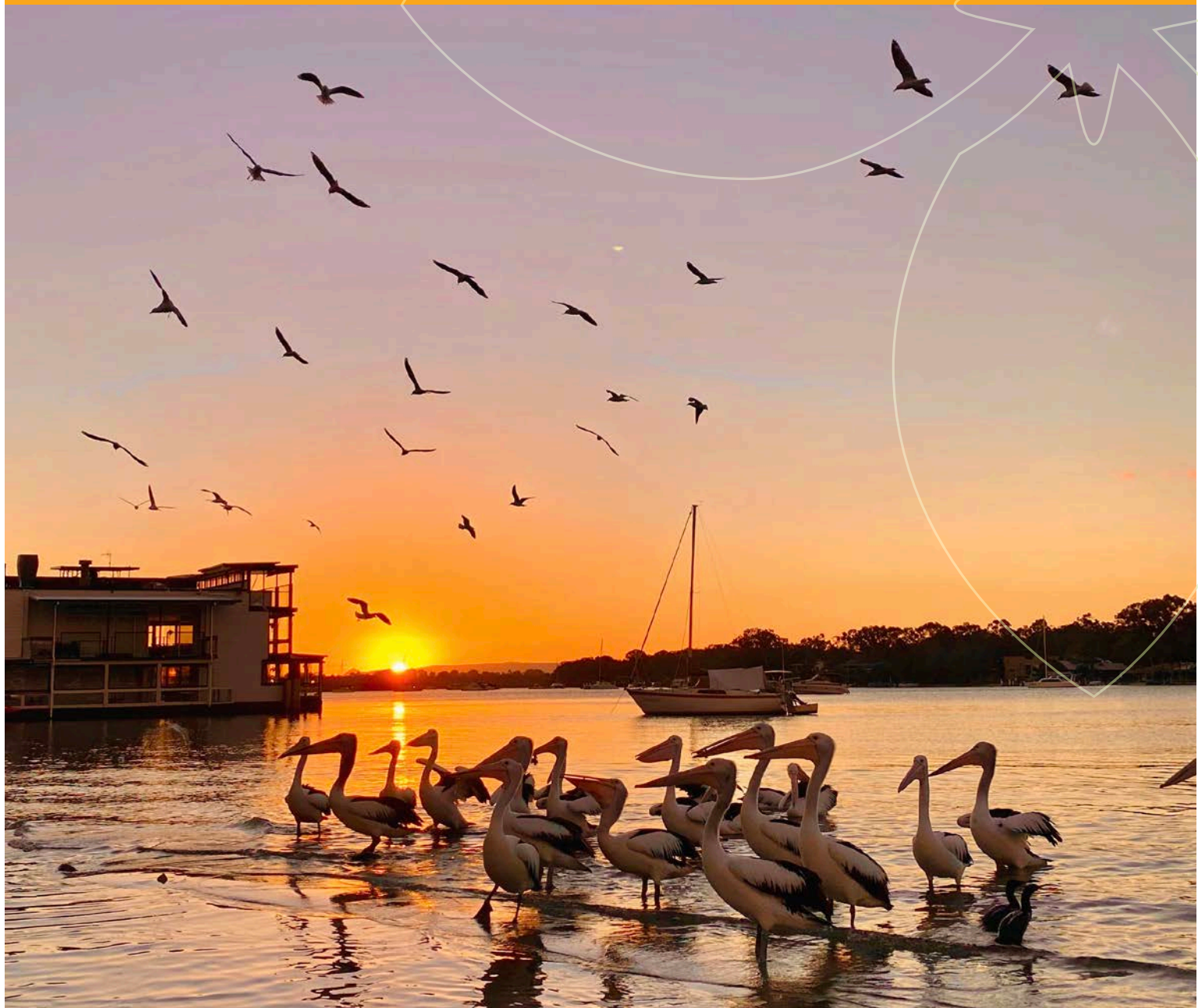
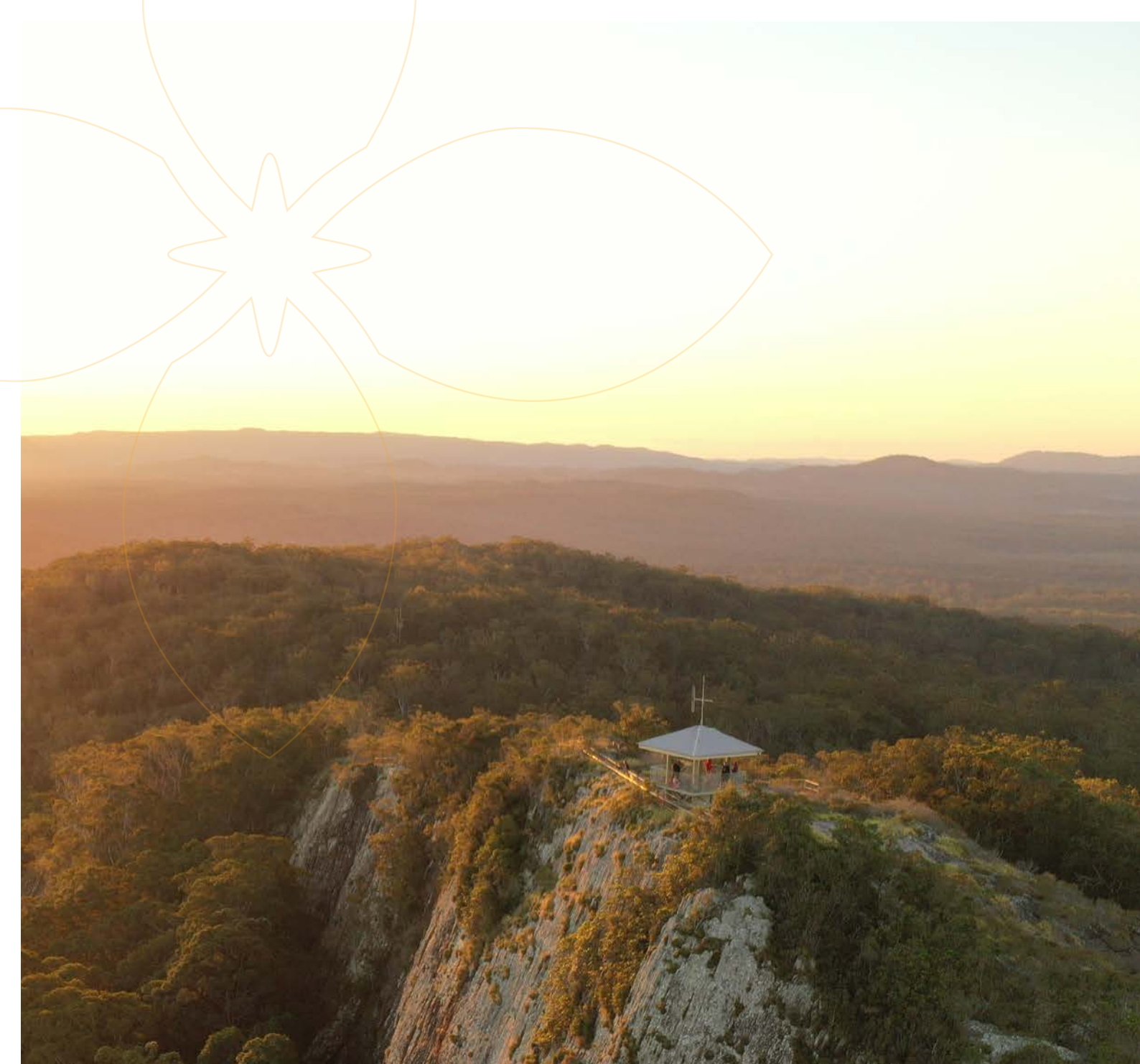




2020 – 21 Annual Report

Noosa Shire Council





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 2020–21.

This report is a comprehensive summary of our performance from 1 July 2020 to 30 June 2021. This Report includes our financial performance as at 30 June 2021 as well as governance and statutory information with the aim of providing understandable information to members of our community. The Annual Report is aligned to five key themes that form the basis of Council's corporate and operational plans and it also highlights a range of achievements and progress made in delivering services to our community in alignment with our vision:

“Noosa Shire – Different by Nature”

Discover our Shire

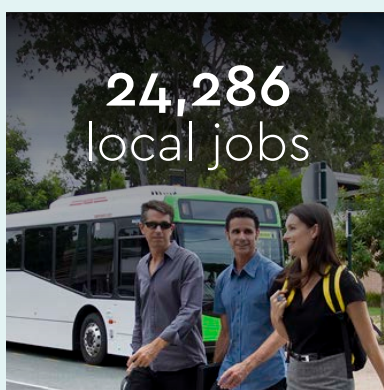
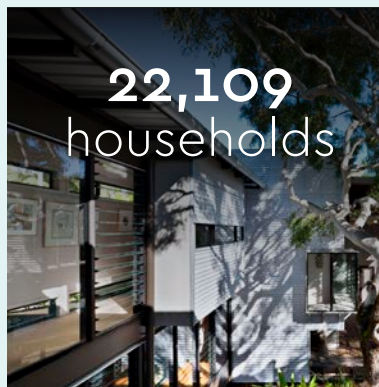
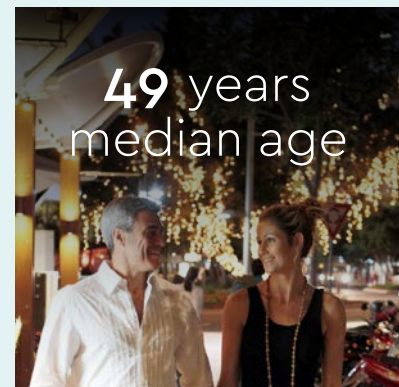
Located in South-East Queensland, Noosa Shire is situated at the northern tip of Queensland's Sunshine Coast. Noosa Shire covers an area of 872 km² and is home to more than 56,000 people. Noosa Shire enjoys a sub-tropical climate, beautiful beaches, mountains and forests, which makes it one of Australia's most desirable places to live, work and visit.

The traditional owners and original custodians of the land are the Kabi Kabi 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



Message from the Mayor

The 2020–21 year was certainly a roller coaster ride and a challenging one for all of us.

The impacts of COVID continue to dictate much of what is possible, but our Shire has shown resilience, determination and a strong community approach to this unpredictable environment. We continue to work with our residents and our business community to overcome the challenges that we still face. The formation over 15 months ago of our Business Roundtable continues to keep us closely aligned with our business owners and our workers.

Council has remained focussed on maintaining the right balance between carefully managing our finances and delivering the services and infrastructure expected from our community.

To ease the burden on residential households and guide them through the pandemic, we put a freeze on rates and charges by reducing a number of levies in the 20–21 financial year.

This resulted in almost 80 per cent of Noosa ratepayers having no increase in their total rates charges.

One of the highlights of 2020–21 was the completion of the Orealla Crescent bridge. This was yet another jointly funded project with the Federal Government, which has delivered a great legacy piece of infrastructure for our community.

Equally important was the delivery of the \$3 million upgrade to Hilton Terrace and new roundabout plus a \$2 million revamp to Gympie Terrace.

We have received generous financial support from the Queensland Government under the Unite and Recover and Works for Queensland programs during the 12 months.

It resulted in the delivery of over 60 grassroots projects. These include new shower facilities for Youturn, resurfacing local netball courts, upgrading lifeguard towers, refurbishing the Pomona Memorial School of Arts Hall and many other improvements to other community halls in the Shire.

It has been a big focus for this Council. We have been very proactive in delivering "grassroots" style projects that provide a tangible benefit to our community.

Another key decision made in 20–21 was the adoption of the New Noosa Plan – the culmination of a long journey for our Shire. The new Noosa Plan involved a complete re-write of the 2006 Planning Scheme and its adoption was a red letter day for Council and the community.

We have also had and will continue to have a strong focus on engaging and talking to our community.



With so many events cancelled due to COVID, it was wonderful to initiate the Connecting Noosa Christmas Convoy in December 2020. The Councillors and I felt it was such an important way to connect with our community, it has now been funded and will return in December 2021. We can't wait.

We delivered on a promise to better engage with residents in budget talks and sought feedback. Residents were given the opportunity to voice their thoughts and opinions through an online budget tool, which gave them the ability to understand and balance the budget. It also helped highlight where they think their money should be spent.

I am extremely proud of how this group of Councillors have forged a united approach to many issues. Our primary focus is listening to our community and making decisions with our residents at the forefront of our minds.

Council's strong financial position has stood us in good stead as we have weathered the COVID storm. We moved quickly to support our community and businesses by introducing a range of COVID-19 assistance measures that have continued into 2020/21.

We know more challenges are ahead, but I am confident as an organisation, we will continue to meet these head on.

I am proud of what the Council team achieved over the past 12 months, but there's always more to do. I would like to congratulate our hard working staff, who every day put the community first and make this great Shire a fantastic place to live, work and play. On a personal note I would like to thank our CEO Brett De Chastel for his ongoing support, advice and wisdom and I would like to acknowledge Deputy Mayor Frank Wilkie for his hard work and support and the ongoing camaraderie with all Councillors. Our job is to serve you our community, and we all do that with gusto, integrity and in good faith.



Clare Stewart
Mayor

Message from the Chief Executive Officer

I am sure that somewhere in the dictionary there is a single word that might describe the year that was. Challenging, difficult, a rollercoaster, uncertainty, lockdown, recovery, cautious optimism, lockdown again – the list goes on but none of these words quite capture the year in its entirety. The COVID-19 pandemic has had a significant impact across the world and Noosa was not immune from this impact. History will look back upon this time in wonder at the profound changes brought about by the pandemic to our everyday way of life and the impact on local communities and economies.

Yet despite the challenges of COVID-19, Council continued to do what it does best – providing service to our community. Despite spending a lot of time dealing with COVID-19 issues, Council was also able to progress with some wonderful achievements highlighted by Mayor Clare Stewart in her introduction.

Please have a quick read of our "Top 10 Achievements" in this annual report as that will give you a good understanding of the range of issues that have been achieved in 2020/21. We deal with such a diversity of issues as a local government on behalf of our community.

Some of our long-term aspirations are also coming to fruition. For example, construction has commenced on the long awaited Tewantin Bypass with construction underway on a \$9M project to upgrade the Beckmans Road/Cooroy Noosa Road intersection with that project being fully funded by the State government. Council has been lobbying for this work for over 7 years and it is pleasing to see work now underway.

Similarly, Council has been planning the Hinterland Adventure Playground for Cooroy and the hinterland area for many years. All of the necessary approvals were finalised, tenders let and construction is now occurring on this signature playground for our region. It will be a wonderful place for children from our hinterland to enjoy.

Meanwhile, our Peregrine Beach Digital Hub continues to go from strength to strength. Although only open for a few years, it has prospered through the COVID-19 period fuelled by a dramatic rise in digital businesses. It has also been successful in attracting over \$2M in government funding to develop FireTech. This is an innovative program to advance the use of cutting-edge technology in preventing, detecting and fighting bushfires and will establish our Hub as the Centre for Excellence for bushfire management in Australia.

And finally, despite very financially challenging times, Council has maintained a focus on its long-term financial sustainability. We took the opportunity to restructure our long-term debt to take advantage of record low interest rates, thus crystallising some significant savings for our ratepayers.



Of course, this introduction really just skims across the highlights for an exceptionally busy year for Noosa Council.

Yet, on an everyday basis, we have Council staff:

- Putting out swimming pool lane ropes at 5:30am for the 232,000 annual visitors to our aquatic centre
- Helping customers with their library needs – borrowing 342,000 items during the year
- Answering telephone enquiries from customers – 71,000 during the year.

Please take the time to read our annual report and see what your Council has been doing on behalf of our community.

As always, the achievements of our Council are due to the tremendous dedication and effort of our staff. Our community is fortunate that it has such wonderful staff working for its local Council. Every day, staff are out keeping our parks and public spaces looking great, patching potholes, helping people at the library, working with local businesses on our Economic Strategy, helping elderly at our Noosa Community Support Centre, cleaning the beach at Sunrise – the list goes on. Our staff have passion and it is the opportunity to make a difference to the community that we live in that drives us. For most of our staff, it is more than just a job. You might not know that many staff also undertake volunteer roles within our community with some staff giving up lunch breaks to help with meals on wheels deliveries, other staff volunteering at the community hub to support homeless people and staff working to raise funds for breast cancer and other good causes. It's that passion to make a difference that separates our Council staff from many "public sector" staff working in other levels of government. We are focused on public service.

We are lucky to have this level of commitment and I would like to publicly thank each and every one of our Council staff for their commitment and dedication.

I would also like to thank Mayor Clare Stewart, Deputy Mayor Frank Wilkie and all of the Councillors for their support and dedication throughout the year. Our Councillors have worked diligently throughout the year to support the community through these difficult times and to make the best decisions that they can on their behalf.

Please enjoy reading this annual report. We are very proud of it and what we have achieved in what has been a challenging year.



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.

As part of connecting with the community, the Councillors hold regular community chat sessions around the Shire and catch up with residents in regular informal and relaxed settings.



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.

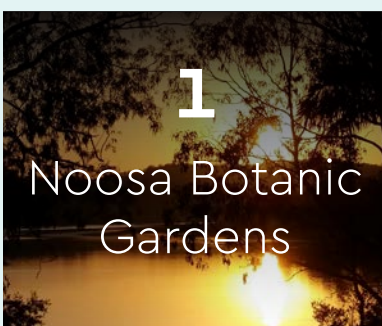
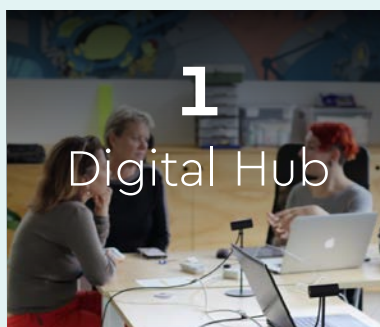
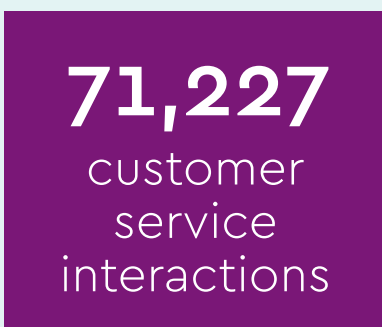
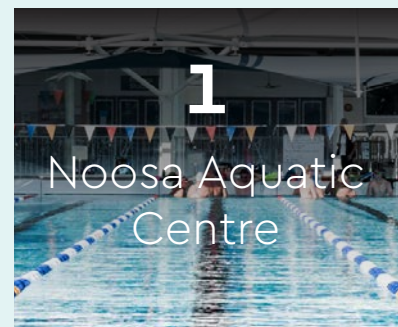
Our Council

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.

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

Snapshot



Our Vision, Values and Purpose

“Noosa Shire – Different by Nature”

The aim of Council's vision is to create an aspirational goal for the future and to set the tone for future planning and thinking. Our vision is underpinned by our Council's beliefs. When working towards our vision, we will focus on:

Respect – Respect for the diversity of opinions and beliefs in our community

Responsiveness – As a Council, being connected with our community

Inclusion – Access to participatory and democratic processes

Authenticity – Understanding our history and learning from our past

Our staff have defined how we want to operate as a Council:

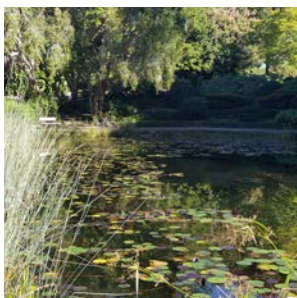
**Noosa Council is a supportive and passionate team
built around openness and informality**

We value:



COMMUNITY
Working hand in hand
with our community

INNOVATION
Striving for better ways
to do things



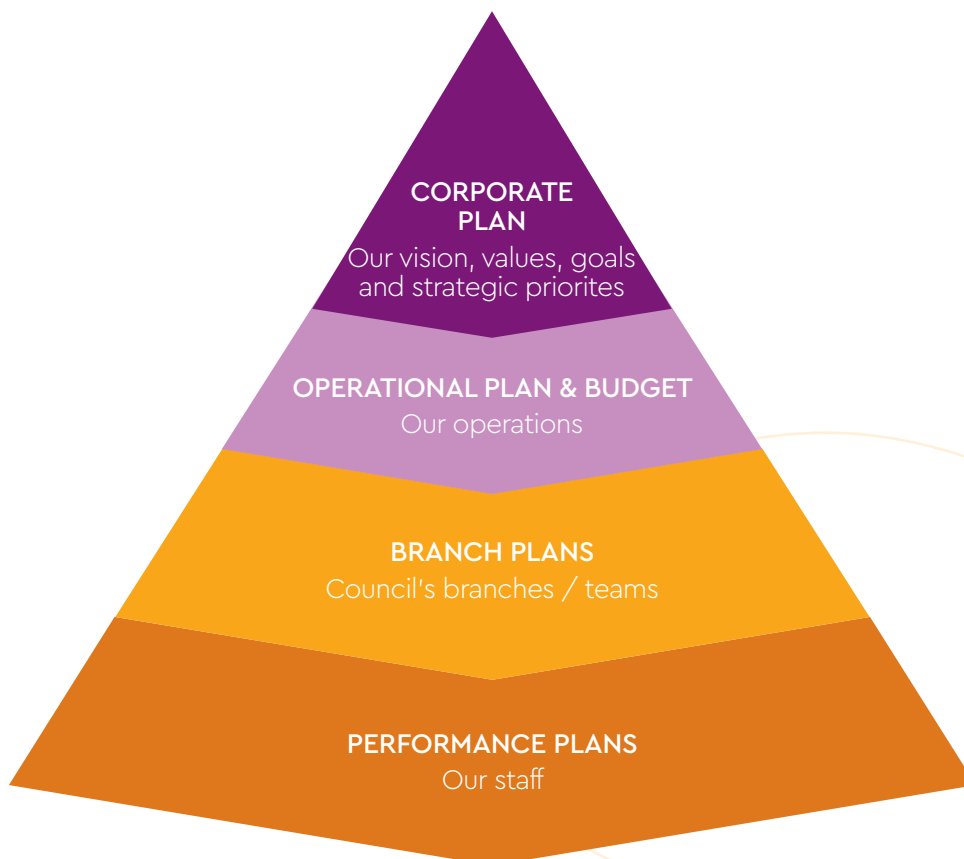
SUSTAINABILITY
Managing environmental,
social and economic
resources for the future

Our Corporate Planning

Our corporate planning framework connects the various components of our corporate planning process to illustrate how our teams and individuals contribute to the success of our organisation. Each year Council will focus on its Operational Plan and Budget to ensure that:

- the key focus areas identified in the Corporate Plan are prioritised during Council's annual budget process;
- resources are identified to bring the key focus areas to fruition; and,
- performance measures are identified to monitor progress.

In addition and to prioritise and identify various projects, initiatives and services to be funded and delivered by Council on behalf of the community each year, Council undertakes a robust process to ensure all proposed items align with Council's long term goals and strategies. The process also involves identifying the risks and opportunities associated with pursuing or not pursuing a specific item leading to informed decision making. This risk-based approach enables Council to appropriately prioritise spending and the allocation of resources each year, whilst at the same time informing possible future resourcing priorities.



The Noosa Council *Corporate Plan 2017 – 2037* outlines Council's 20 year vision for the Noosa Shire and strategic direction for Council. It identifies long term goals under five key themes and identifies key focus areas to be undertaken within the first five year term of the Plan (i.e. 2017- 2022). These focus areas inform Council's corporate planning and budget process.

The *Operational Plan 2021-22* outlines initiatives and services that Council will undertake to advance the key focus areas and goals of the Corporate Plan for the financial year in accordance with the adopted budget. The *Operational Plan 2021-22* and the *Annual Budget 2021-22* are complementary documents and are developed in parallel to provide consistency between commitments in Council's work program and the resourcing allocations determined as part of the annual budget.



Theme 1 The Noosa Environment

20 YEAR GOAL Our environment is protected and enhanced and is valued by the community.



Theme 2 The Noosa Community

20 YEAR GOAL Our community is connected, safe and happy and able to meet their potential.



Theme 3 The Noosa Economy

20 YEAR GOAL Our economy is diverse and resilient.



Theme 4 Long term planning for Noosa Shire

20 YEAR GOAL Noosa Shire is well managed and sustainable.

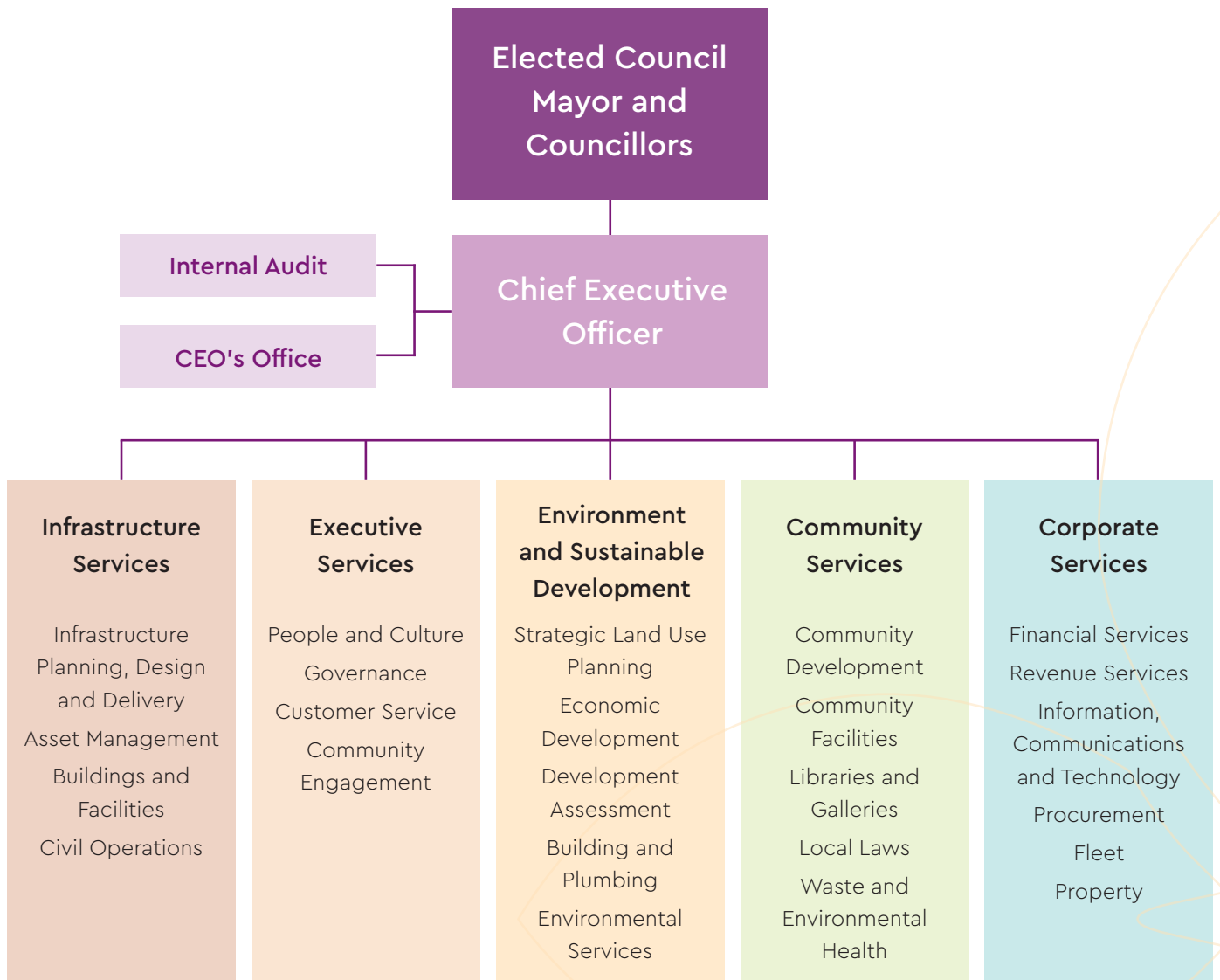


Theme 5 Excellence as a Council

20 YEAR GOAL The Noosa Shire community is proud of its Council.

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

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 2020–21* 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 on Council's website.



Top 10 Highlights

(in no particular order)

Supporting our community during the COVID-19 pandemic through various lockdowns and subsequent recovery phases. This included new events like the Christmas convoy to bring cheer to our community.

Commencement of the long awaited Tewantin by-pass with construction of the \$9M first stage beginning at the Beckmans Road/Cooroy Noosa Road intersection.

Council attracted over \$23M in funding commitments from the State and Federal Governments for our region for a range of infrastructure and programs that support our community.

Establishment of the Noosa River Stakeholder Advisory Committee to provide Council and Marine Safety Queensland with advice on priorities for the Noosa River.

Adopting the new Noosa Planning Scheme and working through its implementation.

Commencement of construction of the Hinterland Adventure Playground – a signature project for Cooroy and the Hinterland area.

Our Peregrine Beach Digital Hub attracted over \$2M in government funding to develop FireTech – an innovative program to advance the use of cutting-edge technology in preventing, detecting and fighting bushfires.

Completion of major infrastructure projects including the Orealla Bridge at Sunrise Beach and the new roundabout at Hilton Terrace, Tewantin.

Council undertook a restructure of our existing debt of approximately \$22M to take advantage of lower interest rates providing a saving to our ratepayers.

Introducing a new online portal called "Open Council" to make our Council more transparent.



Theme – Noosa Environment

Corporate Plan Goal – Our environment is protected and enhanced and is valued by the community

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

Specific Operational Plan Priorities

- The Noosa Environment Strategy was adopted by Council in 2019 and implementation is well underway. The first progress report on implementation actions was provided to Council in September 2020.
- Council developed a draft Climate Change Response Plan and community consultation was undertaken in relation to that plan. The final plan including a detailed action plan is proposed for adoption by Council in late 2021.
- Council established, in conjunction with Marine Safety Queensland (MSQ), the Noosa River Stakeholder Advisory Committee. This committee has broad representation across the various stakeholder groups for the Noosa River and is providing advice to both Council and MSQ on river management issues.
- Council entered into a new 4 year Partnership Agreement with the Noosa Biosphere Reserve Foundation. A project that came to fruition in 2020/21 was the NBRF initiated project to develop a new master plan for the hinterland tracks and trails. This has resulted in initial funding of \$1.6M from the State government to initiate its implementation with a focus on Pomona/Cooran.
- Council worked with key partners to continue to transition the Yurol and Ringtail forestry areas to National Park. The first 350 ha has been dedicated as National Park and final harvesting of pine and hardwood forests is ahead of schedule. Tree planting at Ringtail has already occurred via community tree planting days with over 25,000 trees planted. Negotiations are also underway with a large not for profit organisation to join the project and undertake major restoration works.
- Council has continued to reduce its carbon footprint while aiming to achieve a zero net carbon emissions by 2026. This including installing more solar panels on Council facilities.
- The three-year partnership between Noosa Council and The Nature Conservancy continues with the 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. Engineering and bathymetric work is complete.



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

- Council continued to provide a Land for Wildlife incentive scheme providing free trees, training, and contractor support to eligible properties. There are currently 360 Land for Wildlife members with a total of 513 separate land parcels in this valuable voluntary conservation program.
- Through the Environment Levy, Council purchased a significant parcel of land at Lake Flat Road, Boreen Point for conservation. The nearly 100 hectare property contains important wetlands and koala habitat.
- Council adopted the Noosa Bushland Reserve Strategic Management Plan and the Noosa Bushland Reserve Strategic Fire Management Plan. These two plans outline how we will better manage our bushland reserves and in particular, how we will manage fire risk in our Council bushland reserves.
- Council continued to support the Noosa Biosphere Reserve Foundation (NBRF) which is working closely with the community in developing signature projects that will maintain the balance between people and the environment. NBRF continues to identify projects and seek funding consistent with its objectives.
- The Noosa River catchment maintained its A- rating in the 2020 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. Eleven additional methane extraction wells were installed in March 2021 and further capping works are being undertaken to any methane escaping from the site. Options are being explored to utilise methane for power generation on site.
- Council supported Climate Week in March 2021 with over 20 events being held throughout the Shire.





Theme – The Noosa Community

Corporate Plan Goal – Our community is connected, safe and happy and able to meet their potential

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 endorsed a 2020/21 Action Plan to progress implementation of the Cultural Plan.
- Our Community Facilities (Noosa Aquatic Centre, Noosa Leisure Centre and The J) had difficult trading conditions due to closures associated with the pandemic. Nevertheless, while open, they continued to play an important role in the social fabric of our community and have performed well given the COVID-19 context.
- Planning approval was obtained and tenders let for the construction of the Hinterland Adventure Playground at Cooroy. Construction has started with the new all abilities playground scheduled to open by the end of 2021.
- Council sourced funding and assisted with the construction of additional crisis housing as part of the Shine Housing project.
- A consultant was engaged to investigate the needs and opportunities for a new Regional Art Gallery including an examination of other successful regional galleries. This work is part of a long term strategy to establish a new Regional Art Gallery for Noosa.
- Council researched the best options for the replacement of our aging mobile library truck. A new service model has been adopted that will provide more options for our community to access library resources from locations other than Council's two permanent libraries. The tender has been let for the new mobile Library which will come into operation in 2021/22.
- Master Plans for the Noosa District Sports Complex and the Cooroy Sports Complex were adopted by Council last year and implementation is now underway. New lighting was installed at the Noosa District complex and detailed design for internal roads completed as well as concept plans for the well-being hub have been developed.
- Major investment in our Road network continued comprising a \$4.6M reseal program including the reseal of Maple Street, Cooroy and the Reef Street/Eenie Creek Road roundabout. Council also continued its refurbishment and upgrade of major bridges throughout the Shire including the Orealla Bridge at Sunrise Beach on David Low Way.
- Construction on Stage 3 of the Rufous Street, Peregian development commenced. The new carpark was completed in 2019 but the construction of the new Peregian Beach Community House was delayed as a result of the collapse of the initial primary contractor. In 2020/21, a new tender was let and construction is now underway.



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

- Council resolved to make changes to its planning scheme and to update the Noosa Council Housing Needs Assessment. This is in response to the housing crisis in Noosa caused by significant demand for housing from interstate migration. This high demand has led to increases in weekly rental prices impacting on housing affordability for locals including key workers.
- Due to Covid 19 resulting in the cancellation of traditional school leaver celebrations on the Gold Coast, "schoolies" choose to come to Noosa in large numbers. Working co-operatively with the Police/Ambulance, Hastings Street Association, Tourism Noosa and the Red Frog Organisation, Council helped co-ordinate a safe venue on Noosa Main Beach with support services and clean up.
- Continuation of our disability compliant program for bus stops with the program now over 90% complete. This program has had 50/50 funding from the State Government.
- Council employed a new Community Development Officer to assist our community to recover from the 2019 bushfire events in Peregrin, Cooroibah and Noosa North Shore. Using funding provided by other levels of government, Council has managed a range of projects to improve disaster management capacity and community resilience. Council also organised one year anniversary events at Peregrin, Cooroibah and the Noosa North Shore.
- Council determined to introduce its own bushfire management capacity with a particular focus on having in-house staff trained to manage cool weather burns of Council bushland reserves to reduce long term fire risks.
- Council supported the community through the ongoing 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. Like other organisations, Council also had to manage and respond to various lockdowns and operating its facilities in accordance with the relevant COVID safe rules.
- Council provided significant support to the Kin Kin and broader hinterland communities regarding serious concerns in relation to the impact on residential amenity from the operation of the Kin Kin Quarry. This included working with the community to gather evidence for a potential court case and providing an "on the ground" liaison officer to provide community support.
- Council continues to collaborate and partner with Kabi Kabi Traditional Custodians on a range of initiatives. In particular, Council has worked closely with Greenfleet, Landcare and the Kabi Kabi Corporation on an opportunity for the Kabi Kabi to become involved in the Yurol Ringtail Environmental project. This has resulted in an Indigenous Land Use Agreement for this project being agreed to between the Kabi Kabi and Greenfleet.
- Council delivered a \$24M capital program which included a range of projects that support our community. These included an upgrade of the Tewanin netball courts, renewal of the Peregrin Beach boardwalk and refurbishment of public toilets, park shelters etc. About 25 community projects were delivered from funding received from the State Government under the Unite and Recovery program.



- Council also received an extra \$1M from the Local Roads Community Infrastructure grant program and resurfacing and sealing works were undertaken in Ely Street Noosaville, Tinbeerwah Road, Tinbeerwah and David Low Way, Peregian Beach.
- Council continued to support the Flight Path Forum community organisation in its opposition to changes to the Sunshine Coast Airport flight paths which impact on the Noosa community.
- Council continued to support community organisations with training to remain sustainable and manage current issues. Workshops and webinars covered grant writing, workplace health & safety and meeting legal and financial obligations.
- Council continued to provide its community grant program supporting our community groups. During 2020/21, we provided \$1,032,608 in community grants to 123 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	43	\$235,694
RADF	10	\$41,632
Alliance Agreements	10	\$82,853
Economic	3	\$10,000
Emergency Alliance Agreements	2	\$22,289
Environment	11	\$265,583
Halls and Community Centres	10	\$83,028
Festive Season Events	4	\$16,983
Signature Events	4	\$20,495
Sports Fields	12	\$176,441
Water Rebates**	34	\$77,610
Total	143	\$1,032,608

Notes

*Amounts rounded to nearest dollar.

**plus community groups whose Water Rebates were subsidised through alternate funding.



Theme – The Noosa Economy

Corporate Plan Goal – Our Economy is diverse and resilient

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

Specific Operational Plan Priorities

- Council continued to successfully implement its Local Economic Plan in partnership with local businesses, government agencies and key industry groups. The sharp downturn in the economy following the onset of COVID in 2020 was followed by a steady recovery, particularly for the tourism accommodation sector as Australians holidayed at home due to the absence of international travel. However, not all sectors of the economy shared in that recovery with many businesses continuing to face difficult trading conditions.
- The Local Economic Plan review is well underway with background research complete and consultation with the Business Roundtable. An Economic Strategy 2021 Discussion Paper has been released for comment and the new Economic Strategy will be finalised in late 2021. This is an important strategic directions policy that will help guide the development of the Noosa economy in the post-COVID environment.
- Council entered into a Memorandum of Understanding with the University of the Sunshine Coast (USC). This provides the Council and USC with a framework to work on projects, undertake joint research and provide work experience for University students.
- The Peregian Digital Hub, in its third year of operation, is now home to more than 50 technology specialists and is building a strong network of digital sector sub-groups, with membership exceeding 1,000 digital marketers, coders, screen and music producers. The Digital Hub is using more than \$2M in government grants to establish the FireTech Living Lab program which will establish Noosa as the centre of excellence for fire technology development and testing.



- 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.
- Plans have been finalised to remodel the existing Peregrian Community House as the next stage of the Digital Hub. Funding from the FireTech grant will support additional high tech fit out of that area. Construction will commence in 2021/22.

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

- Noosa Council worked with local businesses through the Business Roundtable to provide targeted economic development support through the COVID-19 pandemic, both in the response and recovery phases. This was a major focus in the 12 month period.
- Council COVID-19 support for the local economy and businesses included:
 - Working with the Business Roundtable with representatives from local business associations, State and Federal Government 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.
 - Implementing a 9-point Business Recovery Framework to drive the post COVID economic recovery.
 - Providing fee relief to businesses and organisations and reducing Council payment terms to 7 days for local suppliers to assist their cashflow.
- Council's COVID-19 support, including subsidised professional services panel and a partnership with Business Mentors Noosa, was valued at \$43,641.
- The Economic Grants program was impacted by the uncertainty of COVID restrictions and lockdowns. Council did provide \$10,000 for a range of projects that support the local economy. 2020/21 recipients included the Hastings Street Association, Cooroy Chamber of Commerce and Woman by Abby Rose.
- Council improved 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.
- 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. Council also welcomed the establishment of the Pomona Chamber of Commerce.





Theme – Long Term Planning for Noosa Shire

Corporate Plan Goal – Noosa Shire is well managed and sustainable

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

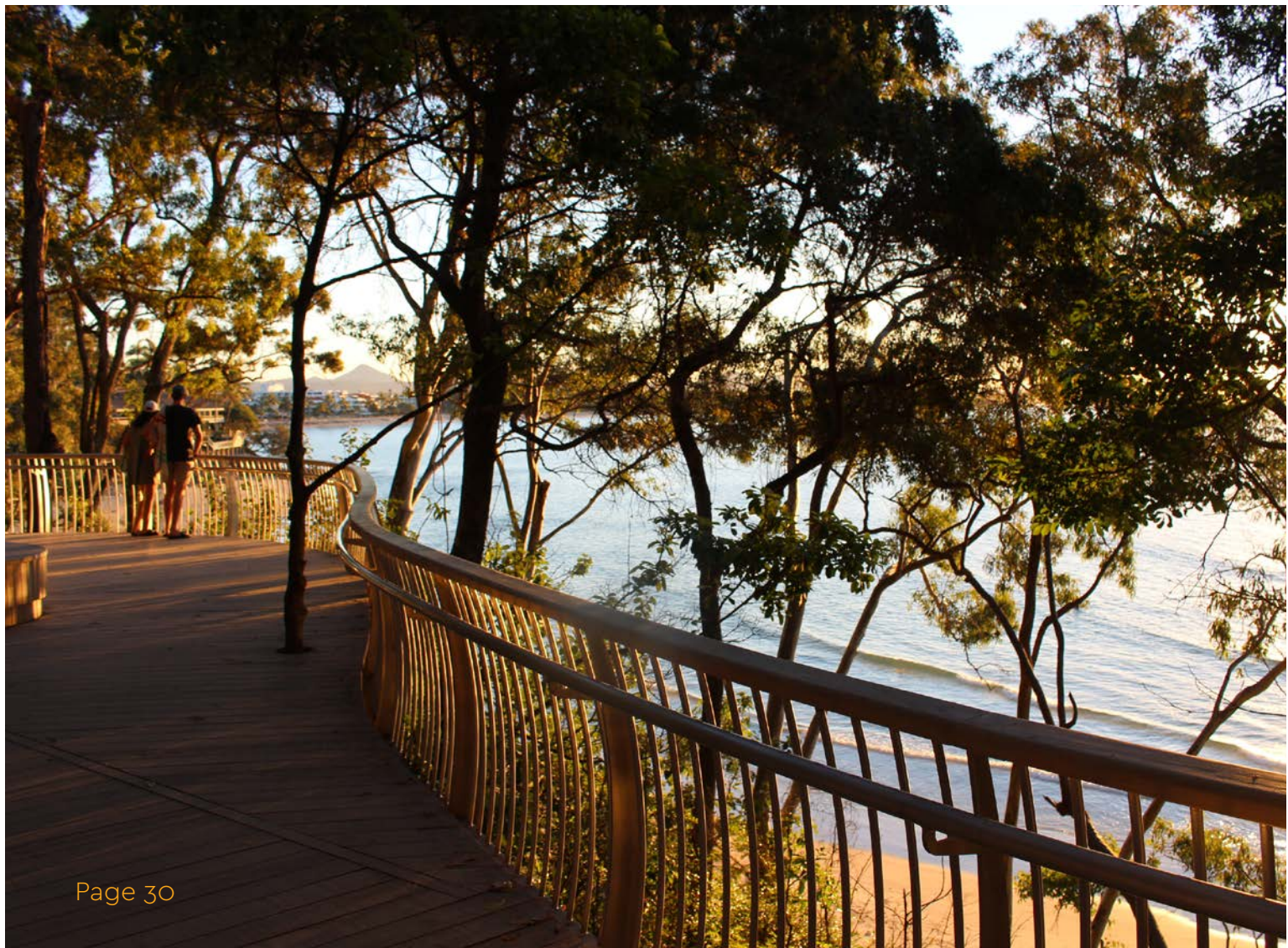
Specific Operational Plan Priorities

- The new Noosa Plan was adopted by Council at a July 2020 Special Meeting and commenced on 31 July 2020. Council has already made some administrative amendments to the planning scheme and is working to ensure compliance with the Ministerial conditions associated with the scheme adoption.
- Council's Draft Coastal Hazard Adaptation Plan (CHAP) was published for community feedback. Further work is being done on community engagement via a roundtable with the draft CHAP to be presented to a future Council meeting.
- Council is seeking the necessary approvals to implement the Noosa Spit Shoreline Erosion Management Plan (SEMP) 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 budgets to undertake planning and construction works identified in the SEMP.
- Council had formed a working group to guide the Revenue Diversification Project. The working group was investigating options to broaden Council's revenue streams to reduce where possible the reliance on general rate increases to fund service delivery. Due to the ongoing impact of planning for COVID response on key staff, this initiative is on hold but will be revisited once we have more time, post COVID.
- Council continued to implement the priority actions of the Noosa Transport Strategy including completing the annual Christmas and Easter 'Go Noosa' Peak Period Traffic Management Plan. Council also supported the annual Electric Vehicle Expo undertaken by Zero Emissions Noosa.
- Negotiations progressed with Translink to introduce electric buses for Noosa, upgrade the Noosa Heads bus stop to a multi-modal interchange and improve public transport generally. Funding has been provided for design work on the Noosa Heads bus stop area.
- The schools program has continued to improve traffic around schools by getting more kids 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 a purchase of the site at the July 2020 Council meeting.
- Council developed a Walking and Cycling Strategy which included High Priority Cycling Corridors. The Strategy was the subject of extensive community engagement during the year and was adopted by Council in July 2021. Funding has been provided in the 2021/2022 budget to begin implementation. Council completed the design of the Noosa Parade corridor upgrade with the assistance of Queensland Government funding and also received significant funding from the State government for delivery in 2021/2022.



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

- Council adopted a COVID Financial Recovery Plan to mitigate financial sustainability risks as part of its 2020/21 budget. This 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 by Council. Careful financial management was undertaken during the year resulting in a better than expected financial outcome at the end of the financial year.
- The Pathways and Boardwalks Asset Management Plan was endorsed which is a blueprint to guide the management of the Shire's various footpaths, cycleways and boardwalks networks and associated infrastructure assets now and into the future.
- Council let tenders for the Cooroy Noosa Road and Beckmans Road intersection upgrade and has secured \$9M in funding from the Queensland Government for that project. This is stage 1 of a long term plan for a Tewantin By-pass.
- As a result of the COVID pandemic, many of the Council Business Continuity Plans were reviewed and updated including the ICT Business Continuity Plan.
- Council undertook a second round of community consultation on a proposed local law for the management of Short Stay Accommodation properties (STAs). This draft local law is designed to address how STAs can be better managed to reduce their impact on neighbourhood amenity.





Theme – Excellence as a Council

Corporate Plan Goal – The Noosa Shire Community is proud of its 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 priorities have diminished.
- Council introduced a new process to seek community feedback on Council's 2021/22 budget. This entailed asking the community how they wish to be engaged, seeking feedback on community priorities including the development of an innovative online budget feedback tool and having the draft budget available for community comment. Only a handful of councils in Queensland undertake this level of community engagement on the development of their annual budget.
- Council continues to make progress transitioning to Technology One Ci Anywhere for Council's Enterprise Management System. Highlights include implementing E-recruitment, Procure to Pay (stage 2) and the Fees and Charges module. The CIA request management system is being reviewed to identify improvement opportunities for the customer experience.
- Council undertook a restructure of our approximately \$22M debt to take advantage of historic low interest rates. This resulted in considerable savings for our ratepayers.
- Council introduced a new Tenderer Financial Capacity Assessment Process Policy to ensure that tenderers have the financial capacity to deliver Council contracts, thus reducing the risk of contractors failing during construction projects.
- Council continues to grow and support our staff through leadership/ supervisor development programs and the employee training program.



- The 2020/21 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. We also had a team of future leaders participate in the LGMA Management Challenge to develop their management skills.

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.
- 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 11% to finish the year at 19,617 followers. A focus on building the LinkedIn page resulted in a 57% growth to 5,905 followers. Similarly, Council's Instagram followers increased 60% to 3,523 and Council's eNews subscribers have increased 76% to 4,285.
- Regular Mayoral video updates helped improve communication and engagement with the community throughout the year, particularly during lockdown periods. Council also introduced a new "Your Noosa" newspaper centrepiece in local papers to keep the community informed about Council news.

YOUR NOOSA



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TRAIL PLAN ON TRACK

Peaceful, diverse and challenging is how long-term resident and highly regarded professional chef Matt Golinski describes the Noosa Hinterland. "I love the diversity of the landscape and the friendliness in the small towns. They've managed to retain that special country town community feeling despite the growth in recent years."

Recently, Matt has brought his interest and passion for the Hinterland to council's Trail 5 Project and taken part in stakeholder meetings discussing further development of this trail which links Pomona to Cooran via the Titchelton National Park.

"It's been great to be part of this discussion with the community about how to make these trails more usable and therefore better utilised by everyone," Matt said. Upgrades being considered for Trail 5 include improvements to the existing trail network, development of critical loops, revised directional signage and installation of a new trail hub to provide a better user experience and improve bushfire resilience.

"I am really looking forward to these improvements enticing more people to our patch of paradise!"



Matt Golinski enjoying a run in the Noosa Hinterland

NOT-FOR-PROFITS ENJOY \$162,000 CASH BOOST
Latest council grants round delivers financial support for 18 community groups, events and projects.

Council has approved more than 620 community grant applications since 2015, distributing more than \$3.8 million to a wide range of not-for-profit organisations. The first round of Community Project Grants for 2021/22 provides more than \$160,000 in support of 18 events, building projects and equipment upgrades, including Coorooora United Football Club's new stadium lighting.

"This funding will enable us to continue playing competitive games at night and maintain a positive light reading that exceeds the standards set by our local and state governing body," said Club spokesperson Andrew Greteman. Other recipients include Cooroy Tennis Club to install a book-a-court system, Pomona & District Community House to improve its community meeting room acoustics, and

Noosa Trailblazers Mountain Bike Club trail works to provide access to emergency vehicles. "By applying grant funds towards maintenance and improvement of the Woorti mountain bike trail network, the Club is able to return the benefits these grants make possible directly back to the all trail users from the community," spokesman Rick Tate said.

Council's Community Development Manager Alison Hamblin encouraged Noosa's 300-plus community organisations to contact council for advice on a wide range of council and external grants. The next Community Project Grant round opens for applications August 25. Visit council's website at noosa.qld.gov.au/community/grants/council-grants for more info.

EMBRACING CIRCULAR ECONOMY



Keith Hamlyn, owner of Loop Oils, and Waste Education and Sustainability Officer, Emma Menzies

Noosa local Keith Hamlyn makes his business work for our environment. Keith owns Loop Oils, and with each step of his business process he teams up with local businesses to make a difference. "I sell my oils in recyclable steel containers and, after use, they go to recycling," he said. "I then purchase second-hand

lockable tins which I use to collect the used oil in.

"It's stored in 1000 litre plastic containers from a local brewery and then sold for stock feed and biodiesel manufacture.

"I then give the plastic containers to the Mary River Catchment Committee which they use as cane toad traps," Keith shared.

He added that it makes sense to keep products and materials as long as we can. "Not only does it benefit our local economy, but also helps build a stronger community. I base my business around the idea of a circular economy."

A new website is set to play a pivotal role in helping Noosa businesses to also divert waste product from landfill.

The digital platform ASPIRE acts as a marketplace for business.

It works on circular economy principles, connecting producers of waste with those who can reuse, repair, remake and recycle the products.

Noosa Council's Waste Education and Sustainability Officer, Emma Menzies, said council had invested in a license to help local business to improve its recycling efforts.

"Businesses can trade, exchange or sell unwanted waste with the ASPIRE program, reducing waste disposal costs and the amount of waste sent to landfill.

"Any business with less than 100 staff can register for free via council's website," she said.

IN BRIEF

Show time!

The 2021 Noosa Country Show will be held on Friday and Saturday, September 10 and 11. Friday September 10 is a public holiday for Noosa Shire.

Strategy adopted

More off-road paths and bike ways, more separated bike riding paths and better connections between paths and shops are the top three actions in the Noosa Cycling and Walking Strategy and Implementation Plan adopted by council. The Plan is designed to get more people riding a bike and walking by making it so convenient and safe that it is the preferred mode of transport for our residents and visitors. Check out the full plan on council's website.

Making a Difference

Our partnership with Snap Send Solve is now 3 years strong recording over 9,630 reports! Snap Send Solve is an app that allows users to report local issues in 30 seconds or less. Most reported issues include overgrown vegetation, dumped rubbish and abandoned vehicles. Download the app for FREE today!

TIME TO ROLL UP YOUR SLEEVES

Locals are being urged to get the COVID-19 vaccination at the Sunny Street clinic in Tewantin. Located at 10 Pelican Street, next to Australia Post.

You can call 5313 7778 to have a chat and make an appointment. The clinic provides the AstraZeneca and the Pfizer vaccine.

Not only does the jab protect you and your family, but every test and jab by the clinic helps support Sunny Street. Sunny Street is a volunteer outreach clinic for people experiencing homelessness and have barriers accessing health care across Queensland.

NEW PLAYGROUND TAKING SHAPE

Construction of the Hinterland nature-based, all-abilities playground in Cooroy is well underway!

Onsite, the replicated creek water play area with timber bridge crossings and pathways connecting active play areas is well into construction whilst major play equipment is being manufactured offsite.

According to Project Manager, Paul Brennan, construction is also starting on new car parks, pathways and a new raised pedestrian crossing to support the new facility.

"We are about to start construction of 34 new car spaces on Maple Street and the

Lower Hill Heritage area plus 22 'overflow' parks near the Cooroy Tennis Club," he said.

"In addition, two new disabled car parks will be created adjacent to the playground in Marara Street and a new raised pedestrian crossing at Maple Street, between Apex Park and the Library."

During construction of the raised pedestrian crossing, a section of Maple Street between Cooroy Library and Mary River Bridge will be closed and diversions in place for approximately three weeks from 6 September. These works should be completed by October.

The project is a joint initiative of Noosa Council and the Queensland Government.



- 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.
- Council finalised a new four year Certified Agreement with unions and staff.
- Council continued its "Public Question Time" at its monthly Ordinary Meetings as part of its ongoing commitment to accountability and community engagement.
- Council updated its Councillor Code of Conduct, Standing Orders, Meeting procedures etc. in response to major legislative reform by the State Government in November 2020. These reforms were designed to improve Council governance across Queensland and Noosa Council is fully compliant with the new legislation.
- 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. A new Audit and Risk Committee Chairperson was appointed as well as a new independent member who are both providing Council with valuable insight into management of risk and good governance.
- Council's Internal Audit Program continued with an audit being undertaken of Asset Management.



Reportable Disclosures

Information relating to Councillors

Remuneration

Councillor remuneration is determined by the Local Government Remuneration Commission (the Commission) established under the *Local Government Act 2009* ("LG Act"). The Commission 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 Commission Annual Report 2019 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 2020 to 30 June 2021 (the period) as follows:

- Mayor – \$133,196;
- Deputy Mayor – \$83,247; and,
- Councillors – \$70,759.

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 the table below.

Table 2 – Councillor Remuneration for period 1 July 2020 to 30 June 2021

Councillor	Salary (\$)	Superannuation (\$)	TOTAL (\$)
Mayor Clare Stewart	127,470	16,273	143,743
Cr Frank Wilkie (Deputy Mayor)	79,669	10,171	89,840
Cr Karen Finzel	67,718	8,645	76,363
Cr Brian Stockwell	67,718	8,645	76,363
Cr Amelia Lorentson	67,718	8,645	76,363
Cr Tom Wegener	67,718	8,645	76,363
Cr Joe Jurisevic	67,718	8,645	76,363

Notes:

1. Amounts rounded to 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.

Categories of expenses and eligibility for reimbursement prescribed by 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.¹

The reimbursements that were made to Councillors for the period are outlined in Table 3 below.

For the period, all claimed expenses were processed and fell within the required limits prescribed by the Policy.

Table 3 – Councillor Expenses for the period 1 July 2020 to 30 June 2021

Councillor	Mandatory professional development (\$)	Discretionary professional development (\$)	Use of private vehicle – option 1 (\$)	Home office & tele-communications (\$)	Travel expenses as required to represent Council	TOTAL (\$)
Mayor Clare Stewart	664	-	5000	2880	-	8544
Cr Frank Wilkie	652	-	5000	2880	-	8532
Cr Karen Finzel	-	591	5000	2880	-	8471
Cr Joe Jurisevic	-	1528	5000	2880	-	9408
Cr Amelia Lorentson	-	-	5000	2880	-	7880
Cr Brian Stockwell	-	-	5000	2880	-	7880
Cr Tom Wegener	-	-	5000	2880	-	7880

¹ 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

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 4.

Table 4 – Councillor Meeting attendance for the period 1 July 2020 to 30 June 2021.

Councillor	Ordinary Meeting	General	Planning & Environment Committee	Services & Organisation Committee	Special & Budgetary	Audit & Risk Committee
Total Meetings Held	12	12	11	11	11	3
Mayor Clare Stewart	12	11	11	11	11	3
Cr Frank Wilkie	12	12	n/a	10	11	n/a
Cr Karen Finzel	9	10	11	n/a	11	n/a
Cr Joe Jurisevic	12	12	n/a	11	10	n/a
Cr Amelia Lorentson	12	12	n/a	11	10	3
Cr Brian Stockwell	12	12	11	n/a	11	n/a
Cr Tom Wegener	12	12	11	n/a	10	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

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.

Councillors' conduct is governed by the Code of Conduct for Councillors in Queensland, adopted by Council on 4 August 2020, 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. The Office of the Independent Assessor will assess all complaints received and may also initiate their own investigation if they have reason to suspect Councillor misconduct or inappropriate conduct.

In accordance with section 186 of the LG Regulation, Table 5 outlines orders, actions and outcomes relating to the conduct of Councillors for the period.

Table 5 – Conduct of Councillors

Conduct of Councillors for the period 1 July 2020 to 30 June 2021	Response
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.	5
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.	Former Councillor Jess Glasgow

Conduct of Councillors for the period 1 July 2020 to 30 June 2021

Response

A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors.

1. That former Cr Jess Glasgow engaged in misconduct as defined in section 150L(1)(b)(i) of the LG Act, in that his conduct involved a breach of trust placed in him as a Councillor, either knowingly or recklessly, in that his performance on the television series, The Bachelorette, was inconsistent with the local government principle of 'democratic representation, social inclusion and meaningful community engagement' [section 4(2)(c) of the LG Act], the Councillor's responsibility to provide 'high quality leadership to the local government and the community' [section 12(3)(b) of the LG Act], and the Councillor Code of Conduct, as adopted by Noosa Shire Council on 20 December 2018.

2. That former Cr Jess Glasgow engaged in misconduct as defined in section 150L(1)(b)(i) of the LG Act, in that his conduct involved a breach of the trust placed in him as a Councillor, either knowingly or recklessly, in that he made false or misleading statements to the media that Mayor Wellington had been informed of, and had approved, his involvement in The Bachelorette television series, which was inconsistent with the local government principle of 'ethical and legal behaviour' [section 4(2)(e) of the LG Act] and the Councillor Code of Conduct, as adopted by Noosa Shire Council on 20 December 2018.

A summary of the decision, order or recommendation made for each Councillor.

On 22 February 2021, the Councillor Conduct Tribunal determined:

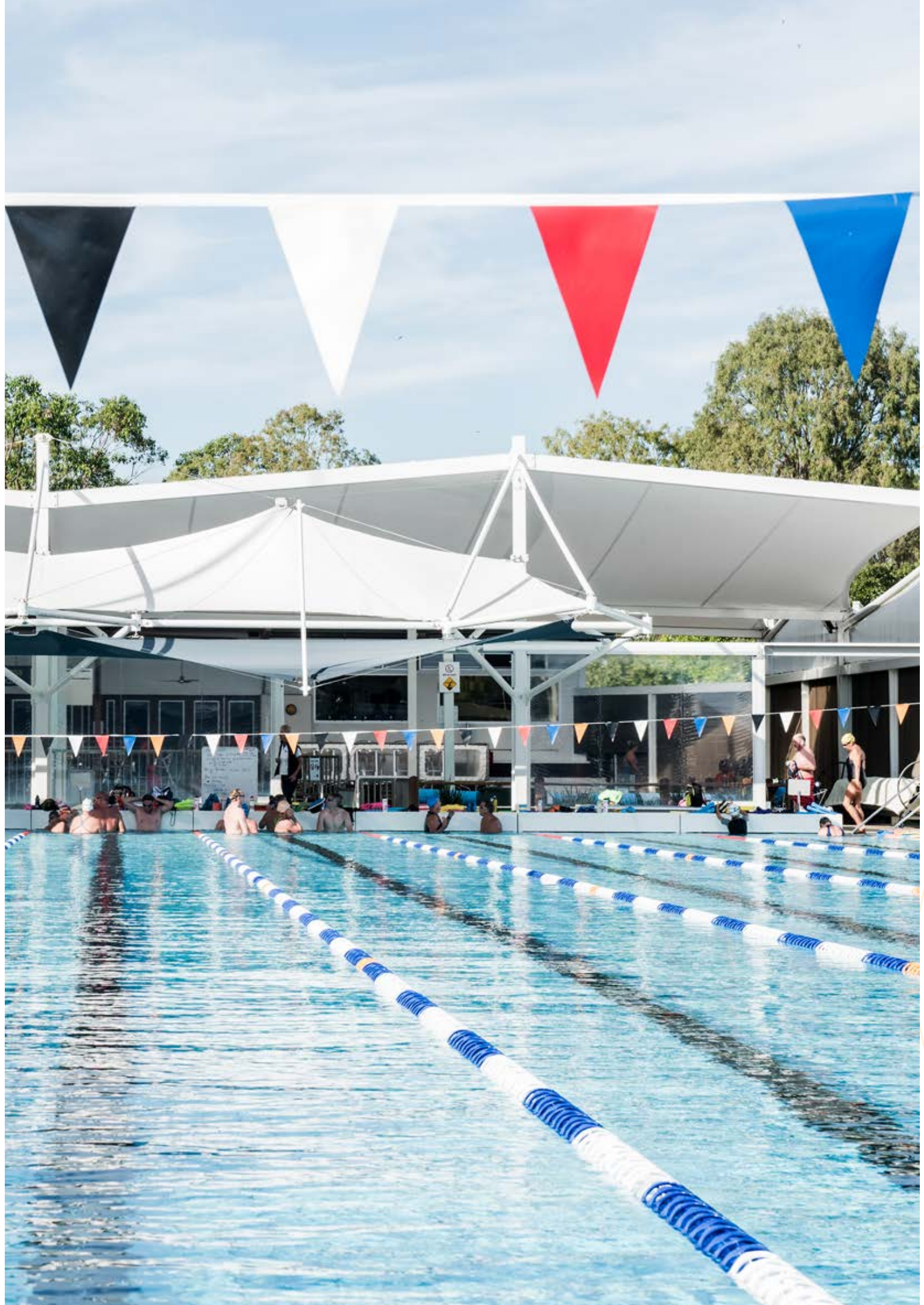
In respect to Point One above:

- a. Pursuant to s 150AR(1)(b)(ii) of the LG Act, former Councillor Glasgow is reprimanded for his conduct; and
- b. Pursuant to s 150AR(1)(b)(iv) of the LG Act, that former Councillor Glasgow pay to the local government, namely the Noosa Shire Council, an amount of 15 penalty units (or \$2,001.75).

In respect to Point Two above:

- a. Pursuant to s 150AR(1)(b)(ii) of the LG Act, former Councillor Glasgow is reprimanded for his conduct; and
- b. Pursuant to s 150AR(1)(b)(iv) of the LG Act, that former Councillor Glasgow pay to the local government, namely the Noosa Shire Council, an amount of 15 penalty units (or \$2,001.75); and

Conduct of Councillors for the period 1 July 2020 to 30 June 2021	Response
	c. Pursuant to s 150AR(1)(b)(v) of the LG Act, that former Councillor Glasgow reimburse the local government, namely the Noosa Shire Council, \$1,000.00 for the costs arising from the Councillor's misconduct.
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.	3
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 (e) of the LG Act.	1
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 under chapter 5A, part 3, division 6 of the LG Act about whether a Councillor engaged in misconduct or inappropriate conduct.	1



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 \$1,106,467.

The annual package bands for Council's senior management team are outlined in Table 6.

Table 6 – Executive Remuneration

Package Band	Number of senior management employees
\$0 – \$100,000	1*
\$100,001 – \$200,000	1
\$200,001 – \$300,000	3
\$300,001 – \$400,000	1

Note: *Director commenced June 2021.

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.

Public Sector Ethics Disclosures

In accordance with sections 23 and 12M of the *Public Sector Ethics Act 1994*, which are applicable to local governments, Council is required to have developed and implemented a code of conduct based on the following ethics principles and values:

- integrity and impartiality;
- promoting the public good;
- commitment to the system of government; and,
- accountability and transparency.

Council's employees are bound by the standards of behaviour set in Council's *Employee Code of Conduct* (the Code). Agreeing to work in compliance of the Code is a mandatory requirement of all positions. During the period, council provided online e-learning and face-to-face training and education to all employees on its expectations regarding conduct through inductions of new staff members and re inductions of existing staff. This approach has made it easier for employees to complete timely training and testing to ensure they understand their responsibilities to adhere to the Code.

Additional targeted online e-learning training on elements of the Code was provided to all staff throughout the financial year on the following topics:

- Privacy;
- Human Rights;
- Preventing corruption; and,
- Public Interest Disclosures.

Similarly, all Councillors were provided with training on various ethical and governance topics including conflicts of interest, risk, complaints management, public interest disclosures, preventing corruption, and human rights.

During the financial year, Council's 2021 Public Interest Disclosure Program was adopted and published on Council's website. To support this program, managers, supervisors and the executive team were provided with refresh training in Public Interest Disclosures to strengthen ethical principles and practices across Council.

Additionally, substantial progress has been made to develop a new Governance Framework based on the four pillars of the *Public Sector Ethics Act 1994* with the intention of adopting this framework in the following financial year and which will apply to all employees and Councillors.

Administrative Action Complaints

Council is committed to providing quality customer service and communicating effectively with our community. Council acknowledges the importance of accountable and transparent decision making to ensure all complaints are dealt with in a fair, prompt, confidential and respectful manner. Council's Administrative Action Complaints process provides customers the opportunity to lodge a complaint about a decision or action Council has taken, or failed to take, where considered appropriate in the circumstances to do so. This process allows customers to request a review of decisions made by Council where no other formal appeal provisions are available under legislation or within Council.

Council's Administrative Action Complaints process has been developed to ensure:

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

Council's Administrative Action Complaints process deals with complaints through a three-tiered approach, whereby complaints are assessed objectively and may be allocated at a first level to be managed directly by the relevant operational area. If a complainant remains unsatisfied with a first level response, they may wish to have their complaint managed and investigated at a second level internal review. 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 7 provides statistics on Administrative Action Complaints received for the period.

There has been an increase in complaints received this financial year compared to last financial year by 5 complaints. Overall, this financial year Council has performed satisfactorily by ensuring complaints were properly considered, investigated and finalised within policy timeframes. This includes an increased number of complaints that required complex investigations to be undertaken in the review process.

Table 7 – Administrative Action Complaints

Administrative Action Complaints – 1 July 2020 to 30 June 2021	
(a) The number of administrative action complaints made to Council	23
(b) The number of administrative action complaints resolved under Council's complaints management process	13
(c) The number of administrative action complaints not resolved under Council's complaints management process	10
(d) The number of administrative action complaints under (c) that were made in the 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 an 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 independently investigate complaints made by individuals who believe that Council has failed to fulfil its legislative obligations. Table 8 outlines privacy complaints for the period.

Table 8 – Privacy Complaints

Privacy Complaints – 1 July 2020 to 30 June 2021	
The number of privacy complaints received by Council	2
The number of privacy complaints completed by Council	1

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 limited their human rights has the right to raise a complaint directly with Council. In accordance with 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 Council has not responded or the person is not satisfied with Council's response.

During 2020–21, 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 9 for the period.

Table 9 – Resolutions

LG Regulation provision	Resolution Adoption
Section 250(1) (Adoption of an expense reimbursement policy)	Nil
Section 250(2) (Amendment of its expenses reimbursement policy)	Nil <i>No resolutions were made during the 2020–21 financial year. Council's Councillors' Expenses Reimbursement and Provision of Facilities Policy was adopted by Council on 21 May 2020.</i>
Section 206(2) (Threshold for non-current physical asset to be treated as an expense)	Nil <i>No resolutions were made during the 2020–21 financial year. Council's Non-Current Asset Accounting Policy adopted by Council resolution on 15 June 2017 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 this financial year, Council processed 27 formal information access applications. Table 10 provides a summary of information access applications for the period.

Table 10 – Information Access

Information Access – 1 July 2020 to 30 June 2021	
The number of Right to Information access applications received by Council	24
The number of Information Privacy access applications received by Council	3
The number of Right to Information access applications finalised by Council	19
The number of Information Privacy access applications finalised by Council	3
The number of pages released under the Right to Information Act 2009	1,284
The number of pages released under the Information Privacy Act 2009	20
The number of pages refused under the Right to Information Act 2009	812
The number of pages refused under the Information Privacy Act 2009	4
The amount of fees and charges received under the Right to Information Act 2009	\$19,531

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
- Conflicts of Interest Register
- Contact with Lobbyists Register

- Contracts Register
- Corrupt Conduct Register
- Councillor Conduct 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
- Strategic Risk 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. Council is currently reviewing its Corporate Governance Framework to strengthen, promote and enhance good governance practices in Council.

Enterprise Risk Management

Council manages risks and opportunities within a context of competing resources, financial and community priorities. It recognises that innovation involves risks, but also provides opportunities to create new ways to benefit the community and achieve its objectives.

Council's *Enterprise Risk and Opportunity Management Framework* is an organisation-wide commitment to foster innovation and enable opportunities within the context of identifying, managing and monitoring the internal and external risks that may impact the delivery of its strategies, services and projects. In alignment with the international standard for risk management – AS/NZS ISO 31000:2018, Council is undertaking continuous improvement in this area through further developing its Enterprise Risk and Opportunity Management Policy, Framework and Guidelines. Risk and opportunity management is considered part of normal business activity and is becoming more deeply embedded through Council's plans and strategies, service delivery and projects.

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.

Council's *Audit and Risk Committee Charter* (amendments adopted 18 March 2021) highlights that 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.

Three 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. The members of Council's Audit and Risk Committee are:

- Mayor Clare Stewart
- Cr Amelia Lorentson
- Tim Cronin (Chair)
- Kerry Phillips

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 18 March 2021, Council adopted changes to the *Internal Audit Policy* (previously adopted 19 March 2020) which provides the framework for the conduct of internal audit function of Council as endorsed by the Audit and Risk Committee.

The Policy identifies that internal audit will play an active role in:

- developing and maintaining a culture of accountability and integrity;
- facilitating the integration of risk management into day-to-day business activities and processes; and
- promoting a culture of cost-consciousness, self-assessment and adherence to high ethical standards.

Within this context, Council's internal audit activity over the medium-term is managed by its Internal Audit Plan which is developed having regard to current strategic and operational risks and is reviewed by the Audit and Risk Committee and adopted annually by Council. Council's internal audits are conducted in accordance with Council's *Internal Audit Terms of Reference* and *Internal Audit Policy*. For the period, Council undertook an internal audit on asset management. The internal audit was undertaken by a specialist external provider. 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 to Community Organisations

Council actively assists community organisations to implement projects and activities which benefit Noosa Shire residents. 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.

For the period, Council's grants were managed in accordance with several policies including:

- *Community Grants Policy* (adopted 21 May 2020);
- *Environment Grants Policy* (adopted 19 September 2019); and,
- *Economic Development Grants Policy* (adopted 16 November 2017).

Council allocated a total of \$1,032,608 to support community organisations and activities. In accordance with section 189 of the LG Regulation, a summary of all grants to community organisations for the financial year is shown in the table below.

Table 11 – Expenditure on grants to community organisations

Grant Recipient	Funding Amount (\$)
Community Project Grant	
Anywhere Theatre Festival Limited	7,500.00
AV Coastguard Association	10,000.00
Cooroora Historical Society T/A Noosa Shire Museum	4,914.80
Cooroora Netball Club Inc	6,780.00
Cooroora United Football Club	2,239.85
Cooroy Chamber of Commerce Inc	1,500.00
Cooroy Eumundi Cricket Club Inc	10,000.00
Cooroy Memorial Hall Association Inc	3,000.00
Noosa 2010 Probus Club	1,545.46
Noosa and District Pipe Band Inc	3,821.00
Noosa Arts Theatre Inc	3,055.00
Noosa Australian Football Club	7,000.00
Noosa Branch Little Athletics Inc	4,252.37
Noosa District Netball Association Inc	3,386.36
Noosa Environmental Education Hub	8,800.00
Noosa Malibu Club	3,850.00
Noosa Shire Chess Club Inc	3,000.00
Noosa Trailblazers Mountain Bike Club Inc	4,682.00
Noosa Volleyball Club Inc	6,400.00
Noosa Water Polo	1,381.00
NoosaCare Incorporated	8,000.00
Pomona & District Community House Inc	2,000.00

Grant Recipient	Funding Amount (\$)
Pomona Arts Inc	11,500.00
Pomona, Cooroy and Districts Australian Football Club	7,300.00
PTSD Dogs Australia Ltd.	5,000.00
Queensland Country Women's Association	27,506.00
Sunny Kids Inc. (Formerly 'Cooroy Family Support Centre')	8,058.00
Sunshine Butterflies	7,000.00
Sunshine Coast Sports Aviators	2,499.00
Tewantin Noosa Cricket Club	5,000.00
Tewantin Noosa Lions Club Inc	2,000.00
The Noosa Croquet Club Inc	3,000.00
The Tyler Kennedy Legacy Trust tas Salty Souls Legacy	5,000.00
University of the Third Age Noosa Regional U3A Incorporated	5,000.00
Youturn Limited	30,000.00
SUB-TOTAL	225,970.84
Economic Development Grants	
Woman by Abby Rose	6,000.00
Hastings Street Association Inc	2,000.00
Cooroy Chamber of Commerce Inc	2,000.00
SUB-TOTAL	10,000.00
Environment Project Grant	
Noosa Integrated Catchment Assoc Inc	5,323.00
Noosa Integrated Catchment Assoc Inc	6,818.00
Hinterland Bush Links Inc	23,620.00
SUB-TOTAL	35,761.00
Regional Arts Development Fund	
Hinterland Art Group Inc T/A Pomona Railway Station Gallery	3,095.00
Mr Dave Barrie	3,455.00
Mr Gerhard Herbst	4,787.00
Mr Phil Jarratt	3,500.00
Ms Alison Burnley	4,900.00
Ms Bianca Tainsh	2,500.00
Ms Louise Birgan- Bezel	5,000.00
Ms Tania Nash	4,395.00
Sunshine Troupe Inc	5,000.00
Tewantin Traders Association	5,000.00
SUB-TOTAL	41,632.00

Grant Recipient	Funding Amount (\$)
Multi-year Environment Collaborative Grants	
Tourism Noosa Ltd	61,800.00
Noosa Integrated Catchment Assoc Inc	76,182.00
Murray River Catchment Coordinating Committee	35,000.00
SUB-TOTAL	172,982.00
Three Year Alliance Agreement – Community	
Noosa Community Training College	15,453.38
Cooroy Noosa Genealogical and Historical Research Group Inc	5,306.82
Sunshine Butterflies	7,960.23
Pomona Arts Inc	7,960.23
Sunny Kids Inc	5,306.82
Noosa District community FM Radio Assoc.Inc	7,960.23
The Salvation Army Property Trust	16,454.28
Coorooro Historical Society T/A Noosa Shire Museum	5,306.82
Noosa Arts Theatre Inc	7,960.23
Country Noosa Inc	3,184.10
SUB-TOTAL	82,853.14
Three Year Alliance Agreement – Emergency	
Australian Volunteer Coast Guard	11,144.32
LifeFlight Foundation Ltd	11,144.31
SUB-TOTAL	22,288.63
Three Year Alliance Agreement – Environment	
Flying-fox Rescue Release Noosa Inc	11,165.00
Noosa & District Landcare Group Inc	10,150.00
Zero Emissions Noosa Inc	18,270.00
Wildcare Australia Inc	1,015.00
Noosa Integrated Catchment Assoc Inc	16,240.00
SUB-TOTAL	56,840.00
Three Year Festive Event Agreement	
Kin Kin Community Group Inc	1,592.05
Cooroy Chamber of Commerce Inc	7,429.55
Tewantin Noosa Sub Branch	3,714.77
Queensland Regional Broadcasters Pty Ltd	4,246.64
SUB-TOTAL	16,983.01

Grant Recipient	Funding Amount (\$)
Three Year Management and Maintenance Community Halls and Centres Agreement	
Cooran Memorial School of Arts Inc	7,619.64
Cooroy Memorial Hall Association Inc	12,738.07
Federal Memorial Hall Inc	5,212.98
Kin Kin Community Group Inc	6,321.50
Peregian Beach Community House Inc	9,674.33
Pomona & District Community House Inc	18,098.37
Pomona Memorial School Of Art Hall	12,945.73
Ridgewood Community Hall Association Inc	4,542.63
Rotary Club of Noosa Heads Queensland Incorporated	2,653.41
Tinbeerwah Hall Incorporated	3,221.24
SUB-TOTAL	83,027.90
Three Year Signature Event Agreement	
Cooroy Future Group Inc	-2,983.00
Noosa Open Studios Inc	7,105.00
Noosa Heads Jazz Club Inc	5,228.39
NOOSA alive!	11,144.84
SUB-TOTAL	20,495.23
Three Year Sports Field Maintenance Agreement	
Cooroora United Football Club	9,016.86
Cooroy Eumundi Cricket Club Inc	9,016.86
Noosa Australian Football Club	18,033.74
Noosa District Rugby League Football Club Inc	27,050.36
Noosa District Rugby Union Club Inc	15,028.11
Noosa District Softball Association	15,028.11
Noosa Lions Football Club Inc	21,039.39
Noosa Touch Association Inc	12,022.49
Pomona, Cooroy and Districts Australian Football Club	9,016.86
Pomona-Cooran Amateur Rugby League Football Club Inc	15,028.11
Tewantin Noosa Cricket Club	22,542.31
Tewantin State School	1,818.18
Girraween Sports Complex	1,800.00
SUB-TOTAL	176,441.38
Water Rebates	
34 different not-for-profit community organisations	77,610.83
SUB-TOTAL	77,610.83

Grant Recipient	Funding Amount (\$)
Grants and Subsidies	
United Synergies Ltd	2,400.00
IFYS Ltd	2,273.00
Cooroy Memorial Hall Association Incorporated	1,000.00
Cooroy – Eumundi Cricket Club Inc	900.00
Lake Cootharaba Sailing Club Inc	1,250.00
Cooroy Horse & Pony Club	700.00
Strade Bianche	300.00
Noosa District Softball Assoc Inc	900.00
	SUB-TOTAL
	9,723.00
TOTAL EXPENDITURE FOR THE PERIOD:	
	1,032,608.96

Notes:

- 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.*
- 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.

For 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
- 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, Council also provides general rates concessions to land deemed eligible in accordance with Council's *General Rate Donations Policy*. Applications received during the 2020/21 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 2012 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 2012 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 shall be allowed under Chapter 4, Part 10 of the LG Regulation. Table 12 outlines the method of calculation.

Table 12 – Method of calculation

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

Arrangements to Pay

Chapter 4 Part 10 of the LG Regulation allows Council to grant a rating concession to certain ratepayers by entering into an arrangement to pay rates and charges. Pursuant to section 120(1)(c), section 121(b) and section 122(1)(b) of the LG Regulation, Council may allow ratepayers to enter into an arrangement to pay rates and charges by weekly, fortnightly or monthly payments.

These arrangements will be entered into for properties where there were no overdue rates and charges as at 1 January 2020 and the ratepayer and Council agree that such payments will allow the outstanding rates or charges payable to be paid by the end of the current financial year i.e. 30 June 2021.

An application for an arrangement to pay should be received by Council prior to 31 July 2020 or 31 January 2021. Under an arrangement no discount will be provided for rates which are due. Repayments will be calculated as at the time of applying for an arrangement and will not incur interest charges.

Where a ratepayer defaults on an arrangement to pay, the arrangement will be cancelled, and interest will be charged on the overdue rates and charges in accordance with section 2.5.1 of the Revenue Statement.

Rebate on Waste

Chapter 4 Part 10 of the LG Regulation allows Council to grant a rebate of rates or charges to certain ratepayers on the basis that the payment of the rates or charges will cause hardship to the land owner.

Pursuant to section 120(1)(c), section 121(a) and section 122(1)(b) of the LG Regulation Council may, at its discretion, determine whether to grant a rebate of all or part of the minimum waste management utility charge referred to in section 5.1.5 of the Revenue Statement to ratepayers whose waste services have been reduced or cancelled as a result of Coronavirus economic impacts.

Invitations to Change Tenders

For the period, there was one reportable invitation made by Council to change tenders for Tender T000030 – Construction of Carparks and Pedestrian Safety Improvements, due to the introduction of additional specification to the tender.

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).

Table 13 summarises the infrastructure charges revenue and expenditure for the 2020-21 financial year. In accordance with the *Planning Regulation 2017*, full details of infrastructure charges are provided on Council's website.

Table 13 – Infrastructure charges

Infrastructure charges revenue		Infrastructure charges revenue 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 revenue 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
3,553.0	99.4	2,900.0	55.5	597.4

The following table outlines the trunk infrastructure that was funded through infrastructure charges during the 2020–21 financial year.

Table 14 – Trunk infrastructure

Trunk infrastructure description	Trunk infrastructure network	Locality	Method of delivery	Value (\$'000)
Upgrade existing trunk footpath along frontage	Transport (Pathways)	Noosaville	Developer	21.4
Upgrade Bus Stop + existing trunk footpath along frontage	Transport (Bus Stop & Pathways)	Noosaville	Developer	71.5
Upgrade existing trunk footpath along frontage	Transport (Pathways)	Noosaville	Developer	2.1
Upgrade existing trunk footpath along frontage	Transport (Pathways)	Noosaville	Developer	4.4
Funding of loan repayment costs associated with loan funds raised historically to construct trunk infrastructure in the Noosa Shire	Transport, Public Parks, Stormwater	Various	Council	3,046.4
Upgrade to Bus Stop (Balance)	Transport (Bus Stops)	Tewantin	Council	38.4
Upgrade to Bus Stop	Transport (Bus Stops)	Tewantin	Council	18.0
Upgrade to Bus Stop	Transport (Bus Stops)	Tewantin	Council	10.5
Upgrade to Bus Stop	Transport (Bus Stops)	Tewantin	Council	30.0
Upgrade to Bus Stop	Transport (Bus Stops)	Noosaville	Council	34.5
Upgrade to Bus Stop	Transport (Bus Stops)	Noosaville	Council	26.4
Upgrade to Bus Stop (Balance)	Transport (Bus Stops)	Cooroy	Council	24.4
Upgrade to Bus Stop	Transport (Bus Stops)	Tewantin	Council	26.0
Upgrade to Bus Stop (Balance)	Transport (Bus Stops)	Sunshine Beach	Council	30.0

Trunk infrastructure description	Trunk infrastructure network	Locality	Method of delivery	Value (\$'000)
Tewantin, Ernest St/Hilton Tce. Upgrade T intersection to roundabout	Transport (Roads)	Tewantin	Council	1,436.1
Orealla Bridge Upgrade	Transport (Roads)	Sunrise Beach	Council	2,716.9
Tewantin Doonella Bridge	Transport (Roads)	Tewantin	Council	23.4
Cooroy Hinterland Playground	Public Parks	Cooroy	Council	1,486.2
Noosaville, Sea Eagle Drive pathway upgrade	Transport (Roads)	Noosaville	Council	181.7
Doonan, Landfill site Cell 2.3 and part Cell 2.4 expansion – site preparation works	Public Parks	Doonan	Council	234.9
Tewantin Bypass	Transport (Roads)	Tewantin	Council	486.6
Garth Prowd Bridge	Transport (Roads)	Noosa Heads	Council	45.7
Wapunga Lane Bridge	Transport (Roads)	Cootharaba	Council	96.4

Council's long term financial plan, adopted as part of the 2021-2022 budget, provides a forward projection of anticipated infrastructure charges revenue and expenditure.

Table 15 – Forecast infrastructure charges and expenditure

Financial Year	2021-2022	2022-2023	2023-2024	2024-2025
	\$'000	\$'000	\$'000	\$'000
Infrastructure charges revenue	2,000.0	2,000.0	2,000.0	8,000.0
Trunk infrastructure expenditure	6,664.6	4,754.6	6,161.1	1,079.0

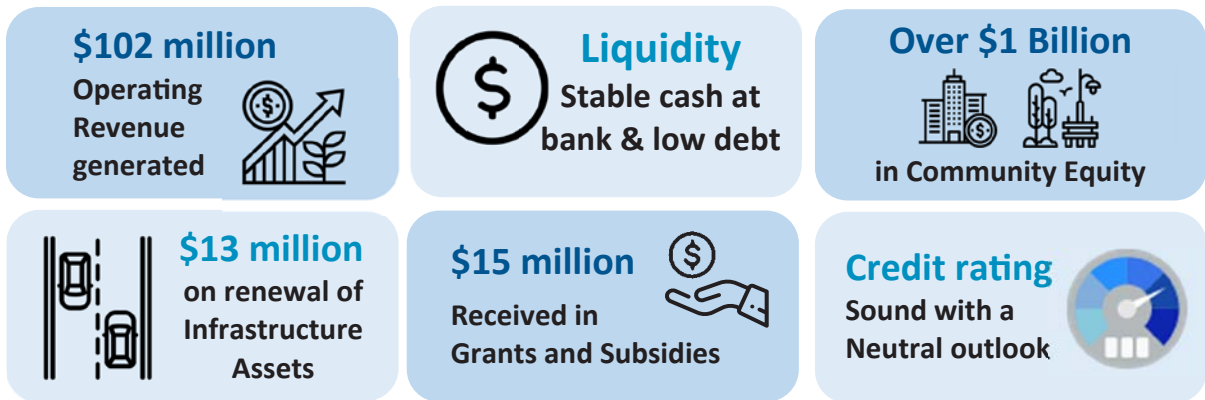


Community Financial Report

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 \$2.15 million was achieved despite Council's freeze on rates for most ratepayers. However, after taking advantage of loan refinancing opportunity with lower interest rates to free-up future cash flows, the refinancing early repayment fee of \$2.5 million resulted in a final marginal net operating deficit of \$0.35 million.
2. Increased support from the state and federal governments for both operating and capital projects has seen grant funding grow significantly over the previous year with \$15.0 million received.
3. A net financial result of \$13.92 million when adding Council's share of Unitywater's annual profit, capital revenue and capital income is also added to Council's operating position.



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.

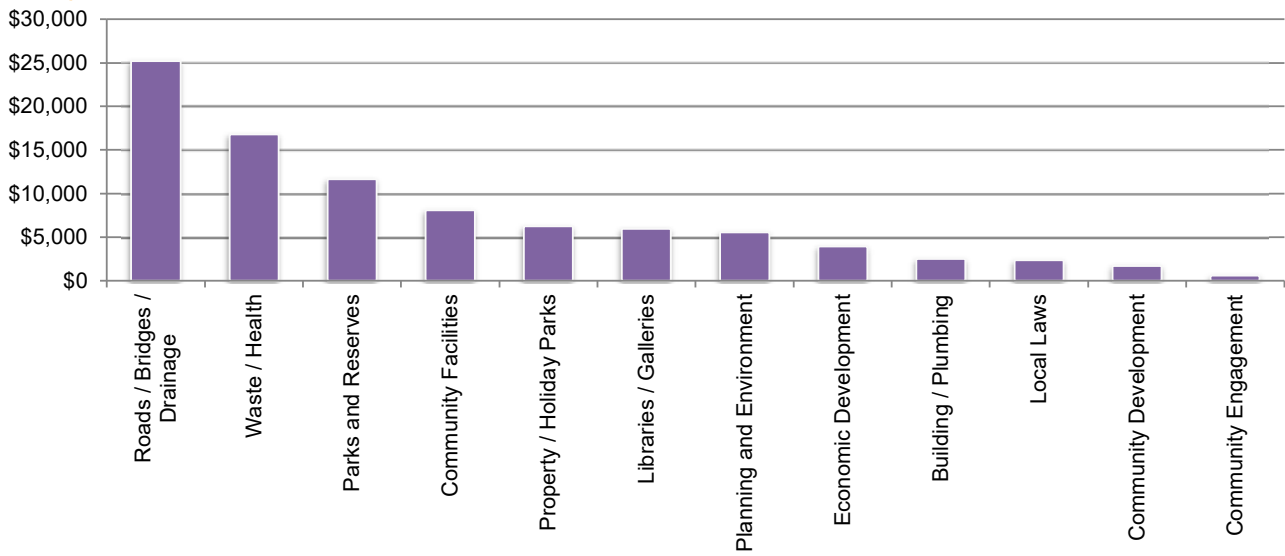
Figure 1 – Financial Reporting Elements



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 2020/21 (\$'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 2020/21 financial performance.

The 2020/21 net result of \$13.92 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 an early repayment fee associated with the refinancing of Council's QTC debt facility.

Figure 3 – Council Net Result Financial Performance 2020/21 (\$'000)

	2019/20 (\$'000)	2020/21 (\$'000)
Revenue	111,738	120,741
Expenses	101,828	106,821
Net Result	9,910	13,920

The removal of \$8.37 million of non-operational items shows Council's actual operating deficit to be \$0.34 million

Operating revenue – where the money came from

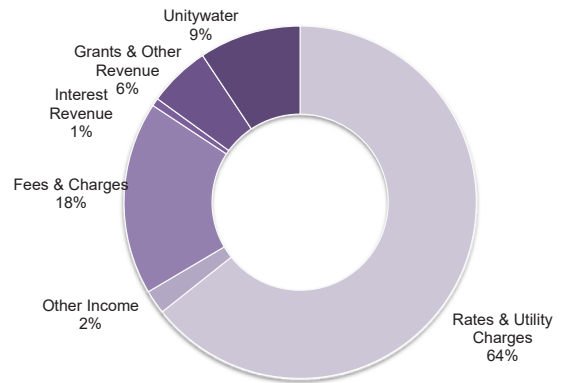
Throughout the financial year, Council received a total of \$101.7 million in operating revenues (rates, fees, operating grants), \$13.1 million in capital revenues (developer contributions, capital grants) and \$5.9 million recorded as revenue from Council's share of investment in Unitywater.

Figure 4 outlines the sources of Council's \$101.7 million in operating revenue received in 2020/21.

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 2020/21



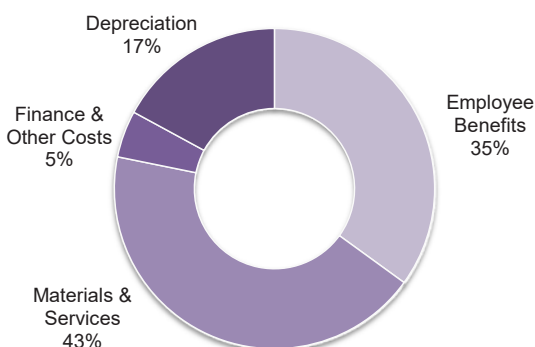
The above breakdown in operating revenue confirms that Council continues to have significant control over the majority of its income sources, and as a result is not reliant on other levels of government or external agencies to maintain its financial independence.

Operating expenditure – where the money goes

Council expended a total of \$102.0 million in undertaking operating activities during the financial year.

Figure 5 presents a breakdown by expenditure type for operating expenditure incurred during 2020/21.

Figure 5 – Operating Expenses by Function 2020/21



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 – includes 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 2020/21 (\$'000)

	2019/20 (\$'000)	2020/21 (\$'000)
Assets	1,142,095	1,183,587
Liabilities	56,987	61,682
Community Equity	1,085,108	1,121,905

Figure 7 shows Council's cash and debt holdings as at 30 June 2021 compared to the previous year.

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 2021 equated to \$83.0 million.

Non-current assets of over \$1 billion includes property, plant and equipment totalling \$952 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.

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. Total loans remained constant in 2020/21 with Council's refinancing its QTC debt facility to take advantage of lower interest rates and to free up future cash flows for reinvestment. Council's standard annual loan repayment schedule was met.

Cash levels have increased due to sustainable cash management practices as well as from the timing of capital works projects and related grant funding. Debt levels have remained consistent as Council continues to strengthen its debt position. Overall, Council's net cash position (i.e. cash less debt) continues to be strong with an increase of \$13.3 million year on year.

Figure 7 – Cash and Debt Comparison 2020/21 (\$'000)

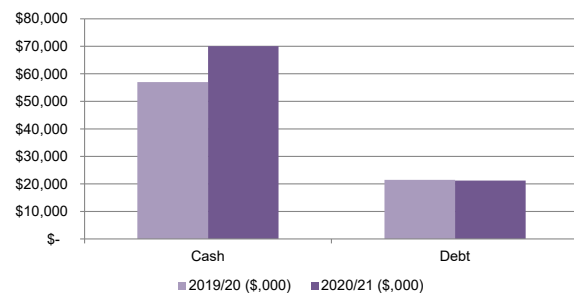
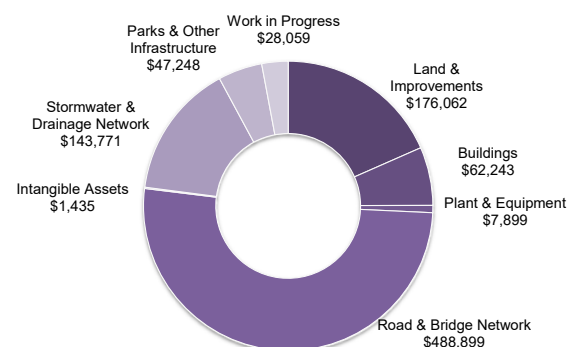


Figure 8 – Non-Current Assets and Community Infrastructure 2020/21 (\$'000)



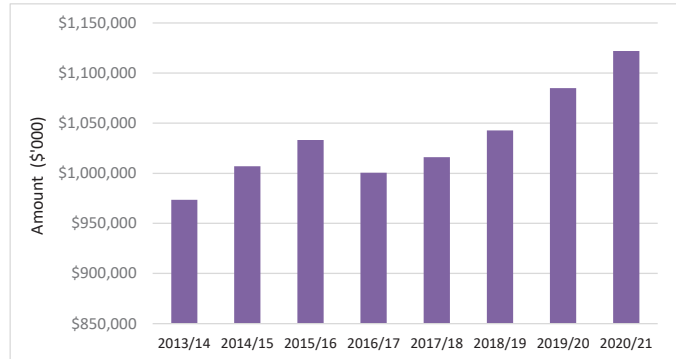
Statement of Changes in Equity

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 2021 is \$1.1 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.

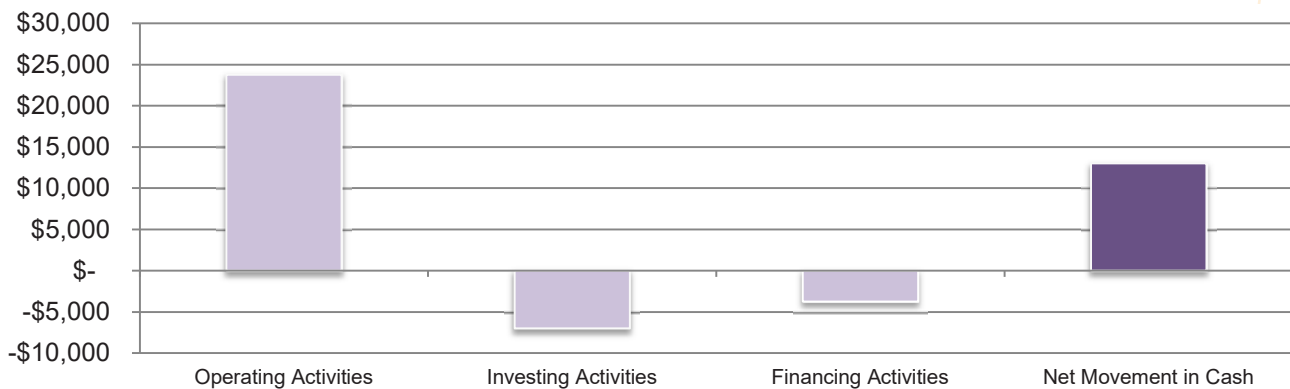
Figure 9 – Community Equity movement



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 2020/21 (\$'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 \$13.0 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 2020/21 (Actual) to 2029/30 (Forecast)

Period Ended 30 June	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
Sustainability Ratios													
Operating Surplus Ratio													
Operating Position	7.5%	(0.6)%	-	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%			
Local Govt Act upper indicator	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Net Financial Liabilities Ratio													
Net Financial Liabilities Ratio	(19.9)%	(4.9)%	1.0%	(1.0)%	(3.3)%	(5.8)%	(1.8)%	1.3%	(0.7)%	(5.3)%			
Local Govt Act upper indicator	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%			
Asset Sustainability Ratio													
Asset Sustainability Ratio	83.4%	121.9%	152.9%	95.7%	102.6%	91.3%	128.6%	126.0%	98.1%	88.0%			
Local Govt Act minimum indicator	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%			
Colour Scale:	<table border="1"> <tr> <td>Within range</td> <td>Moderate</td> <td>Outside range</td> </tr> </table>										Within range	Moderate	Outside range
Within range	Moderate	Outside range											

Operating surplus ratio

Council 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.

Operating Surplus / (Deficit)

$$\frac{\text{Total Operating Revenue}}{\text{Total Operating Revenue}}$$

The 2020/21 operating surplus ratio of 7.5% is a reflection of consistent revenue growth along with good management of our expenditure. The forecast shows Council's ongoing commitment to strong financial management.

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)

$$\frac{\text{Total Operating Revenue}}{\text{Total Operating Revenue}}$$

The strong position of (19.9%) at 30 June 2021 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

$$\frac{\text{Annual Depreciation Charge}}{\text{Annual Depreciation Charge}}$$

During 2020/21 Council achieved a ratio of 83.4%. This ratio is reflective of the efficient delivery of the capital program during the year, including an investment of \$13 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.

LIBRARY

COORRY

Monday	9:00 am	-	5:30 pm
Tuesday	9:00 am	-	5:30 pm
Wednesday	8:30 am	-	5:30 pm
Thursday	9:00 am	-	5:30 pm
Friday	9:00 am	-	5:30 pm
Saturday	9:00 am	-	12:00 pm

Financial Statements 2020 – 21

General Purpose Financial Statements

for the year ended 30 June 2021

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Noosa Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3a	69,168	69,237
Fees and Charges	3b	7,504	6,444
Sales Revenue	3c	11,557	8,486
Grants, Subsidies, Contributions and Donations	3d(i)	6,107	5,446
Total Recurrent Revenue		94,336	89,613
Capital Revenue			
Grants, Subsidies, Contributions and Donations	3d(ii)	13,177	8,400
Total Capital Revenue		13,177	8,400
Other Income			
Rental Income	17	1,365	1,003
Interest and Investment Revenue	4a	3,021	3,937
Equity share of profit (loss) in Associate through Participation Rights	12	5,890	6,094
Other Income	4b	2,952	2,691
Total Other income		13,228	13,725
Total Income		120,741	111,738
Expenses			
Recurrent Expenses			
Employee Benefits	5	35,692	33,624
Materials and Services	6	44,071	42,844
Finance Costs	7	4,827	4,688
Depreciation and Amortisation:			
- Property, Plant and Equipment	14	16,978	16,063
- Intangible Assets	15	404	404
- Right of Use Assets	17	49	54
Total Recurrent Expenses		102,021	97,677
Other Expenses			
Capital Expenses	8	4,800	4,151
Total Other Expenses		4,800	4,151
Total Expenses		106,821	101,828
Net Result		13,920	9,910
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Increase/(Decrease) in Asset Revaluation Surplus	22	21,949	35,715
Total Other Comprehensive Income for the year		21,949	35,715
Total Comprehensive Income for the year		35,869	45,625

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

Noosa Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
Assets			
Current Assets			
Cash and Cash Equivalents	9	70,028	57,024
Receivables	10	9,485	8,883
Inventories		143	181
Contract Assets	16	487	27
Other Assets	11	2,938	2,885
Total Current Assets		<u>83,081</u>	<u>69,000</u>
Non-current Assets			
Receivables	10	49,468	49,593
Equity Investments		92,433	88,040
Investment Property	13	2,900	3,000
Intangible Assets	15	3,036	3,211
Property, Plant and Equipment	14	952,580	929,090
Right of Use Assets	17	89	161
Total Non-Current Assets		<u>1,100,506</u>	<u>1,073,095</u>
Total Assets		<u>1,183,587</u>	<u>1,142,095</u>
Liabilities			
Current Liabilities			
Payables	18	7,344	7,692
Contract Liabilities	16	4,377	1,568
Borrowings	19	955	3,023
Lease Liabilities	17	25	54
Provisions	20	8,103	7,582
Other Liabilities	21	3,999	3,158
Total Current Liabilities		<u>24,803</u>	<u>23,077</u>
Non-Current Liabilities			
Borrowings	19	20,258	18,493
Lease liabilities	17	66	110
Provisions	20	16,555	15,307
Total Non-Current Liabilities		<u>36,879</u>	<u>33,910</u>
Total Liabilities		<u>61,682</u>	<u>56,987</u>
Net Community Assets		<u>1,121,905</u>	<u>1,085,108</u>
Community Equity			
Asset Revaluation Surplus		108,473	86,524
Retained Surplus/(Deficiency)		1,013,432	998,584
Total Community Equity		<u>1,121,905</u>	<u>1,085,108</u>

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

Noosa Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	Asset Revaluation Surplus	Retained Surplus	Total equity
2021				
Balance as at 1 July		86,524	998,584	1,085,108
Correction of prior period errors		–	928	928
Restated Balance as at 1 July		86,524	999,512	1,086,036
Net Result		–	13,920	13,920
Other Comprehensive Income for the year				
- Increase/(Decrease) in Asset Revaluation Surplus	14	21,949	–	21,949
Other Comprehensive Income		21,949	–	21,949
Total Comprehensive Income for the year		21,949	13,920	35,869
Balance as at 30 June		108,473	1,013,432	1,121,905
2020				
Balance as at 1 July		50,809	991,767	1,042,576
Correction of prior period errors		–	(593)	(593)
Adjustment on initial application of AASB 15 / AASB 1058			(2,500)	(2,500)
Restated Balance as at 1 July		50,809	988,674	1,039,483
Net Result		–	9,910	9,910
Other Comprehensive Income for the year				
- Increase/(Decrease) in Asset Revaluation Surplus	14	35,715	–	35,715
Other Comprehensive Income		35,715	–	35,715
Total Comprehensive Income for the year		35,715	9,910	45,625
Balance as at 30 June		86,524	998,584	1,085,108

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

Noosa Council

Statement of Cash Flows

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Cash Flows from Operating Activities			
Payments to Suppliers and Employees		(85,962)	(83,749)
Receipts from Customers		95,823	91,168
		<u>9,861</u>	<u>7,419</u>
Receipts			
Rental Income		1,365	1,003
Interest and investment revenue received		3,021	3,937
Non Capital Grants and Contributions		6,225	5,315
Income Tax Equivalent Received		1,936	1,857
Income from Equity Investment		1,495	1,396
Payments			
Borrowing Costs		(133)	(143)
Net Cash Inflows/(Outflows) from Operating Activities	26	<u>23,770</u>	<u>20,784</u>
Cash flows from investing activities			
Receipts			
Proceeds from Sale of Property, Plant and Equipment		217	284
Grants, Subsidies, Contributions and Donations		13,678	8,640
Payments			
Payments for Intangible Assets		(505)	(1,045)
Payments for Property, Plant and Equipment		(20,519)	(23,795)
Net movement in Loans and Advances		125	125
Net Cash Inflows/(Outflows) from Investing Activities		<u>(7,004)</u>	<u>(15,791)</u>
Cash flows from financing activities			
Receipts			
Proceeds from borrowings		21,082	–
Payments			
Repayment of Borrowings		(24,844)	(3,950)
Net Cash Inflows/(Outflows) from Financing Activities		<u>(3,762)</u>	<u>(3,950)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents held		<u>13,004</u>	<u>1,043</u>
Cash and Cash Equivalents at the beginning of the financial year		<u>57,024</u>	<u>55,981</u>
Cash and Cash Equivalents at the end of the financial year	9	<u>70,028</u>	<u>57,024</u>

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Information about these financial statements

(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 2020 to 30 June 2021. 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.

(b) New and revised Accounting Standards adopted during the year

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

An assessment of the impact of AASB 1059 Service Concession Arrangements: Grantors on Council resulted in no arrangements being identified which would fall within the scope of this standard.

(c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not yet effective at 30 June 2021, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

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

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10 and AASB 2017-5)*

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and associated standards.*

(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:

- Valuation of investment property - Note 14
- Valuation and depreciation of property, plant and equipment - Note 14
- Impairment of property, plant and equipment - Note 8
- Provisions - Note 20
- Contingent liabilities - Note 24
- Financial instruments and financial assets - Note 28
- Revenue recognition - Note 3

(e) Rounding and Comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard. Comparative information is prepared on the same basis as prior year.

(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. Furthermore, if these volunteer services had not been donated they would not have been procured.

(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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 1. Information about these financial statements (continued)

(h) COVID-19

Council's operations for the year ended 30 June 2021 have continued to be impacted by the COVID-19 pandemic.

While Council facilities re-opened earlier than anticipated and in line with Government directives, sales revenue relating to some holiday parks, the leisure centre, aquatic centre, The J entertainment venue and waste facilities are still marginally down against the results achieved in the 2018/19 financial year.

Ratepayer support during the period was provided by way of an extended general rate payment discount period, with a 5% discount for payment within 30 days and a 2.5% discount for payments within 60 days. Remission of Interest on outstanding rates was also provided to those ratepayers who entered into payment arrangements.

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

Council continued to maintain supplier payments at reduced terms of 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 2020/21 financial year was not material.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2a. Council Functions – Component Descriptions

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 Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 2b. Council Functions - Analysis of Results by Function

Functions \$ '000	Gross Program Income Recurring Grants	Gross Program Income Recurring Other	Elimination of Inter- function Transactions	Total Income	Gross Program Expenses - Recurring	Elimination of Inter- function Transactions	Total Expenses	Net Result	Total Assets
2021									
CEO Office	-	50	(45)	5	(1,925)	291	(1,634)	(1,629)	3
Community Services	3,292	25,922	(1,584)	27,630	(36,152)	7,256	(28,896)	(1,266)	459
Infrastructure Services	8,536	6,483	(3,144)	11,875	(39,863)	7,140	(32,723)	(20,848)	551
Executive Services	-	4,021	(4,001)	20	(5,271)	838	(4,433)	(4,413)	759
Corporate Services	2,612	73,624	(11,532)	64,704	(28,761)	2,678	(26,083)	38,621	1,149,115
Environment and Sustainable Development	580	11,799	(266)	12,113	(15,420)	2,368	(13,052)	(939)	1,244
Controlled Entity Net of Eliminations	-	4,394	-	4,394	-	-	-	4,394	31,456
Total	15,020	126,293	(20,572)	120,741	(127,392)	20,571	(106,821)	13,920	1,183,587
2020									
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	1,113,389
Environment and Sustainable Development	907	10,893	(213)	11,587	(14,872)	2,136	(12,736)	(1,149)	1,220
Controlled Entity Net of Eliminations	-	4,698	-	4,698	-	-	-	4,698	27,062
Total	10,605	120,704	(19,571)	111,738	(121,401)	19,573	(101,828)	9,910	1,142,095

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue

\$ '000	2021	2020
(a) Rates, Levies and Charges		
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.		
General Rates	52,207	51,150
Separate Rates	5,599	6,154
Special Rates	1,159	2,037
Waste Utility Charges	13,208	12,838
Total Rates and Utility Charge Revenue	72,173	72,179
Less: Discounts	(2,178)	(2,148)
Less: Pensioner Remissions	(827)	(794)
Total Rates, Levies and Charges	69,168	69,237

(b) Fees and Charges

Revenue arising from fees and charges are recognised at the point in time when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than the term of the licence.

Revenue from infringements is recognised on issue of infringement notice after applying the expected credit loss model relating to impairment of receivables for initial recognition of statutory receivables.

Building and Development Fees	3,312	2,919
Permits and Licences	786	846
Fines and Penalties	517	242
Registration Fees	423	401
Parking Penalties	984	799
User Fees and Charges	757	727
Other Statutory Fees	725	510
Total Fees and Charges	7,504	6,444

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue (continued)

(c) Sales Revenue

Sale of goods revenue is recognised at the point in time when the customer obtains control 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.

\$ '000	2021	2020
Rendering of Services		
Contract and Recoverable Works	28	24
Waste Management Charges	3,783	3,297
Venue Hire	276	311
Holiday Parks Fees and Charges	3,832	2,153
Learn to Swim	655	398
Admission Fees	1,306	875
Total Sale of Services	9,880	7,058
Sale of Goods		
Sale of Recycables	1,119	988
Retail Shop Sales	558	440
Total Sale of Goods	1,677	1,428
Total Sales Revenue	11,557	8,486

(d) Grants, Subsidies, Contributions and Donations

Grant income under AASB 15

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

The performance obligations vary in each agreement but include respite and care service hours completed; events, workshops and exhibitions held; and programs developed 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 are recognised at the asset's 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 2021

Note 3. Revenue (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.

Donations and Contributions

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

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

Physical assets contributed to Council by developers in the form of road works, stormwater, land, infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and 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.

\$ '000	2021	2020
(i) Operating		
General Purpose Grants	2,300	2,329
State Government Subsidies and Grants	1,496	949
Commonwealth Government Subsidies and Grants	2,298	2,085
Donations	13	70
Contributions	–	13
Total Recurrent Grants, Subsidies, Contributions and Donations	6,107	5,446

(ii) Capital

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually infrastructure assets received from developers.

State Government Subsidies and Grants	5,059	1,878
Commonwealth Government Subsidies and Grants	3,866	3,364
Contributions	2,522	2,058
Non-monetary Developer Assets Contributed by Developers at Fair Value	1,730	1,100
	13,177	8,400
Total Capital Grants, Subsidies, Contributions and Donations	13,177	8,400

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 3. Revenue (continued)

(iii) Timing of revenue recognition for Grants, Subsidies, Contributions and Donations

\$ '000	2021		2020	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	4,307	10,712	4,824	5,780
Donations	13	–	19	–
Contributions	4,252	–	3,223	–
	<u>8,572</u>	<u>10,712</u>	<u>8,066</u>	<u>5,780</u>

Note 4. Interest and Other Income

\$ '000	2021	2020
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(a) Interest and Investment Revenue

Interest received from financial institutions and term deposits is accrued over the term of the investment.

Interest from Financial Institutions and Term Deposits	421	1,038
Interest from Overdue Rates and Utility Charges	380	507
Loan to Unitywater	2,220	2,392
Total Interest and Investment Revenue	<u>3,021</u>	<u>3,937</u>

(b) Other Income

Dividends are recognised when they are declared.

Unitywater Income Tax Equivalent Received	1,936	1,857
Other	1,016	834
Total Other Income	<u>2,952</u>	<u>2,691</u>

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 5. Employee Benefits

\$ '000	Notes	2021	2020
Employee benefit expenses are recorded when the service has been provided by the employee.			
Wages and Salaries		27,729	26,964
Councillors Remuneration		561	540
Annual, Sick and Long Service Leave Entitlements		4,726	4,329
Superannuation	25	3,594	3,426
		<u>36,610</u>	<u>35,259</u>
Other Employee Related Expenses		1,594	1,344
		<u>38,204</u>	<u>36,603</u>
Less: Capitalised Employee Expenses		(2,512)	(2,979)
Total Employee Benefits		<u>35,692</u>	<u>33,624</u>

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

Additional information:

Total Council employees at the reporting date:

Elected Members		7	7
Administration Staff		273	286
Depot and Outdoors Staff		111	93
Total Full Time Equivalent Employees		<u>391</u>	<u>386</u>

Note 6. Materials and Services

\$ '000	2021	2020
Expenses are recorded on an accruals basis as Council receives the goods or services.		
Administration Supplies and Consumables	617	634
Audit Services *	161	211
Communications and IT	669	758
Consultancy Services	1,242	1,183
Contract Services	21,266	20,716
Commission Paid	1,217	768
Donations, Contributions and Prizes	3,787	3,711
Electricity	1,580	1,594
Fleet Operating Costs	1,859	2,038
Grants Paid to Community Organisations	1,033	1,308
Insurance	645	563
Legal Expenses	1,648	1,432
Operating Leases - Rentals	256	195
Software and Maintenance	1,829	2,041
Water and Sewerage Costs	851	845
Other Materials and Services	5,521	5,087
Less: Capitalised Internal Expenses	(110)	(240)
Total Materials and Services	<u>44,071</u>	<u>42,844</u>

Total audit fees quoted by the Queensland Audit Office relating to the 2020/21 financial statements were \$138,000 (2020: \$135,000).

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 7. Finance Costs

\$ '000	2021	2020
Finance Costs - Queensland Treasury Corporation	3,458	1,234
Bank Charges	138	130
Impairment of Receivables	(8)	12
Interest on Leases	3	5
Landfill Restoration	1,236	3,307
Total Finance Costs	4,827	4,688

During the year Council elected to refinance its existing QTC debt pool under the Local Government Debt Refinancing Program. As a result, an early repayment adjustment of \$2.5 million reflecting the difference between the book value and market value of the debt was incurred. This amount was capitalised as part of the new refinanced amount. Refer Note 19 for further details.

Note 8. Capital Expenses

\$ '000	Notes	2021	2020
(a) Revaluation Decrement			
Downwards Revaluation of Investment Property	13	100	300
		<u>100</u>	<u>300</u>
(b) Other Capital Expenses			
Loss on Write-off of Assets		4,700	3,851
		<u>4,700</u>	<u>3,851</u>
Total Capital Expenses		<u>4,800</u>	<u>4,151</u>

Note 9. Cash, Cash Equivalents and Financial Assets

\$ '000	2021	2020
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value.		
Cash and Cash Equivalents		
Cash at Bank and On Hand	1,237	258
Deposits at Call	68,791	56,766
Balance per Statement of Financial Position	<u>70,028</u>	<u>57,024</u>
Balance per Statement of Cashflows	<u>70,028</u>	<u>57,024</u>
Restricted and Internally Allocated Cash and Cash Equivalents		
Cash and Cash Equivalents	70,028	57,024
Less: Externally Imposed Restrictions on Cash	(12,064)	(10,590)
Unrestricted Cash	<u>57,964</u>	<u>46,434</u>

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 9. Cash, Cash Equivalents and Financial Assets (continued)

\$ '000	2021	2020
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:		
(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent Government Grants and Subsidies	4,878	2,624
Unspent Levy Funds	5,208	6,696
Unspent Developer Contributions	1,978	768
Unspent Carbon Tax	–	502
Total Externally Imposed Restrictions on Cash Assets	12,064	10,590
(ii) Internal allocations of cash at the reporting date:		
Internal allocations of cash may be lifted by a Council with a resolution.		
Future Asset Replacement	4,197	840
Natural Disaster Rehabilitation	2,610	2,558
Waste Management	2,073	1,328
Specific Purpose Recurrent	1,543	1,489
Total Internally Allocated Cash	10,423	6,215
Total Unspent Restricted Cash	22,487	16,805

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 0.00% and 1.04%.

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.

Note 10. Receivables

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Receivables

\$ '000	2021	2020
Current		
Rates and Charges	4,543	5,007
Other Debtors	12	12
GST Recoverable	808	688
Accrued Revenues	2,018	1,846
Fees and Charges	1,981	1,221
Loans and Advances to Community Organisations	125	125
Total	9,487	8,899
Less: Provision for Impairment		
Fees and Charges	(2)	(16)
Total Provision for Impairment - Receivables	(2)	(16)
Total Current Receivables	9,485	8,883
Non-current		
Loans and Advances to Associates	49,218	49,218
Loans and Advances to Community Organisations	250	375
Total Non-Current Receivables	49,468	49,593

Refer also to Note 28 for further information about credit risk.

Interest is charged on outstanding rates (8.53% per annum from 1 July 2020, previously 9.83% per annum). No interest is charged on other debtors. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivables.

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 2021 was 4.51% (2020: 4.86%).

Accounting Policies

Accounting Policies - 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 Policies - 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 10. Receivables (continued)

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.

2021	Closing Balance	Historical Probability of Default	Loss Given Default	Lifetime Expected Credit Loss
Ageing	\$ '000	%	%	\$ '000
Rates and Charges	4,537	0%	100%	–
Statutory Charges and Other Debtors	–	–	–	–
Current	1,641	0%	100%	1
1-30 days	60	0%	100%	–
31-60 days	32	0%	100%	–
61-90 days	1,073	0%	100%	1
90+ days	–	0%	100%	–
Total	7,343			2

2020	Closing Balance	Historical Probability of Default	Loss Given Default	Lifetime Expected Credit Loss
Ageing	\$ '000	%	%	\$ '000
Rates and Charges	5,006	0%	100%	–
Statutory Charges and Other Debtors	–	–	–	–
Current	1,030	0%	100%	1
1-30 days	48	0%	100%	–
31-60 days	43	1%	100%	–
61-90 days	(796)	0%	100%	4
90+ days	–	0%	100%	–
Total	5,331			5

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 11. Other Assets

\$ '000	2021	2020
Current		
Prepayments	2,938	2,885
Total current other assets	2,938	2,885

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 method whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of the Unitywater's net assets.

The Council's profit or loss and other comprehensive income includes its share in Unitywater's profit or loss and other comprehensive income for the year ended 30 June 2021.

\$ '000	Council's Share of Net Income		Council's Share of Net Assets	
	2021	2020	2021	2020
Unitywater	5,890	6,094	96,065	91,639
Total	5,890	6,094	96,065	91,639

Associates

Council has incorporated the following Associates into its consolidated Financial Statements.

(a) Net Carrying Amounts – Council's Share

\$ '000	Nature of Relationship	Measurement Method	2021	2020
Unitywater	Associate	Equity	92,435	88,040
Total Carrying Amounts			92,435	88,040

(b) Details

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

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 12. Equity Investments (continued)

(c) Relevant Interests and Fair Values

	Participation	Portion
	2021	2020
Unitywater	4.25%	4.25%

(d) Summarised Financial Information for Associates

\$ '000	Unitywater 2021	2020
Assets	178,217	172,223
Total Assets	178,217	172,223
Liabilities	82,152	80,584
Total Liabilities	82,152	80,584
Net Assets	96,065	91,639
Reconciliation of the Carrying Amount		
Opening Net Assets (1 July)	88,040	83,342
Profit/(Loss) for the period	5,890	6,094
Dividends Payable	(1,495)	(1,396)
Closing Participation Rights	92,435	88,040
Council's share in %	4.25%	4.25%
Council's share in \$	96,065	91,639
Summarised Statement of Comprehensive Income		
Income	30,763	31,027
Income Tax Expense	(2,522)	(2,607)
Other Expenses	(22,351)	(22,326)
Profit/(Loss) for the period	5,890	6,094
Total Comprehensive Income	5,890	6,094
Dividends received by Council	1,495	1,396

Notes to the Financial Statements

for the year ended 30 June 2021

Note 13. Investment property

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. The methodology used for determining subsequent fair value is outlined in Note 14.

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.

Owned Investment Property

\$ '000	2021	2020
Fair Value at Beginning of Financial Year	3,000	3,300
Revaluation Decrement	(100)	(300)
Total Investment Property	2,900	3,000

Operating expenses in respect of investment property are reported in Note 6 and 17.

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment

\$ '000	Capital Work in Progress	Land	Buildings	Plant and Equipment	Road and Bridge Network	Storm Water	Other Infrastructure Assets	Total
2021								
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	–
Opening Gross Balance	36,707	151,706	90,212	14,153	607,191	187,834	91,592	1,179,395
Correction to Opening Balances	–	–	–	–	–	–	1,375	1,375
Additions	20,839	–	–	–	–	–	–	20,839
Contributed Assets	–	353	–	–	1,221	117	39	1,730
Disposals	–	–	(1,008)	(451)	(5,576)	(537)	(1,136)	(8,708)
Write-offs	(977)	–	–	–	–	–	–	(977)
Revaluation Adjustments to Equity (ARS)	–	23,059	–	–	–	–	(5,213)	17,846
Work in Progress Transfers	(30,461)	944	4,454	472	18,249	2,956	3,386	–
Transfers from/(to) Intangible Assets	350	–	–	–	–	–	–	350
Transfers to / from Other Asset Classes	–	–	(3,382)	43	8,012	570	(5,243)	–
Total Gross Value	26,458	176,062	90,276	14,217	629,097	190,940	84,800	1,211,850
Opening Accumulated Depreciation	–	–	26,738	5,354	130,052	44,896	43,265	250,305
Correction to Opening Balances	–	–	–	–	–	–	446	446
Depreciation Expense	–	–	1,902	1,182	8,805	2,145	2,944	16,978
Depreciation on Write-offs	–	–	(540)	(236)	(2,894)	(86)	(600)	(4,356)
Revaluation Adjustments to Equity (ARS)	–	–	–	–	–	–	(4,103)	(4,103)
Transfers to / from Other Asset Classes	–	–	(67)	18	4,235	214	(4,400)	–
Total Accumulated Depreciation	–	–	28,033	6,318	140,198	47,169	37,552	259,270
Consolidated Book Value as at 30 June	26,458	176,062	62,243	7,899	488,899	143,771	47,248	952,580
Other Information								
Range of Estimated Useful Life (years)			0-100	1-50	0-120	10-100	2-120	–
*Asset additions comprise								
Asset Renewals	–	–	1,071	364	11,117	550	439	13,541
Other Additions	–	944	1,830	71	1,724	21	2,708	7,298
Total Asset Additions	–	944	2,901	435	12,841	571	3,147	20,839

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

\$ '000	Capital Work in Progress	Land	Buildings	Plant and Equipment	Road and Bridge Network	Storm Water	Other Infrastructure Assets	Total
2020								
Measurement basis	Cost	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	–
Opening Gross Balance	39,706	151,708	84,166	13,903	571,183	180,313	92,447	1,133,426
Correction to Opening Balances	(230)	–	4,479	–	–	–	–	4,249
Additions	24,248	–	–	–	–	–	–	24,248
Contributed Assets	–	–	–	–	666	397	36	1,099
Disposals	–	–	(2,316)	(630)	(4,102)	(615)	(608)	(8,271)
Write-offs	(271)	–	–	–	–	–	–	(271)
Revaluation Adjustments to Equity (ARS)	–	–	(736)	–	21,945	4,162	–	25,371
Work in Progress Transfers	(26,290)	–	3,465	808	17,472	3,577	968	–
Transfers from/(to) Intangible Assets	(456)	–	–	–	–	–	–	(456)
Transfers to / from Other Asset Classes	–	(2)	1,154	72	27	–	(1,251)	–
Total Gross Value	36,707	151,706	90,212	14,153	607,191	187,834	91,592	1,179,395
Opening Accumulated Depreciation	–	–	22,087	4,388	119,637	60,487	40,915	247,514
Correction to Opening Balances	–	–	1,320	–	–	–	–	1,320
Depreciation Expense	–	–	1,481	1,206	7,896	2,302	3,178	16,063
Depreciation on Write-offs	–	–	(1,050)	(258)	(2,227)	(220)	(493)	(4,248)
Revaluation Adjustments to Equity (ARS)	–	–	2,585	–	4,744	(17,673)	–	(10,344)
Transfers to / from Other Asset Classes	–	–	315	18	2	–	(335)	–
Total Accumulated Depreciation	–	–	26,738	5,354	130,052	44,896	43,265	250,305
Consolidated Book Value as at 30 June	36,707	151,706	63,474	8,799	477,139	142,938	48,327	929,090
Other Information								
Range of Estimated Useful Life (years)			0-100	1-50	0-120	10-100	2-120	–
*Asset additions comprise								
Asset Renewals	–	–	1,245	796	12,217	1,640	2,181	18,079
Other Additions	–	–	1,233	47	1,131	37	3,756	6,204
Total Asset Additions	–	–	2,478	843	13,348	1,677	5,937	24,283

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

(a) Recognition and measurement

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 set out in the table contained in this note.

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.

Capital Work in Progress

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

(b) 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.

(c) Impairment

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

amount exceeds the recoverable amount is recorded as an impairment loss.

(d) 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 Measurement* requirements. Other plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets 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 land, improvements, and buildings classes in the intervening years, management performs a desktop valuation on each asset class. A desktop valuation involves management assessing the condition and cost assumptions associated with each asset class in conjunction with the movements in the relevant indices as outlined in the valuation techniques table in Note 14(3). Together these are used to form the basis of the desktop valuation.

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 19 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 28.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly,

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

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.

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

\$ '000	Date of latest valuation	Fair value measurement using		Total
		Level 2 Significant observable inputs	Level 3 significant unobservable inputs	
2021				
Property, Plant and Equipment				
Land	13/03/2018	8,388	167,674	176,062
Buildings	30/06/2020	–	62,243	62,243
Road and Bridge Network	31/03/2018	–	488,899	488,899
Storm Water	30/06/2020	–	143,771	143,771
Other Infrastructure Assets	30/06/2021	–	47,248	47,248
Investment Property	30/06/2021	2,900	–	2,900
Total Property, Plant and Equipment		11,288	909,835	921,123
2020				
Property, Plant and Equipment				
Land	13/03/2018	7,228	144,478	151,706
Buildings	30/06/2020	–	63,474	63,474
Road and Bridge Network	31/03/2018	–	477,139	477,139
Storm Water	30/06/2020	–	142,938	142,938
Other Infrastructure Assets	30/06/2016	–	48,327	48,327
Investment Property	30/06/2020	3,000	–	3,000
Total Property, Plant and Equipment		10,228	876,356	886,584

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

During the year, there were no transfers between Level 1 and Level 2 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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

(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:

Asset Class and Fair Value Hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Land (Level 2)	Market value	31/03/2018	AssetVal Pty Ltd	Active and liquid market available for comparison. Land sales for similar properties are analysed and compared taking into account area, location and other general site characteristics. Land use based on zoning in place at the time of valuation under the previous 2006 Noosa Plan.	Queensland Government Statistician's Office Land Development Activity Profile for Noosa Shire (Median Residential Sale Price) Most Recent Index Applied: 15.2% - equivalent to 2 years movement (2021)	Nil
Land (Level 3)	Market value	31/03/2018	AssetVal Pty Ltd	No observable active market - (i.e land utilised for footpaths, access restriction purposes or has a volumetric title). Land sales are analysed and compared taking into account area, location and other general site characteristics. Assumptions are made to adjust for use and sale restrictions. Land use based on zoning in place at the time of valuation under the previous 2006 Noosa Plan.	Queensland Government Statistician's Office Land Development Activity Profile for Noosa Shire (Median Residential Sale Price) Most Recent Index Applied: 15.2% - equivalent to 2 years movement (2021)	Nil

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

Asset Class and Fair Value Hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Buildings (Level 3)	Current replacement cost	30/06/2020	Australis Asset Advisory Group	No active market due to the specialised nature of the assets and the services local government buildings provide. Valuations are determined using unit rates for construction taking into consideration industry standard cost guides, project costs from recently completed buildings. Other inputs to cost, useful life and remaining life include economic value, legal and commercial obsolescence, industry standards, asset condition and consumption rating applied. All buildings are separated into different components with value determined based on a range of interrelating factors. i.e. sub-structure, superstructure, roof, electrical and lighting, fitout and fittings, fire services, HVA, mechanical and security services.	ABS Producer Price Index: 3020 Non-residential building construction, Queensland	Nil
Other Infrastructure Assets (Level 3) 2021: \$47,248k 2020: \$48,327k	Current replacement cost	30/06/2021	Australis Asset Advisory Group	No active market due to the specialised nature of services these assets provide. Unit rates are developed by estimating labour and materials required for asset replacement. Base rates were sourced using actual contract prices for recently completed projects or supply quotes for similar assets based on age, size, location and condition. Where costs are not available, rates were obtained from the valuer's database or the Rawlinson's Australian Construction Handbook, 2021 Edition.	ABS Producer Price Index: 3020 Non-residential building construction, Queensland	Nil

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

Asset Class and Fair Value Hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Roads (Level 3)	Current replacement cost	31/03/2018	AssetVal Pty Ltd	<p>Unit rates are developed using actual contract prices for recently completed projects or supply quotes for similar assets based on age, size, location and condition.</p> <p>A first principles approach has been applied to developing unit rates by estimating plant, material and labour inputs required for design and construction.</p> <p>Where costs are not available rates were obtained from the valuer's database or the Rawlinson's Australian Construction Handbook, 2017 Edition.</p> <p>Roads are categorised as sealed or unsealed and separated into segments with three location factors for urban, rural and commercial/industrial. All segments are then componentised into sub-classes that make up each segment. i.e. road surface, road pavement base, road pavement sub-base, road shoulder, formation, kerb, footpath, signage, etc.</p>	ABS Producer Price Index: 3101 Road and bridge construction, Queensland Most Recent Index Applied: 3.8% (2020)	Nil
Bridges (Level 3)	Current replacement cost	31/03/2018	AssetVal Pty Ltd	<p>Unit rates are developed according to varying material types used for construction, as well as deck area, size and length.</p> <p>Construction estimates were based on actual contract prices for recently completed projects or supply quotes for similar assets.</p> <p>Significant bridges were separately assessed by the valuer.</p>	ABS Producer Price Index: 3101 Road and bridge construction, Queensland Most Recent Index Applied: 3.8% (2020)	Nil

Notes to the Financial Statements

for the year ended 30 June 2021

Note 14. Property, Plant and Equipment (continued)

Asset Class and Fair Value Hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)	Other interim revaluation adjustment
Storm water (Level 3)	Current replacement cost	30/06/2020	Jones Lang LaSalle	Unit rates determined using market costs for supply and installation of similar assets or their modern equivalent taking into consideration variables such as asset size, depth, location and soil type. The first principles approach to deriving unit rates also consists of breaking down each asset into its construction elements including demolition, reinstatement, excavation, construction, delivery and installation. Stormwater assets are componentised into the significant components which may provide different function, economic benefit life. i.e. pipework, valves, culverts, manholes, headwalls, bio-retention basins.	ABS Producer Price Index: 3101 Road and bridge construction, Queensland	Nil
Investment Property (Level 2) 2021: \$2.9 million 2020: \$3.0 million	Market value	30/06/2021	AEC Group	Two calculation methodologies underpin the market based valuation approach: - Capitalisation rate valuation approach - Discounted cashflow valuation approach	Not Applicable Valuations completed Annually	Nil

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 15. Intangible Assets

\$ '000	2021	2020
Intangible Assets are as follows:		
Opening Gross Carrying Value	3,732	3,087
Additions	-	645
Work in Progress	1,601	1,372
Closing Gross Carrying value	5,333	5,104
Opening Accumulated Amortisation and Impairment	(1,893)	(1,489)
Amortisation in the Period	(404)	(404)
Closing Accumulated Amortisation and Impairment	(2,297)	(1,893)
Total Intangible Assets - Net Book Value	3,036	3,211

Software assets have a finite life estimated at 10 years.

Note 16. Contract Balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

\$ '000	2021	2020
(a) Contract assets		
Current		
Contract Assets	487	27
Total Current Contract Assets	487	27
Classified as:		
Current Contract Assets	487	27
Total Contract Assets	487	27
Contracts to Construct Council Owned Assets	487	27
(b) Contract Liabilities		
Current		
Grants		
Funds Received Upfront to Construct Council Controlled Assets	4,126	1,568
Total Grants	4,126	1,568
Other Services		
Non-Capital Performance Obligations not yet Satisfied	251	-
Total Other Services	251	-
Total Current Contract Liabilities	4,377	1,568

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 16. Contract Balances (continued)

\$ '000	2021	2020
Classified as:		
Current Contract Liabilities	4,377	1,568
Non-Current Contract Liabilities	–	–
Total Contract Liabilities	4,377	1,568
Revenue recognised that was included in the Contract Liability balance at the beginning of the year		
Funds to Construct Council Controlled Assets	1,434	69
Funds received in advance of services provided	127	–
Total Revenue included in the Contract Liability	1,561	69

(c) Significant changes in contract balances

The completion of the Orealla Bridge project during the year saw the grants funds previously recognised as a contract liability being transferred to revenue as all performance obligations had been met.

Note 17. 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.

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases (continued)

Terms and conditions of leases

Buildings

Council previously leased a building which was used as office space. The option to extend the lease was not taken up and the lease expired during the year.

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 or more years with fixed payments for the term of the lease

\$ '000	Buildings	Land	IT and Office Equipment	Total
Right of Use Assets				
2021				
Opening Balance at 1 July	40	102	19	161
Adjustments to Right-of-Use Assets due to re-measurement of Lease Liability	(23)	–	–	(23)
Depreciation Charge	(17)	(21)	(11)	(49)
Balance at 30 June	–	81	8	89
2020				
Opening Balance at 1 July	63	124	13	200
Additions to Right-of-Use Assets	–	–	15	15
Depreciation Charge	(23)	(22)	(9)	(54)
Balance at 30 June	40	102	19	161

\$ '000	2021	2020
---------	------	------

Lease Liabilities

Classified as:

Current Lease Liability	25	54
Non-Current Lease Liability	66	110
Total Lease Liabilities	91	164

The following table 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.

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases (continued)

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2021					
Land	23	63	–	86	82
IT & Office Equipment	4	5	–	9	9
	<u>27</u>	<u>68</u>	<u>–</u>	<u>95</u>	<u>91</u>
2020					
Buildings	23	18	–	41	41
Land	23	87	–	110	104
IT & Office Equipment	10	10	–	20	18
	<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 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.

\$ '000	2021	2020
Expenses		
Depreciation of Right-of-Use Assets	49	54
Interest Expense on Lease Liabilities	2	5
Expenses relating to Low-Value Assets	246	212
Net Expense relating to Leases	<u>297</u>	<u>271</u>
Total Cash Inflows/(Outflows) for Leases	<u>298</u>	<u>268</u>

Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land which are used for access easements and parklands.

The leases are generally between 10 and 20 years and require payments between \$1 and \$143 per annum. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

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

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.

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 17. Leases (continued)

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.

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.

\$ '000	2021	2020
The minimum lease receipts are as follows:		
Not later than one year	237	219
Between one and five years	521	474
Later than five years	–	–
Total lease receipts	758	693

Rental income from investment property recognised in the operating result is \$257,088 (2020: \$194,808).

Direct operating expenses primarily for repairs and maintenance on property that did not generate rental income for the period were \$5,245 (2020: \$4,662). Direct operating expenses primarily for repairs and maintenance on property that did generate rental income for the period were \$36,713 (2020: \$32,636).

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.

Note 18. Payables

Trade Creditors

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.

Employee Related Accruals

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.

\$ '000	2021	2020
Current		
Employee Entitlements	71	90
ATO - net GST payable	335	124
Trade Creditors	1,728	1,367
Accruals	4,806	4,583
Employee Related Accruals	404	1,528
Total Current Payables	7,344	7,692

Notes to the Financial Statements

for the year ended 30 June 2021

Note 19. 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.

\$ '000	2021	2020
Current		
Loans - Queensland Treasury Corporation	955	3,023
Total Current Borrowings	955	3,023
Non-Current		
Loans - Queensland Treasury Corporation	20,258	18,493
Total Non-Current Borrowings	20,258	18,493

Reconciliation of Loan Movements for the year

Loans - Queensland Treasury Corporation

Opening balance at beginning of financial year	21,516	24,232
Loans raised	21,082	–
Principal repayments	(24,843)	(3,950)
Loan interest capitalised in period	3,458	1,234
Book value at end of financial year	21,213	21,516

The QTC loan market value at the reporting date was \$21,732,591 (2020: \$24,772,274). 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.

During the year Council resolved to participate in the Local Government Debt Refinancing Program offered by the Queensland Government in response to the COVID-19 pandemic. This program allowed Council to refinance all of its existing QTC debt pool over a 20 year term. Lower interest rates on these borrowings will generate positive cash flows for reinvestment in projects to stimulate economic activity.

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20. 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. The provision is discounted using the Commonwealth Bond yeild rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

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.

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.

\$ '000	2021	2020
Current		
Annual Leave	3,156	2,952
Long Service Leave	4,947	4,630
Total Current Provisions	8,103	7,582

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 20. Provisions (continued)

\$ '000	2021	2020
Non-Current		
Long Service Leave	977	965
Quarry Rehabilitation	50	50
Landfill Sites	15,528	14,292
Total Non-Current Provisions	16,555	15,307

Details of movements in provisions

Quarry Rehabilitation

Balance at beginning of financial year	50	50
Balance at end of financial year	50	50

Landfill Sites

Balance at beginning of financial year	14,292	10,985
Amounts used	(84)	–
Increase in provision due to unwinding of discount	156	221
Increase/(decrease) in provision due to change in discount rate	1,164	3,086
Balance at end of financial year	15,528	14,292

Note 21. Other Liabilities

\$ '000	2021	2020
Current		
Unearned Revenue	2,159	1,561
Prepaid Rates Liability	1,840	1,597
Total Current Other Liabilities	3,999	3,158

Note 22. 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.

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 23. Commitments for Expenditure

\$ '000	2021	2020
(a) Operational Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements are as follows:		
Within the next year	13,492	12,528
Later than one year and not later than 5 years	20,314	30,633
Later than 5 years	–	943
	<u>33,806</u>	<u>44,104</u>

(b) 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	464	3,393
Buildings	2,337	–
Other	2,972	–
Total Commitments	<u>5,773</u>	<u>3,393</u>

These expenditures are payable as follows:

Within the next year	5,773	3,393
Later than one year and not later than 5 years	–	–
Later than 5 years	–	–
Total Payable	<u>5,773</u>	<u>3,393</u>

Note 24. Contingent Liabilities

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

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$1,080,275 (2020: \$940,516).

Notes to the Financial Statements

for the year ended 30 June 2021

Note 25. 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 pooled defined benefit plan and it is not in accordance with the deed to obligations, plan assets and costs at the Council level.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, 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 measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 salary or wages and there are no known requirements to change the rate of contributions.

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

The most significant risks that may result in 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.

\$ '000	Notes	2021	2020
Superannuation contributions made to the Regional Defined Benefits Fund		189	201
Other superannuation contributions for employees		3,405	3,225
Total superannuation contributions paid by Council for employees	5	3,594	3,426

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 26. Reconciliation of Net Result for the year to Net Cash Inflows/(Outflows)

a) Operating Activities

\$ '000	2021	2020
Net Operating result from Income Statement	13,920	9,910
Non-Cash Items		
Depreciation and Amortisation	17,431	16,521
Changes in Accounting Policy	–	(3,869)
	<u>17,431</u>	<u>12,652</u>
Losses/(Gains) recognised on fair value re-measurements through the Income Statement		
Investment Properties	100	300
Unwinding of discount rates on reinstatement provisions	1,236	3,307
	<u>1,336</u>	<u>3,607</u>
Investing and Development Activities		
Net (profit)/loss on Disposal of Assets	4,700	3,851
Non cash Capital Grants and Contributions	(13,177)	(8,400)
Share of Net (Profits)/Losses of Associates	(5,890)	(6,094)
Impairment of Receivables and Bad Debts Written Off	(8)	1
Interest Expense capitalised in QTC loans	3,458	1,234
	<u>(10,917)</u>	<u>(9,408)</u>
Changes in Operating Assets and Liabilities:		
(Increase)/Decrease in Receivables	(365)	(572)
Increase/(Decrease) in Provision for Doubtful Debts	(6)	12
(Increase)/Decrease in Inventories	37	17
(Increase)/Decrease in Contract Assets	–	(27)
(Increase)/Decrease in Other Assets	1,497	1,396
Increase/(Decrease) in Payables	554	339
Increase/(Decrease) in Contract Liabilities	118	1,568
Increase/(Decrease) in Employee Leave Entitlements	328	598
Increase/(Decrease) in Other Liabilities	(163)	692
	<u>2,000</u>	<u>4,023</u>
Net Cash provided from/(used in) Operating Activities from the Statement of Cash Flows	<u>23,770</u>	<u>20,784</u>

b) Financing Activities

\$ '000	Opening Balance	Non-cash flows	Cash flows	Balance at 30 June
2021				
QTC Debt facility	21,516	3,460	(3,763)	21,213
	<u>21,516</u>	<u>3,460</u>	<u>(3,763)</u>	<u>21,213</u>
2020				
QTC Debt facility	24,232	1,234	(3,950)	21,516
	<u>24,232</u>	<u>1,234</u>	<u>(3,950)</u>	<u>21,516</u>

Note 27. Events after the reporting period

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

Notes to the Financial Statements

for the year ended 30 June 2021

Note 28. 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

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.

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 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).

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.

Notes to the Financial Statements

for the year ended 30 June 2021

Note 28. Financial Instruments and Financial Risk Management (continued)

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 Council's 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.

At 30 June 2021, the exposure to credit risk for trade receivables by type of counterparty was as follows:

\$ '000	2021	2020
Community Organisations	375	500
Property Charges	4,673	5,096
Fees and Charges	1,850	1,116
GST Recoverable	807	688
Associates	49,218	49,218
Other	12	12
Total	56,935	56,630

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 19.

The following lines of credit were available at the end of the reporting period:

\$ '000	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
2021					
Payables	7,236	–	–	7,236	7,236
Loans - QTC	1,299	5,381	20,180	26,860	21,213
	8,535	5,381	20,180	34,096	28,449
2020					
Payables	7,599	–	–	7,599	7,602
Loans - QTC	3,762	15,048	7,038	25,848	21,516
	11,361	15,048	7,038	33,447	29,118

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 2021

Note 28. 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 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 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.

\$ '000	Net carrying amount	Net result		Equity	
		1% increase	1% decrease	1% increase	1% decrease
2021					
QTC cash fund	66,852	669	(669)	669	(669)
Other investments	1,939	19	(19)	19	(19)
Loans - QTC	(21,213)	(212)	212	(212)	212
Net	47,578	476	(476)	476	(476)
2020					
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
Net	35,249	352	(352)	352	(352)

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.

(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 19.

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.

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 29. 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:

\$ '000	Waste Management	Holiday Parks
Revenue for services provided to the Council	251	–
Revenue for services provided to external clients	18,693	3,837
Community service obligations	126	–
	<u>19,070</u>	<u>3,837</u>
Less: Expenditure	<u>(15,374)</u>	<u>(2,450)</u>
Surplus/(Deficit)	3,696	1,387

Description of CSO's provided to business activities:

Activities	CSO description	Net cost \$ '000
Waste Management	Waste collection and disposal charges for charitable organisations.	126

Note 30. Trust funds

\$ '000	2021	2020
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	<u>3,971</u>	<u>4,000</u>
	3,971	4,000

Noosa Shire 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 Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 31. Prior Period Adjustments

In prior years, Council recorded the costs associated with the development of the new Noosa Plan 2020, which was adopted on 16th July 2020, as capital in nature and as such had recorded these as Property, Plant & Equipment and Intangible Assets in the Statement of Financial Position.

Upon the completion of the project Council reviewed the requirements under the relevant accounting standards and determined that these costs did not meet the recognition criteria for them to be disclosed as a non-current asset.

Accordingly these reporting errors have been corrected by restating the balance at the beginning of the comparative period (1 July 2019) with the adjustments taken to equity at that date. Comparatives have been changed to reflect the correct amounts and the impact on each item in the financial statements is shown below.

Retrospective adjustments have not been applied as the adjustments span more than 5 years.

Statement of Financial Position at 1 July 2019

\$ '000	Original balance as presented at 30 June 2019	Adjustment	Restated balance at 1 July 2019
Intangible Assets	5,953	(3,383)	2,570
Property, Plant & Equipment	885,912	(230)	885,682

Comparative figures for 30 June 2020

\$ '000	Original balance as presented at 30 June 2020	Adjustment	Restated balance at 30 June 2020
Statement of Financial Position (Extract)			
Intangible Assets	7,636	(4,425)	3,211
Property, Plant & Equipment	929,355	(265)	929,090
Total Non-Current Assets	1,077,785	(4,690)	1,073,095
Total Assets	1,146,785	(4,690)	1,142,095
Net Community Assets	1,089,798	(4,690)	1,085,108
Retained Surplus/(Deficiency)	1,003,274	(4,690)	998,584
Total Community Assets	1,089,798	(4,690)	1,085,108

Statement of Comprehensive Income (Extract)

Employee Benefits	32,996	628	33,624
Materials & Services	42,394	450	42,844
Total Recurrent Expenses	96,599	1,078	97,677
Total Expenses	100,750	1,078	101,828
Net Result	10,988	(1,078)	9,910
Total Comprehensive Income for the year	46,703	(1,078)	45,625

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 32. Transactions with Related Parties

(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:

\$ '000	Notes	2021	2020
Revenue			
Interest on loans	4(b)	2,219	2,392
Taxation equivalents	4(a)	1,932	1,859
Dividends	12(d)	1495	1,396
Amounts receivable			
Interest		554	598
Dividends		630	750
Taxation equivalents		478	220
Loans			
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.

(d) Key Management Personnel

Transactions with Key Management Personnel

Councillors

Cr Clare Stewart (Mayor)

Cr Frank Wilkie

Cr Karen Finzel

Cr Joe Jurisevic

Cr Amelia Lorentson

Cr Brian Stockwell

Cr Tom Wegener

Noosa Council

Notes to the Financial Statements

for the year ended 30 June 2021

Note 32. Transactions with Related Parties (continued)

Executive Leadership Team

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

\$ '000	2021	2020
Short-term Employee Benefits	1,803	1,824
Post-employment Benefits	195	197
Long-term Benefits	29	30
Termination Benefits	82	-
Total Compensation Paid to Key Management Personnel	2,109	2,051

(e) Other Related Parties

Transactions with Other Related Parties

\$ '000	2021	2020
Employee expenses with close family members of key management personnel	89	87
	89	87

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.

(f) Outstanding balances

Council has no outstanding balances at the end of the reporting period in relation to transactions with related parties.

(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.

General Purpose Financial Statements

for the year ended 30 June 2021

Management Certificate

for the year ended 30 June 2021

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the 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 49, 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

27 October 2021



Brett de Chastel

Chief Executive Officer

27 October 2021

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.

In my opinion, the financial report:

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

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the 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 2021 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

The councillors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards, and for such internal control as the 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 2021:

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

28 October 2021

Queensland Audit Office
Brisbane

Noosa Council

General Purpose Financial Statements

for the year ended 30 June 2021

Current Year Financial Sustainability Statement

\$ '000	Actual 2021	Target 2021
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Measures of financial sustainability

1. Operating Surplus Ratio

Net result (excluding capital items) ¹	7.48%	<=10.00%
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.

2. Asset Sustainability Ratio

Capital expenditure on the replacement of assets (renewals) ³	83.42%	>90.00%
Depreciation expense		

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	(19.89)%	<60.00%
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.

Note 1 - Basis of Preparation

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

- (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. Also excludes the early repayment adjustment resulting from the refinancing of Council's QTC debt pool under the Local Government Debt Refinancing Program.
- (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.

Noosa Council

General Purpose Financial Statements

for the year ended 30 June 2021

Certificate of Accuracy

for the year ended 30 June 2019

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

27 October 2021



Brett de Chastel

Chief Executive Officer

27 October 2021

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 2021, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

Responsibilities of the councillors for the current-year financial sustainability statement

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

28 October 2021

Queensland Audit Office
Brisbane

Noosa Council

General Purpose Financial Statements

for the year ended 30 June 2021

Unaudited Long Term Financial Sustainability Statement

\$ '000	Target	Actual	Forecast									
	2021	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031

Measures of financials sustainability

1. Operating Surplus Ratio

Net result (excluding capital items) ¹	<=10.00%	7.48%	(0.60)%	0.00%	0.20%	0.30%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
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.

2. Asset Sustainability Ratio

Capital expenditure on the replacement of assets (renewals) ³	>90.00%	83.42%	121.90%	152.90%	95.70%	102.60%	91.30%	128.60%	126.00%	98.10%	88.00%	83.10%
Depreciation expense												

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	<60.00%	(19.89)%	(4.90)%	1.00%	(1.00)%	(3.30)%	(5.80)%	(1.80)%	1.30%	(0.70)%	(5.30)%	(9.40)%
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.

(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. Also excludes the early repayment adjustment resulting from the refinancing of Council's QTC debt pool under the Local Government Debt Refinancing Program.

(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.

General Purpose Financial Statements

for the year ended 30 June 2021

Noosa 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.

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of Local Government, Community Recovery and Resilience to help monitor the long-term sustainability of all councils across Queensland. Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period was adversely affected by the impacts of water reform and this issue is outlined in more detail in the coming pages.

Noosa Council

General Purpose Financial Statements

for the year ended 30 June 2021

Certificate of Accuracy - Long Term Financial Sustainability Statement

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2021

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

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



Clare Stewart

Mayor

27 October 2021



Brett de Chastel

Chief Executive Officer

27 October 2021

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General Enquiries: 8.30 am – 5.00 pm Monday to Friday (excluding public holidays)

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