial waste charges and grants.

#### **Disclosure - credit risk exposure and impairment of receivables**

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets. No collateral is held as security.

Council uses a provision matrix to measure the expected credit losses on statutory charges and other debtors. Loss rates are calculated separately for groupings with similar loss patterns. The calculations reflect historical observed default rates calculated using credit losses experienced on past transactions from the last 6 years for each group. Loss rates are based on actual credit loss experience over the past 6 years, current conditions and the Council's view of economic conditions over the expected lives of the receivables. Council has determined there are three material groupings for measuring expected credit losses based on a combination of their statutory status, Council's policies and procedures, sale of services and goods, and risk default profiles of these revenue streams.

After reviewing macro economic conditions, Council reached the conclusion that forward looking conditions indicate that as a result of the COVID-19 pandemic there is minimal potential for deviations from historically calculated ratios, and accordingly no forward looking adjustments were made. Any potential impact is expected to be immaterial given the type and nature of Council receivables.

#### *Expected credit loss assessment*

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 30. Financial Instruments and Financial Risk Management (continued)

**Write offs throughout the year and end of period expected credit losses for receivables**

All amounts that were written off during the reporting period and are no longer subject to enforcement activity.

|  | 2020<br>Closing<br>balance | 2020<br>Historical<br>probability of<br>default | 2020<br>Loss given<br>default | 2020<br>Lifetime<br>expected credit<br>loss |
|--|----------------------------|---|-------------------------------|---|
| Ageing                                     | \$'000                     | %   | %                             | \$'000                                      |
| <b>Rates and Charges</b>                   | 5,006                      | 0.00%   | 100.00%                       | -   |
| <b>Statutory Charges and Other Debtors</b> |                            |   |                               |   |
| Current                                    | 1,030                      | 0.05%   | 100.00%                       | 1   |
| 1-30 days                                  | 48                         | 0.01%   | 100.00%                       | 0   |
| 31-60 days                                 | 43                         | 0.88%   | 100.00%                       | 0   |
| 61-90 days                                 | (796)                      | -0.48%  | 100.00%                       | 4   |
| 90+ days                                   | -                          | 0.00%   | 100.00%                       | -   |
| <b>Total</b>                               | <b>5,331</b>               |   |                               | <b>5</b>                                    |

|  | 2019<br>Closing<br>balance | 2019<br>Historical<br>probability of<br>default | 2019<br>Loss given<br>default | 2019<br>Lifetime<br>expected credit<br>loss |
|--|----------------------------|---|-------------------------------|---|
| Ageing                                     | \$'000                     | %   | %                             | \$'000                                      |
| <b>Rates and Charges</b>                   | 4,427                      | 0.00%   | 100.00%                       | -   |
| <b>Statutory Charges and Other Debtors</b> |                            |   |                               |   |
| Current                                    | 1,176                      | 0.16%   | 100.00%                       | 2   |
| 1-30 days                                  | 133                        | 0.64%   | 100.00%                       | 1   |
| 31-60 days                                 | 57                         | 1.61%   | 100.00%                       | 1   |
| 61-90 days                                 | 645                        | 0.00%   | 100.00%                       | -   |
| 90+ days                                   | -                          | 0.00%   | 100.00%                       | -   |
| <b>Total</b>                               | <b>6,438</b>               |   |                               | <b>4</b>                                    |

Refer to Note 10 for the movement in the allowance for impairment for receivables during the year.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 30. Financial Instruments and Financial Risk Management (continued)

Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Noosa Shire Council is exposed to liquidity risk through its trading in the normal course of business and borrowings from the Queensland Treasury Corporation for capital works.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 20.

The following table sets out the liquidity risk in relation to financial liabilities (excluding lease liabilities for 2020) held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

|             | 0 to 1 year<br>\$'000 | 1 to 5 years<br>\$'000 | Over 5 years<br>\$'000 | Total<br>contractual cash<br>flows<br>\$'000 | Carrying amount<br>\$'000 |
|-------------|-----------------------|------------------------|------------------------|--|---------------------------|
| <b>2020</b> |                       |                        |                        |  |                           |
| Payables    | 7,599                 | -                      | -                      | 7,599  | 7,602                     |
| Loans - QTC | 3,762                 | 15,048                 | 7,038                  | 25,848                                       | 21,516                    |
|             | <u>11,361</u>         | <u>15,048</u>          | <u>7,038</u>           | <u>33,447</u>                                | <u>29,118</u>             |
| <b>2019</b> |                       |                        |                        |  |                           |
| Payables    | 6,966                 | -                      | -                      | 6,966  | 6,966                     |
| Loans - QTC | 3,950                 | 15,048                 | 10,800                 | 29,798                                       | 24,232                    |
|             | <u>10,916</u>         | <u>15,048</u>          | <u>10,800</u>          | <u>36,764</u>                                | <u>31,198</u>             |

The outflows in the above table are not expected to occur significantly earlier and are not expected to be for significantly different amounts than indicated in the table.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 30. Financial Instruments and Financial Risk Management (continued)

Market risk

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

*Interest rate risk*

Noosa Shire Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury and/or other financial institutions.

It also has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

*Sensitivity*

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The Council does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

|                   | Net carrying<br>amount<br>\$'000 | Net result           |                       | Equity                |                       |
|-------------------|----------------------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                   |                                  | % increase<br>\$'000 | 1% decrease<br>\$'000 | 1% increase<br>\$'000 | 1% decrease<br>\$'000 |
| <b>2020</b>       |                                  |                      |                       |                       |                       |
| QTC cash fund     | 54,627                           | 546                  | (546)                 | 546                   | (546)                 |
| Other investments | 2,139                            | 21                   | (21)                  | 21                    | (21)                  |
| Loans - QTC       | (21,517)                         | (215)                | 215                   | (215)                 | 215                   |
| <b>Net</b>        | <b>35,249</b>                    | <b>352</b>           | <b>(352)</b>          | <b>352</b>            | <b>(352)</b>          |
| <b>2019</b>       |                                  |                      |                       |                       |                       |
| QTC cash fund     | 37,630                           | 376                  | (376)                 | 376                   | (376)                 |
| Other investments | 2,142                            | 21                   | (21)                  | 21                    | (21)                  |
| Loans - QTC       | (24,233)                         | (242)                | 242                   | (242)                 | 242                   |
| <b>Net</b>        | <b>15,539</b>                    | <b>155</b>           | <b>(155)</b>          | <b>155</b>            | <b>(155)</b>          |

In relation to the QTC loans held by the Council, the following has been applied:

QTC generic debt pool - the generic debt pool products approximate a fixed rate loan. There is a negligible impact on interest sensitivity from changes in interest rates for generic debt pool borrowings.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 30. Financial Instruments and Financial Risk Management (continued)

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#### (b) Fair value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and disclosed in Note 20.

QTC applies a book rate approach in the management of debt and interest rate risk, to limit the impact of market value movements to clients' cost of funding. The book value represents the carrying value based on amortised cost using the effective interest method.

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 31. National Competition Policy

**Business activities to which the code of competitive conduct is applied**

Council applies the competitive code of conduct to the following activities:

- Waste management
- Holiday parks

This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity.

The CSO value is determined by Council, and represents an activities cost(s) which would not be incurred if the primary objective of the activities was to make a profit. The Council provides funding from general revenue to the business activity to cover the cost of providing non-commercial community services or costs deemed to be CSO's by the Council.

**The following activity statements are for activities subject to the competitive code of conduct:**

|   | Waste<br>Mgt<br>\$'000 | Holiday<br>Parks<br>\$'000 |
|---|------------------------|----------------------------|
| Revenue for services provided to the Council      | 292                    | -                          |
| Revenue for services provided to external clients | 17,666                 | 2,155                      |
| Community service obligations                     | 110                    | -                          |
|   | 18,068                 | 2,155                      |
| Less: Expenditure                                 | (17,246)               | (1,838)                    |
| Surplus/(Deficit)                                 | <u>822</u>             | <u>317</u>                 |

**Description of CSO's provided to business activities:**

| Activities       | CSO description   |
|------------------|---|
| Waste Management | Waste collection and disposal charges for charitable organisations. |

Note 32. Trust Funds

|   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities | 4,000          | 3,615          |
|   | <u>4,000</u>   | <u>3,615</u>   |

Noosa Hire Council performs only a custodial role in respect of these monies. As these funds cannot be used for Council purposes, they are not brought to account in these financial statements.



## Noosa Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 33. Transactions with Related Parties

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##### (a) Subsidiaries (ie. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

##### (b) Associates

Council has a participating interest in the Northern SEQ Distributor-Retailer Authority (trading as Unitywater) governed by a Participation Agreement.

##### Transactions with Unitywater

The amount of revenue and expenditure include in the Statement of Comprehensive Income, and the amount receivable or payable to Unitywater are as follows:

|                           | <b>Additional<br/>Information</b> | <b>2020<br/>\$'000</b> | <b>2019<br/>\$'000</b> |
|---------------------------|-----------------------------------|------------------------|------------------------|
| <b>Revenue</b>            |                                   |                        |                        |
| Interest on loans         | 4(b)                              | 2,392                  | 2,471                  |
| Taxation Equivalents      | 4(a)                              | 1,859                  | 1,754                  |
| Dividends                 | 12(d)                             | 1,396                  | 1,487                  |
| <b>Amounts Receivable</b> |                                   |                        |                        |
| Interest                  |                                   | 598                    | 618                    |
| Dividends                 |                                   | 750                    | 817                    |
| Taxation equivalents      |                                   | 220                    | 87                     |
| <b>Loans</b>              |                                   |                        |                        |
| Loans                     | 10                                | 49,218                 | 49,218                 |

Unitywater operates under an income tax equivalent regime; with all tax paid being distributed to the participating Councils on a pro-rata basis to their participation rights.

Dividends received by Council from Unitywater are recorded as a reduction in the carrying value of the non-current asset.

Shareholder loans provide for a fixed interest rate with quarterly interest only payments.

Further detail regarding Unitywater is contained in Note 12 Equity Investments.

##### (c) Joint ventures

Council has no interest in any joint ventures.

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 33. Transactions with Related Parties (continued)

(d) Other Related Parties

Transactions with Other Related Parties

| Details of Transactions   | 2020<br>\$'000 | 2019<br>\$'000 |
|---|----------------|----------------|
| Employee expenses with close family members of key management personnel | 87             | 82             |
| <b>Total</b>  | <b>87</b>      | <b>82</b>      |

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.

|                 |   |   |
|-----------------|---|---|
| Number of staff | 1 | 1 |
|-----------------|---|---|

(e) Key Management Personnel

Transactions with Key Management Personnel

**Councillors**

|                                   |                     |                                       |
|-----------------------------------|---------------------|---------------------------------------|
| Cr Clare Stewart (Mayor)          | Cr Joe Jurisevic    | Cr Jess Glasgow (former Councillor)   |
| Cr Tony Wellington (former Mayor) | Cr Amelia Lorentson | Cr Ingrid Jackson (former Councillor) |
| Cr Frank Wilkie                   | Cr Brian Stockwell  | Cr Frank Pardon (former Councillor)   |
| Cr Karen Finzel                   | Cr Tom Wegener      |                                       |

**Executive Leadership Team**

|                             |  |
|-----------------------------|--|
| Chief Executive Officer     | Director Infrastructure Services                 |
| Director Community Services | Director Environment and Sustainable Development |
| Director Corporate Services | Director Executive Services                      |

The compensation paid to key management personnel for comprises:

|                              | 2020<br>\$000 | 2019<br>\$000 |
|------------------------------|---------------|---------------|
| Short-term Employee Benefits | 1,824         | 1,930         |
| Post-employment Benefits     | 197           | 216           |
| Long-term Benefits           | 30            | 34            |
| Termination Benefits         | -             | -             |
| <b>Total</b>                 | <b>2,051</b>  | <b>2,180</b>  |

Notes to the Financial Statements

for the year ended 30 June 2020

Note 33. Transactions with Related Parties (continued)

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(g) Loans and guarantees to/from related parties

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

(h) Commitments to/from other related parties

Council has no outstanding commitments to/from other related parties.

(i) Transactions with related parties that have not been disclosed

On a regular basis ordinary ratepayer transactions occur between Council and its related parties. Examples include, rates and animal registrations. 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.



## Noosa Shire Council

### General Purpose Financial Statements for the year ended 30 June 2020

### Management Certificate for the year ended 30 June 2020

These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulations) 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 Regulations 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 58, 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.



Clare Stewart

**MAYOR**

23 October 2020



Brett de Chastel

**CHIEF EXECUTIVE OFFICER**

23 October 2020

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Noosa Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Noosa 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 2020, 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 2020, 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 certificate given by the Mayor and Chief Executive Officer.

#### Basis for opinion

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

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

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

#### Other information

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 Noosa Shire Council's annual report for the year ended 30 June 2020 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 councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial report**

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 2020:

- 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.



26 October 2020

C G Strickland  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

# Noosa Shire Council

## Current Year Financial Sustainability Statement for the year ended 30 June 2020

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|  | Actual<br>2020 | Target<br>2020 |
|--|----------------|----------------|
|--|----------------|----------------|

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### Measures of Financial Sustainability

Council's performance at 30 June 2020 against key financial ratios and targets.

#### Performance indicators

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##### 1. Operating Surplus Ratio

|   |              |                |
|---|--------------|----------------|
| <u>Net Result (excluding capital items) (1)</u>       | <b>6.52%</b> | <b>0 - 10%</b> |
| Total Operating Revenue (excluding capital items) (2) |              |                |

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

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##### 2. Asset Sustainability Ratio

|   |                |                          |
|---|----------------|--------------------------|
| <u>Capital Expenditure on the Replacement of Infrastructure Assets (renewals) (3)</u> | <b>121.68%</b> | <b>more<br/>than 90%</b> |
| Depreciation Expense for Infrastructure Assets  |                |                          |

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

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##### 3. Net Financial Liabilities Ratio

|   |                |                          |
|---|----------------|--------------------------|
| <u>Total Liabilities less Current Assets</u>          | <b>-11.62%</b> | <b>less than<br/>60%</b> |
| Total Operating Revenue (excluding capital items) (2) |                |                          |

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

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#### 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 2020.

## Current Year Financial Sustainability Statement for the year ended 30 June 2020

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### Notes

- (1) Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Includes share of profit from associates and joint ventures. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 of the *Financial Management (Sustainability) Guideline 2013* for exclusions), and any Capital Expenditure such as Write-Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- (2) Includes only Recurrent Revenue disclosed in the Income Statement, plus share/loss of profit from associates and joint ventures. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 of the *Financial Management (Sustainability) Guideline 2013* for exclusions).
- (3) Infrastructure Assets refer to Council's significant long-life assets that provide ratepayers with access to social and economic facilities and services. It excludes land, and equipment, motor vehicles heritage collections and artwork. Renewals is defined as expenditure on existing infrastructure to return the infrastructure to their original service potential or useful life.

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These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the *Financial Management (Sustainability) Guideline* issued by the Department of Local Government, Racing and Multicultural Affairs.



Noosa Shire Council

Current Year Financial Sustainability Statement  
for the year ended 30 June 2020

Certificate of Accuracy  
for the year ended 30 June 2020

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.



Clare Stewart

**MAYOR**

23 October 2020



Brett de Chastel

**CHIEF EXECUTIVE OFFICER**

23 October 2020

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Noosa Shire Council

### Report on the current year financial sustainability statement

#### Opinion

I have audited the accompanying current year financial sustainability statement of Noosa Shire Council for the year ended 30 June 2020, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Noosa Shire Council for the year ended 30 June 2020 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 Noosa Shire Council's annual report for the year ended 30 June 2020 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.



26 October 2020

C G Strickland  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

## Noosa Shire Council

### Unaudited Long-Term Financial Sustainability Statement

prepared as at 30 June 2020

|  | Target<br>2020 | Actual<br>2020 | 2021 | 2022 | 2023 | 2024 | Forecast |      |      |      |      |      |
|--|----------------|----------------|------|------|------|------|----------|------|------|------|------|------|
|  |                |                |      |      |      |      | 2025     | 2026 | 2027 | 2028 | 2029 | 2030 |

#### Measures of Financial Sustainability

Council's performance at 30 June 2020 against key financial ratios and targets.

#### Performance Indicators

##### 1. Operating Surplus Ratio

Net Result (excluding capital items) <sup>(1)</sup>

Total Operating Revenue (excluding capital items) <sup>(2)</sup>

|         |       |        |        |       |       |       |       |       |       |       |       |
|---------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| 0 - 10% | 6.52% | -2.29% | -0.63% | 0.02% | 0.20% | 0.33% | 0.21% | 0.15% | 0.07% | 0.18% | 0.16% |
|---------|-------|--------|--------|-------|-------|-------|-------|-------|-------|-------|-------|

An indicator of which the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

##### 2. Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (renewals) <sup>(3)</sup>

Depreciation Expense

|       |         |         |         |         |         |        |        |        |        |        |        |
|-------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
| > 90% | 121.68% | 100.16% | 106.87% | 122.86% | 121.36% | 93.22% | 92.12% | 99.78% | 95.97% | 93.89% | 94.92% |
|-------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|

An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

##### 3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) <sup>(2)</sup>

|       |         |        |        |        |        |        |         |         |         |         |         |
|-------|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|
| < 60% | -11.62% | -6.35% | -7.53% | -6.52% | -5.61% | -9.42% | -13.15% | -14.79% | -17.26% | -19.87% | -21.49% |
|-------|---------|--------|--------|--------|--------|--------|---------|---------|---------|---------|---------|

An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Unaudited Long-Term Financial Sustainability Statement (continued)  
prepared as at 30 June 2020

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**Noosa Shire Council 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.

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Notes

- <sup>(1)</sup> Includes only Recurrent Revenue and Recurrent Expenditure disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions, Donations and Subsidies received for capital acquisitions, Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 of the *Financial Management (Sustainability) Guideline 2013* for exclusions), and any Capital Expenditure such as Write Off of Assets, movements in Provisions for Restoration and Rehabilitation and Revaluation Decrements that hit the Statement of Comprehensive Income.
- <sup>(2)</sup> Includes only Recurrent Revenue disclosed in the Income Statement. Excludes Capital Revenue Grants, Contributions Donations and Subsidies received for capital acquisitions. Also excludes any Capital Income items such as Profit from the Sale of: Property, Plant and Equipment, Financial Assets, Real Estate and Investment Properties (refer to Note 5 of the *Financial Management (Sustainability) Guideline 2013* for exclusions).
- 

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.

Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Local Government, Racing and Multicultural Affairs.



Noosa Shire Council

Unaudited Long-Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2020

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.



Clare Stewart

**MAYOR**

23 October 2020



Brett de Chastel

**CHIEF EXECUTIVE OFFICER**

23 October 2020

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