

2017/18 Annual Report

for the period 1 July 2017 to 30 June 2018





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Introduction



A message from our Mayor

The 2017-18 financial year saw Council complete a remarkable workload. I am sure many staff are still a tad breathless from the effort!

One of our more significant achievements for the year was also a more left-field project for Council. The purchase of land beside the Noosa River known as John's Landing allowed Council to resolve perhaps the most pressing social issue in the Shire. With the help of our Noosa Community Roundtable, plus a wonderful project officer, we were able to assist more than 90 people to find better accommodation. As a result, many lives were significantly improved and a host of children were reacquainted with school life. We entered this project with some trepidation. Thankfully, the outcomes exceeded our expectations.

Another big picture project was the negotiation over the Yurol/Ringtall Forest Conservation Project. This unique and innovative four-way deal between HQ Plantations, the State Government, Noosa Parks Association and the Council will see 2,400 hectares of land added to the conservation estate. Much of it will be rehabilitated plantation land, and all will eventually finish up as national park. The scale and audacity of this complex project is extraordinary, with the end result providing koala habitat and environmental connectivity between the hinterland and the Cooloola section of the Great Sandy National Park.

Meanwhile, at Peregian, works were completed on our business accelerator, known as the Peregian Digital Hub. As the financial year drew to a close, the Hub was humming with tenants and numerous tech events.

In the spirit of cooperation, Council also established a first for the Shire: the Sustainable Tourism Stakeholder Reference Group. This brings together 15 business, community and environmental groups as well as Tourism Noosa and Council to consider the challenges we face around our success as a premier tourist destination. The work by this broad assemblage of players will continue into the new financial year. Never before have so many local representatives been asked to tackle such a key issue for our locale.

Back to core Council business, and 2017-18 found Council completing the first draft of the new Noosa Planning Scheme and thereafter delivering this massive document to the State for their first interest check. The next stage will be further public consultation in 2018-19, before going back to the State for gazettal.

And, while we're talking planning, during the year Council received 503 development applications and approved 98.5% of them. Council also enjoyed considerable success in the Planning & Environment Court defending numerous appeal cases.

Following extensive consultation and a good deal of debate, the Noosaville Foreshore Land Use Master Plan was finally completed. So too was a Noosa Main Beach Events Policy to help guide the future of activities at one of our key assets.

We worked extensively on our transport solutions for the Shire, with significant data collection undertaken. Various project groups, consultants and experts all grappled with our transport issues. This is no easy nut to crack, and our ongoing research is continually challenging assumptions about the best way forward. Meanwhile, the initial walk-and-ride-to-school program is having significant success.

On top of our regular maintenance schedule, we managed to complete a record \$29 million in capital works delivery and achieve an Asset Sustainability Ratio of 131%. Hearty congratulations must go to all in our Infrastructure Department for that herculean effort.

Work was begun on the new Park Road Boardwalk which connects Hastings Street with the Noosa National Park, and construction also began on the refurbishment and expansion of the Noosaville Library.

During the 2017/18 financial year we rolled out our green bin system to divert green waste from landfill, continued to implement our Zero Emissions Strategy with a range of energy and cost saving measures, supported Boomerang Alliance with their Plastic Free Noosa campaign, and took a policy position opposing any further applications for coal exploration or coal-seam gas mining in the Shire.

The overall structure of the organisation received a minor shake-up, with the creation of a newly badged Environment & Sustainable Development Department, plus an updated Corporate Plan.

And, as if that weren't enough (and I'm only scraping the surface of Council's many achievements) we also beefed-up our Economic Development activities, hosted the Queen's Baton Relay, supported the Pomona Community's successful campaign to retain their mid-town rail crossing, opened an innovative Makerspace in the Cooroy Library, and resolved land issues at the Cooroy Community Hall before helping fund its restoration.

On the bigger stage, we managed to garner more than \$6 million in Federal and State grants. We were not only instrumental in getting the State to consider the matter of short-term on-line property lettings, we were one of only two local governments represented on their Stakeholder Reference Group established to tackle the issue.

Of even greater significance was that, thanks to Noosa's input, the State's new overarching planning document, the SEQ Regional Plan (Shaping SEQ), respected Noosa's historical approach to development. It included no increase to our urban footprint and a projected population increase that would not see us reach our so-called "population cap" until 2041.

I'd like to conclude by thanking all the Council staff for their efforts over 2017-18, and also my excellent Councillor colleagues, all of whom are focussed on the best outcomes for our community. It's an honour to work with you all and to serve this wonderful community.

Tony Wellington



A message from our Chief Executive Officer

How do you concisely sum up such a busy year like 2017/18? It is almost impossible to do so given the scope of what our Council has achieved for our community in that 12 month period.

Elsewhere in this annual report, you can read details about our progress towards achieving our five Key Focus Areas as set out in our Corporate Plan. There are a myriad of projects that we have undertaken to focus on our environment, community, economy, long-term planning and the Council itself. That quite extensive list of projects identifies what we have achieved in the 2017/18 financial year. However, I would like to spend some time focusing on why we have undertaken these initiatives on behalf of the Noosa community.

I believe there is something different in the DNA of our Council compared to other local governments. I think we can trace that back to how we were re-born – our community fought hard to get its Council back through a de-amalgamation and there has always been a special bond between our Council and our community.

Some Councils talk about *their* community. We talk about *our* community. Some Councils refer to their residents and ratepayers as stakeholders and citizens. We still prefer the term “our community”. Some Councils refer to their staff as public servants. We focus on public service. We are here to serve our community. These are subtle differences but important ones.

They help explain why we are working hand-in-hand with our community. They help explain why our staff are so passionate about our Noosa community. They help explain why we are always looking to do things better for our community.

Of course, while we are rightly proud of what we have achieved for our community in the last 12 months as set out in this annual report, it is also important that we don't ever become complacent. We need to keep striving to do even better. Our community expects this and deserves it.

However, we can't do everything on our own. One of the great things about Noosa is the level of volunteers in our community who add to the social fabric by getting involved and helping in some way. Whether it's delivering meals on wheels, helping at the football club canteen, helping maintain a bushland reserve or as a volunteer lifesaver, our community has a higher level of volunteerism than the Queensland average. This evidences passion for where we live and the desire for our community to make a difference. I'm reminded of an anonymous quote that I read recently “Volunteering is the ultimate exercise in democracy. You vote in elections once every now and then, but when you volunteer, you vote every day about the kind of community you want to live in”. On behalf of Council, thanks to all of the volunteers in our community who help make Noosa such a great place to live.

And finally, I would like to thank the Mayor, Councillors and all of our staff for their efforts in the 2017/18 financial year. We would not have been able to achieve all of the incredible outcomes that are set out elsewhere in this annual report without you. To our staff, I particularly say thank you. Every day, you provide public service to our community. From putting out the lane ropes at the Aquatic Centre at 5am, to pruning trees in parks, to fixing potholes, to answering customer phone calls and putting away chairs at The J at 10pm, our staff are out there every day providing service to our community.

Brett de Chastel

Councillors

Noosa Shire is represented by the Mayor and six Councillors who were elected at the Local Government elections in April 2016. Our Councillors represent all areas of the Shire as Noosa is an undivided local government area.



From left to right:

Cr Frank Pardon, Cr Joe Jursevic, Cr Brian Stockwell, Mayor Tony Wellington, Cr Ingrid Jackson, Cr Jess Glasgow, and Cr Frank Wilkie (Deputy Mayor).

The Year in Review

This section of the Annual Report looks at Council's progress in achieving the goals set out in its Corporate Plan. Noosa Council adopted its Corporate Plan in January 2017 and more recently, in September 2018, adopted an update to that document. The Corporate Plan identifies five themes, a series of long term goals and key focus areas for 2017-2022. Council's progress towards achieving them is set out on the following pages.

Council's Operational Plan 2017/18 detailed the major priorities and initiatives that Council undertook to work towards the implementation of the Corporate Plan.

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



Corporate Plan Theme 1: The Noosa Environment

“Our environment is protected and enhanced and is valued by the community”

- Council reviewed its management approach to the Noosa River and has committed to refresh and rewrite the Noosa River Plan with an expanded focus on river catchment management. Community consultation on the revised Noosa River Plan is to be undertaken in mid 2018 with the updated Plan expected to be adopted by Council in late 2018.
- Council signed a Memorandum of Understanding in October 2017 with the State Government, HQPlantations and the Noosa Parks Association for the development of a project to protect major parts of the Yurol and Ringtail forest areas. Council agreed to the final format of the contracts in June 2018. This is the most significant environmental project in recent years and will see almost 2,400 ha of land transition to protected conservation tenure over the next 10 years providing regional scale environmental connectivity, particularly for koala corridors.
- Council completed its audit of stormwater pollution in the Noosaville Industrial Estate and is working closely with local businesses to improve environmental management practices in that area.
- Council provided ongoing support to the Boomerang Alliance in their campaign for a Plastic Free Noosa.
- Council is implementing its Zero Emissions Strategy focused on eliminating our organisation’s emissions by 2026. Council considered a report by ERM Energy in relation to the energy use of nine of Council’s largest energy producing sites. Contracts were let for the installation of solar panels at most of the major Council buildings at a cost of approximately \$250,000. This will reduce both Council’s emissions and also our ongoing electricity costs.
- Council’s new waste management contract commenced in September 2017. This new contract (awarded to Cleanaway for the period 2017 - 2024 at an approximate cost of \$46 million) is the largest contract Council manages. The introduction of a mandated green waste recycling bin in urban areas of the Shire (which will reduce green waste being buried in the landfill and significantly reduce methane gas production) was a smooth process with significant communication with our community to ensure that service delivery was seamless.
- Council successfully negotiated for the ongoing processing and sale of our recyclable waste following the 2017 decision of the Chinese government to discontinue taking Australian recyclable materials. At the same time, we have responded to the announcement by the State government to introduce a \$70 per tonne landfill levy from early 2019.
- Council is continuing to develop a Climate Hazard Adaption Plan. This project (being funded by the State government via the Local Government Association of Queensland) is aiming to develop both a Climate Hazard Adaption Plan (CHAP) and a Climate Change Adaption Plan. Research and community engagement has been undertaken in 2017/18 for the CHAP.
- Council awarded tenders in September 2017 for the ongoing environmental monitoring of Council owned landfills including both current and closed landfills. This ensures that Council meets its environmental obligations in relation to its landfills (both current and closed).
- Council issued a new 7-year licence to operate the Recycling and Sales Facility at the Eumundi Road Resource Recovery Facility to Resource Recovery Australia. This decision saw the closure of the Brightside Tip Shop and the launch of Noosa Reviva in July 2018.
- Council approved a further 3-year funding agreement with the Noosa Biosphere Reserve Foundation in June 2018. During 2017/18, Council also provided \$250,000 to the Noosa Biosphere Reserve Foundation for projects that advance the purpose of the Noosa Biosphere Reserve as well as \$140,000 for operational expenses (in accordance with the funding agreement that was in place until 30 June 2018).
- Council has addressed a range of significant planning and environment applications during the last 12 months. During that period, Council approved 98.5% of planning applications.
- Council adopted a policy to oppose any further applications for coal exploration, coal mining, coal seam gas exploration or coal seam gas production within the Shire.

Corporate Plan Theme 2: The Noosa Community

“Our community is connected, safe and happy and able to meet their potential”

- Council finalised the settlement of the purchase of Johns Landing at Cooroibah. This was one of the most significant projects undertaken by Council in 2017/18. More than 90 people were re-housed through the work of the Noosa Community Roundtable – a coalition of State agencies, a significant number of community groups and Council. Rehabilitation of the land (partly purchased with the Environment Levy) has commenced with the removal of a significant amount of rubbish and contaminated material.
- Council adopted a 3-year implementation plan for the Noosa Social Strategy. One of the Social Strategy initiatives is the establishment of the Noosa Community Roundtable, which successfully assisted with the transition process at Johns Landing and is now focusing on affordable housing.
- Council adopted a Sport and Active Recreation Plan following extensive community engagement. The Plan will help guide Council in managing community facilities and programs associated with both active and passive sports. An implementation plan was adopted by Council in February 2018.
- The Queen’s Baton Relay event was held in Noosa on 26 March 2018. With over 35 baton bearers and thousands of residents lining the route, the Baton Relay was a successful event with positive feedback from the Commonwealth Games organisers.
- Council held two community Council meetings during 2017/18. In November 2017, we held a Council meeting at Sunshine Beach and in June 2018, we held a Council meeting at Kin Kin. This continues Council’s ongoing commitment to open decision making and provides an opportunity for more members of the public to attend Council meetings. In keeping with our ongoing commitment to transparency, during the year we only closed Council/Committee meetings on 5 occasions to deal with confidential matters.
- Council worked closely with the Pomona community to provide support and advocacy in relation to the Mid-Town Rail crossing. Following a significant lobbying campaign and working very closely with the community, success was achieved when Queensland Rail announced that it would retain the crossing and look at safety upgrades rather than closing the crossing.
- Council finalised the design of the Park Road Boardwalk following an extensive community engagement process. Expressions of interest were called and following a subsequent tender process, a contract for \$6.5M was awarded to Hutchinson Builders. The Boardwalk is expected to be finalised in late 2018.
- Noosa participated in the University of Canberra’s Rural and Regional Wellbeing survey. The survey found that as a community, our sense of well-being exceeded other regional areas in Queensland and Australia in 9 out of the 10 areas measured.
- Following extensive engagement with the Cooroy community regarding the future of the Cooroy Community Hall, Council agreed to accept trusteeship of the Deed of Grant in Trust and supported the establishment of the Cooroy Community Hall Association Inc. An agreement to lease was signed with the Association so they could renovate and ultimately manage the Hall. As part of that agreement Council agreed to fund 50% of the restoration costs (capped at \$192,000) with the community funding the remaining 50%. This has been an excellent outcome for the Cooroy community with the official re-opening of the hall occurring in April 2018.
- Council has undertaken numerous Library and Gallery programs to support our community. Our Library Services have physically issued over 744,000 items during the last 12 months. The Council also let a tender for the major refurbishment of the Noosaville Library, which will be completed in late 2018.
- Council opened a Makerspace at the Cooroy Library with funding assistance from the State Library of Queensland. The Makerspace includes 3D printers, robotics and virtual reality activities.
- Council completed a detailed review of the options for the future use of the Noosaville foreshore. This included an extensive community engagement process that culminated in the adoption of the Noosaville Foreshore Land Use Master Plan in May 2018. The importance of this area to our community was highlighted by the large number of submissions made through the community engagement process.

- Council has reviewed and updated its Community Engagement Policy. Significant engagement projects included:
 - Park Road Boardwalk;
 - Climate Change Adaption Plan;
 - Pioneer Park, Cooran;
 - Cooroy Memorial Hall;
 - Peregrin Beach Digital Hub;
 - Waste Management Local Law; and
 - Arts, Heritage and Cultural Plan.
- Council responded to community concerns about the proliferation of short term accommodation online booking agencies. We were successful in having a motion passed at the Local Government Association of Queensland Conference that resulted in the establishment of a State Government Reference Group to address the issue and Mayor Wellington was appointed as one of two Local Government representatives on that Group.
- Council won a Queensland National Trust Award for the project on “Noosa Remembers – A History of the World War 1 memorials of Noosa Shire”.
- Council provided Pomona Arts Inc. with one off funding to support their ongoing management of the historic Pomona Majestic Theatre.
- Council focused on recognising the important role of volunteers in our community. A series of videos were produced highlighting examples of the work undertaken by volunteers and Council hosted a “volunteer recognition” event.
- Our Noosa Aquatic Centre, Noosa Leisure Centre and The J all had outstanding years. In terms of numbers the NAC had 242,922 visits which is just under last year’s record number of visits, the Leisure Centre had 109,108 visits which is up 7.1 % on last year and The J had 85,089 visits which is up 6.7% on 2016/17.
- Council once again provided funding for the free bus service at Christmas and Easter to make it easier for our community to move around during those busy holiday periods. Usage of that service continued to grow and we also negotiated new service arrangements for parking at the Noosa Heads Lions Park with increased parking fees from \$10 to \$20. The average number of passengers using the free buses during the Christmas period has grown from 3,926 in 2015/16 to 4,157 in 2017/18. Like previous years, 66% of users had access to a car but caught the bus to avoid traffic and congestion.
- Council continued to provide its community grant program supporting our community groups. During 2017/18, we provided \$842,946 in grants to 135 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.



Corporate Plan Theme 3: The Noosa Economy

“Our economy is diverse and resilient”

- The construction of the Peregrin Beach Digital Hub was completed (Council was successful in obtaining \$1 million of funding from the State Government). Following an EOI process, tenants and co-workers have been identified and the Hub now has its first tenants.
- Council adopted an Economic Development Grants Policy in November 2017 and provided grants in support of programs that will achieve the outcomes of the Local Economic Plan.
- Council continued to work closely with Tourism Noosa and entered into a new funding agreement which provides funding for 3 years with a further 2-year option. Council worked closely with Tourism Noosa on the development of its Noosa Tourism Strategy 2017 - 2022. This strategy includes a focus on “value over volume” in relation to tourism so that the focus is on yield per visitor rather than simply more visitor numbers. As a separate but related issue, Council adopted the Noosa Main Beach Events Policy which prescribed a limit on the number of events to be held annually on Noosa Main Beach.
- Council continued to work closely with Regional Development Australia (Sunshine Coast) on a range of projects including a successful entrepreneurship program.
- Council and Tourism Noosa worked together to establish a Sustainable Tourism Stakeholder Reference Group. This brings together approximately 15 different groups from the business, community and environmental sectors to consider challenges associated with how Noosa can manage the success it has achieved in becoming a premier tourism destination. The Group met three times during 2017/18.
- Council awarded management rights for the Cooroy RV Stopover to the Cooroy Chamber of Commerce for a 3-year term. The ongoing activation of the Cooroy RV Stopover will assist the local Cooroy economy.
- Council continued to successfully implement its Local Economic Plan. Unemployment rates in Noosa continue to be at historic lows – Noosa 4.5%, compared to the balance of the Sunshine Coast, 5.1% and Queensland, 6.0%.
- Council co-funded an Innovation Masterclass for 14 local businesses to develop local business capacity.



Corporate Plan Theme 4: Long term planning for Noosa Shire

“Noosa Shire is well managed and sustainable”

- Council undertook significant work on the development of the new Planning Scheme during 2017/18. Council adopted the New Noosa Plan in May 2018 for the purpose of the State interest review step of the new plan making process. We have undertaken a large range of studies and assessments to support the development of the scheme including:
 - Agriculture & Agricultural Land in Noosa Shire;
 - Biodiversity Assessment Report;
 - Centres Hierarchy;
 - Extractive Resources & Minerals;
 - Flood Management;
 - Housing Needs Assessment;
 - Landslip Hazard Report;
 - Nature-based Tourism Review;
 - Noosa Open Space Study;
 - On-site Effluent Disposal;
 - Urban Design Locality Summary Report; and
 - Waterways Assessment Study.
- Council was able to provide significant input into the ongoing development of the draft South-East Queensland Regional Plan. The Plan, which was adopted in August 2017, resulted in recognition of Noosa’s planning approach. There was no expansion of the urban footprint which is a good outcome for the Noosa community.
- Council undertook a significant review of our infrastructure plans to enable us to meet new legislative requirements for the imposition of contributions from developers towards the cost of infrastructure. This included the adoption of a suite of plans such as the Transport Network Plan as required for the Local Government Infrastructure Plan (LGIP). We were one of the first Councils in Queensland to develop a LGIP under the new legislation which was adopted by Council in May 2018.
- Council undertook a review of our Local Laws and Subordinate Local Laws focusing particularly on Local Law 1 (Administration) and Local Law 2 (Animal Management). Council also established a new Local Law (Local Law 7) dealing with waste management on the basis that the State was going to remove the legislative power on which local governments regulated commercial waste collection.
- Council adopted an updated Noosa Local Disaster Management Plan that guides our responses to natural disasters. Council has also undertaken considerable work in developing our response to natural disasters including undertaking disaster management exercises to train our staff. Our long serving Local Disaster Co-ordinator stepped down from the role on 30 June 2018 and was replaced by Council’s Director Infrastructure Services. Council also adopted the Noosa Local Recovery Sub-plan 2018 to guide recovery processes in the event that a major disaster occurs.
- Council completed the Six Mile Creek Flood Study after extensive consultation with the Lake Macdonald Drive Community Reference Group.
- Council began implementation of its Transport Policy and Transport Strategy. We have begun to work with some local schools on Walk/Ride to School programs. Extensive research has also been undertaken on the other four priorities identified in the Strategy including parking studies, negotiations with Translink etc.
- Council provided a charging station for electric vehicles at Cooroy as its contribution to the State Government’s Electric Super Highway stretching from the Gold Coast to Cairns.
- Council adopted a Strategic Asset Management Plan in September 2017. That Plan set the framework for the adoption of more detailed Asset Management Plans. To date, detailed asset management plans have been adopted for the Noosa Main Beach Sand Recycling System and the Noosa Aquatic Centre.
- Council developed its first 5-year Capital Program allowing for a longer planning horizon for capital projects. Our Infrastructure Planning, Design and Delivery team now have future projects they can plan for. In addition, our teams delivered a significant number of capital projects including:
 - Weyba Road, Noosaville;
 - Donnellys Road, Ridgewood;
 - Poinciana Avenue, Tewantin; and
 - Major reseal program with 11.8 km of roads either resealed, rehabilitated or spray sealed.
- Council was successful in securing grant funding to replace a number of bridges including the Mary River Road Bridge in Cooroy and the Noosa Road Bridge in Cooran. Tenders have been awarded for these two bridges with the tender for the third bridge at Orealla Crescent, Sunrise Beach to be undertaken in 2018/19.
- Council adopted its Signage Policy in August 2017. This provides for a more uniform and consistent approach to Council signage noting the importance of the Noosa “look and feel” as set out in our Noosa Design Principles.

Corporate Plan Theme 5: Excellence as a Council

“The Noosa Shire community is proud of its Council”

- Council undertook its first detailed community satisfaction survey that was reported to Council in August 2017. The Survey was undertaken by an independent professional survey firm (Market Facts) and identified that Council was achieving a community satisfaction score significantly above comparable Councils in almost all service categories.
 - 76.4% of respondents viewed Council's overall performance as good and very good;
 - Top performing services were Waste Management, Customer Service, Disaster Management, Community Safety, Management and Supervisory Officers, Quality of Elected Council and Financial Management; and
 - Areas for improvement included Parking, Facilities, Economic Development/ Local Employment, Road Maintenance, responding to the Community, Road Construction, and Providing Leadership and Advocacy.
- Council has successfully achieved another unmodified audit from the Queensland Audit Office.
- Council continued to look at ways in which we can improve services. One of the most important steps this year was the development of a Level of Service catalogue that was adopted as part of our 2018/19 budget process. This is the first time that Council has had service-by-service details of what is provided, costs, response times, benchmarking etc.
- We continued to focus on good governance practices and adopted or updated a range of policies in support of that goal. These included:
 - Administrative Action Complaints Process;
 - Audit and Risk Committee Charter;
 - Councillors' Expense Reimbursement Policy;
 - Internal Audit Policy and Terms of Reference;
 - Local Law Making Process; and
 - Public Interest Disclosure Policy and Procedure.
- The transformation of our Workplace Health and Safety performance has been significant. We recently undertook an external audit of our WH&S Systems and achieved a score of 74% (up from 19% three years ago). We have transitioned from one of the worst performing local governments of our size to one of the best performing local governments of our size.
- The Audit and Risk Committee has continued to add value to our compliance and performance for governance and finance. This has included an oversight of our strategic risks, review of key governance and financial policies, review of organisational KPIs, and development of Business Continuity Planning. Council's Internal Audit Program included internal audits on:
 - Bank reconciliations;
 - Rates and utility charges; and
 - Insurance strategy and insurance renewal processes.

The following statistics outline some of our day to day activities for 2017/18:

<i>Number of visitors to:</i>	
Noosa Aquatic Centre	242,922
The J	85,089
Noosa Leisure Centre	109,108
Number of clients serviced at Noosa Community Support	2,681 clients
Number of physical items issued by our Libraries	744,051
Number of domestic bin collections	1,518,164 general waste bins 740,725 recycling bins 360,312 garden bins
Number of customer visits to the Waste Disposal facilities	131,000
Number of transactions by our frontline customer service team	100,232
Number of development applications and percentage approved (incl. tree removal applications on private land)	503 applications - 98.5% approved
Number of rate notices issued	63,354
Length of road resurfaced in 2017/18	11.8km
Length of road serviced by street sweeper	11,678 km
Number of requests regarding trees on public land	1,973



Reportable Disclosures

Information relating to Councillors

Remuneration

Councillor remuneration is set by the independent Local Government Remuneration and Discipline Tribunal established under the Local Government Act 2009 (LG Act). The Tribunal determines remuneration for Mayors, Deputy Mayors and Councillors and releases a report in December each year which establishes single remuneration levels for the following year.

The Local Government Remuneration and Discipline Tribunal Report 2016 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 2017 to 30 June 2018 (the period) as follows:

- Mayor - \$125,084;
- Deputy Mayor - \$78,177; and
- Councillors - \$66,450.

In accordance with s244 (3) of the Local Government Regulation 2012 (LG Regulation), the remuneration prescribed by the Tribunal 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 s226 of the LG Act.

The LG Act does however allow a local government to take part in a superannuation scheme for its Councillors and Council on 20 January 2014 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 the preferred superannuation fund, and where no nomination has occurred, the superannuation payments be made to LG Super.

An overview of the remuneration paid to Councillors for the period is provided in Table 1.

Table 1 - Councillor Remuneration

Councillor remuneration for period 1 July 2017 to 30 June 2018

Councillor	Salary (\$)	Superannuation* (\$)	Total (\$)
Cr Tony Wellington (Mayor)	125,084	15,010	140,094
Cr Frank Wilkie (Deputy Mayor)	78,177	9,381	87,558
Cr Joe Jurisevic	66,450	7,974	74,424
Cr Frank Pardon	66,450	7,974	74,424
Cr Jess Glasgow	66,450	7,974	74,424
Cr Ingrid Jackson	66,450	7,974	74,424
Cr Brian Stockwell	66,450	7,974	74,424

Note: amounts rounded to the nearest whole dollar value

*Superannuation shown is Council's 12% employer contribution

Reportable Council resolutions for the period

The table below outlines the reportable resolutions under the Local Government Regulation for the period.

Table 2 - Reportable Resolutions

Local Government Regulation 2012	Resolution Adopted
Section 250 (1)	Nil.
Section 250 (2)	<p>Councillors' Expenses Reimbursement Policy Update</p> <p><i>Council note the report by the Governance Advisor to the Services & Organisation Committee Meeting dated 8 May 2018 and adopt, pursuant to section 250(2) of the Local Government Regulation 2012, the updated Councillors' Expenses Reimbursement Policy.</i></p> <p>(Adopted by Council 17 May 2018).</p>
Section 206 (2)	<p>Nil.</p> <p><i>Note: No resolutions were made during the 2017/18 financial year. Council's Non-Current Asset Accounting Policy adopted by Council resolution on 15 June 2017 (effective from 1 July 2016) includes recognition thresholds for non-current assets.</i></p>

Councillors' expenses and resources provided

The Councillors' Expenses Reimbursement Policy ensures Councillors are provided a reasonable level of resources and equipment in order to carry out their duties in an effective and efficient manner. Minor amendments to the Policy were made at Council meeting of 17 May 2018.

The Policy is compliant with the following principles prescribed by the LG Act:

- Transparent and effective processes and decision-making in the public interest;
- Good governance of, and by, the local government; and
- Ethical and legal behaviour of Councillors and local government employees.

The categories of expenses and eligibility for reimbursement as per the Policy for the Period include:

- Mandatory professional development;
- Professional development & representation (Mandatory and Discretionary);
- Travel as required to represent Council;
- Meals when travelling for Council business;
- Accommodation;
- Private vehicle usage;
- Hospitality;
- Administration tools and access to Council office amenities;
- Safety equipment;
- Council vehicle usage;
- Home office and telecommunication needs; and
- Insurance cover¹.

¹ Councillors are covered under relevant Council insurance policies while on Council business. Cover includes public liability, professional indemnity, Councillors' liability, personal accident and overseas travel.

Summary of expenses/ reimbursements paid to Councillors for the period

The reimbursements that were made to Councillors for the period were for mandatory and discretionary professional development, hospitality, vehicle use, home office and telecommunication, and travel expenses incurred whilst on Council business.

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

A summary of expenses/ reimbursements to Councillors for the period is outlined in Table 3 below.

Table 3 - Councillor Expenses 2017/18

Councillor	Mandatory Professional Development (\$)	Discretionary Professional Development (\$)	Use of private vehicle (option 1) (\$)*	Home office & telecomms (\$)	Hospitality (\$)	Travel expenses as required to represent Council (\$)	Total (\$)
Cr Tony Wellington	4,506	0	5,000	2,880	0	0	12,386
Cr Jess Glasgow	0	603	5,000	2,880	0	0	8,483
Cr Ingrid Jackson	0	0	5,000	2,880	0	0	7,880
Cr Joe Jurisevic	0	1,369	5,000	2,880	0	0	9,249
Cr Frank Pardon	0	0	5,000	2,880	0	0	7,880
Cr Brian Stockwell	0	1,326	5,000	2,880	0	0	9,206
Cr Frank Wilkie	566	71	5,000	2,880	0	0	8,516

Note amounts rounded to the nearest whole dollar value

*Under the Councillors' Expenses Reimbursement Policy, Councillors may elect one of two options regarding private vehicle reimbursement. Option 1 - Councillors accept an annual payment of \$5,000 as reimbursement for the use of their private vehicle on Council business.

Councillor meeting attendance

The attendance of Councillors at Ordinary meetings, Special meetings and Committees for the period is outlined in Table 4 below.

Table 4 - Council Meeting Attendance 2017/18

Councillor	Ordinary Meeting	General Committee	Planning & Environment Committee	Services & Organisation Committee	Special & Budgetary	Audit & Risk Committee
Total no. of meetings held	12	12	11	11	6	4
Cr Tony Wellington	12	12	11	11	6	3
Cr Jess Glasgow	10	8	2*	6*	6	n/a
Cr Ingrid Jackson	11	11	9	n/a	6	2*
Cr Joe Jurisevic	12	12	7*	2*	6	2*
Cr Frank Pardon	9	9	n/a	7	3	n/a
Cr Brian Stockwell	12	12	10	n/a	6	n/a
Cr Frank Wilkie	12	11	n/a	10	6	n/a

Notes: n/a in the table above indicates that the relevant Councillor is not a representative of the particular Committee.

*Councillor membership on the Planning & Environment Committee, Services & Organisation Committee and Audit & Risk Committee was altered in April 2018.

Complaints about Councillors

Sections 176 to 182 (inclusive) of the LG Act prescribe the requirements for local governments for dealing with complaints about the conduct and performance of Councillors so as to ensure that:

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

The Councillor Code of Conduct Policy endorsed by Council on 13 January 2014 remained unchanged for the period.

The Policy establishes:

- The responsibilities of Councillors under the Act;
- The standards of behaviour and ethical obligations expected of Councillors in Noosa Shire; and
- A clear administrative method for handling and resolving complaints made about the conduct and performance of Councillors in accordance with Division 6 of the LG Act.

Table 5 identifies the reportable complaints, orders and recommendations against Councillors for the period.

Table 5 - Complaints against Councillors

Reportable information relating to complaints against Councillors	Number of complaints (for the period)
(i) The number of orders and recommendations made under s180 (2) or (4) of the LG Act	1
(ii) The number of orders made under s181 of the LG Act.	2
(iii) The number of complaints made about the conduct or performance of a Councillor for which no further action was taken under s 176C(2) of the LG Act.	2
(iv) The number of complaints referred by the Council CEO to the department's chief executive under s176C (3)(a)(i) of the LG Act.	Nil
(v) The number of complaints referred to the Mayor under s176C (3)(a)(ii) or (b)(i) of the LG Act.	2
(vi) The number of complaints referred to the department's chief executive under s 176C (4)(a) of the LG Act.	2
(vii) The number of complaints assessed by the Council CEO as being about corrupt conduct under the Crime and Corruption Act.	Nil
(viii) The number of complaints heard by a regional conduct review panel.	1
(ix) The number of complaints heard by the tribunal.	1
(x) The number of complaints to which s176C (6) of the LG Act applied.	Nil

Note: In accordance with section 181A (1)(2)(3) of the Local Government Act 2009, the public may inspect records relating to the outcomes of complaints at Council's Tewantin office.

Overseas travel

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

Executive remuneration

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

The senior management of a local government consists of the chief executive officer and all senior executive employees of the local government. A senior executive employee is an employee who reports directly to the chief executive officer 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 \$1,235,296.

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

Table 6 - Executive Remuneration

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

Equal opportunity employment

Council is an equal opportunity employer, which is committed to providing equal employment opportunities for its current and prospective employees. Council's employment practices are aligned to Queensland's Anti-Discrimination Act 1991 and relevant federal anti-discrimination laws.

Council recognises the importance workforce diversity and promotes a working environment where people are treated on their merits at every stage of their employment.

At Noosa Council, all employees are encouraged to embrace equity and diversity at all levels within the organisation. The Noosa Council Employee Code of Conduct reinforces the standards of behaviours required of employees including non-discriminatory workplace practices.

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

Administrative action complaints

Council is committed to managing customer feedback and ensuring all complaints are dealt with in a fair, prompt and confidential manner. Council aspires to provide a level of service that does not attract complaints. However, Council acknowledges the public's right to provide feedback on services, including the right to lodge a complaint about a decision or other action Council has taken, or failed to take, where considered appropriate to do so.

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

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

On 21 June 2018, the Administrative Action Complaints Process Policy was amended and an Administrative Action Complaint Procedure was adopted. The new policy provides further details around:

- The intended outcome of the policy;
- Legislative requirements;
- Analysis and reporting requirements;
- The available review process with greater flexibility in terms of who can undertake a review; and
- Various roles and responsibilities.

A copy of the Council's current Administrative Action Complaints Process Policy and Procedure can be viewed on Council's website.

Table 7 below provides a summary of Administrative Action Complaints for the period. Council reviews each complaint it receives objectively and aims to ensure that any improvement opportunities identified by a particular complaint are implemented into operations.

Table 7 - Administrative Action Complaints

Complaint statistics 30 June 2017 to 30 June 2018

Complaints outstanding as at 30/06/17	Complaints received during the period	Complaints resolved during the period	Complaints outstanding as at 30/06/18
6	30	27	3

Note: The above statistics relate to formal administrative action complaints, which can be distinguished from 'a request for service' by members of the public. An administrative action may include a decision, or a failure to make a decision, a failure to provide a written statement of reasons for a decision, an act, a failure to do an act, the formulation of a proposal or intention, or the making of a recommendation.

Council registers

Council is required under the LG Regulation to develop and maintain certain registers. A number of these registers are available for public inspection at Council's Tewartin Office or can be viewed on Council's website.

Below is a list of the registers kept by Council:

- Asset Register;
- Delegations Register;
- Complaints Register;
- Claims Register;
- General Cost Fees and Commercial Charges;
- Engineering and Environment Fees and Charges;
- Planning and Development Fees and Charges;
- Building and Plumbing Fees and Charges;
- Other Development Fees and Charges;
- Development Application Register;
- Backflow Device Register;
- On-site Sewerage Facility Register;
- Local Laws Register;
- Regulated Dog Register;
- Roads Register;
- Instrument of Appointments;
- Noosa Policy Register;
- Gifts and Benefits Register;
- Contracts Register; and
- Registers of Interests.

Community grants 2017/18

Council's Community Grants for the period were managed in accordance with Council's Community Grants Policy as endorsed by Council on December 2016. This Policy is to be read in conjunction with any supporting guidelines for specific funding programs. This Policy does not apply to sponsorship, donations, advertising, naming rights and service level agreements.

The outcomes of this policy include:

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

Table 8 outlines the funds supplied by Council through community grants for the period.

Table 8 - Community Grants 2017/18

Community Grant Recipients	Funding Amounts (\$)
Regional Arts Development Fund	
Mr Ian Richter	1,000.00
Mr Izack Hunt	3,000.00
Ms Gail Hewton	7,500.00
Ms Florence Teillet	7,000.00
Press Gang Printmakers (Auspiced by Noosa Arts and Crafts Assoc. Inc)	1,500.00
Ms Annette Hughes	6,000.00
Miss Lisa Davis	2,695.00
Noosa Long Weekend Festival Inc.	7,000.00
Noosa District Concert Band Inc.	2,000.00
Mrs Tania Nash	5,000.00
Mr Geoffrey Datson	5,000.00
Noosa Arts Theatre Inc.	5,000.00
Ms Anya La Zanya	1,500.00
Pamela Walpole (Art ForARTsake)	2,900.00
Ms Anne Harris	5,000.00
Ms Anne Harris	-4,000.00
Mr Stephen Hamacek	3,905.00
Noosa Long Weekend Festival Inc.	7,000.00
SUB-TOTAL:	69,000.00

Community Grant Recipients	Funding Amounts (\$)
Three Year Alliance Agreement	
Noosa District Community FM Radio Assn Inc.	7,612.50
Flying Fox Rescue Release Noosa Inc.	7,612.50
Pomona Arts Inc.	7,612.50
Sunshine Butterflies Inc.	7,612.50
Coorooora Historical Society Inc. t/as Noosa Museum	5,075.00
Noosa & District Landcare Group Inc.	15,732.50
Noosa Arts Theatre Inc.	7,612.50
Cooroy-Noosa Genealogical and Historical Research Group Inc.	5,075.00
SunnyKids Inc. (formerly Cooroy Family Support Centre)	5,075.00
Noosa Integrated Catchment Association Inc.	15,732.50
The Salvation Army Property Trust	15,225.00
Country Noosa Inc.	3,045.00
Noosa Community Biosphere Association Inc.	10,657.50
SUB-TOTAL:	113,680.00
Three Year Alliance Agreement - Emergency Services	
Australian Volunteer Coast Guard Association Inc.	10,657.50
LifeFlight Australia Pty Ltd	10,650.00
SUB-TOTAL:	21,307.50
Water Rebates	
Paid directly to eligible not-for-profit organisations	22,447.33
Paid on behalf of 41 eligible not-for-profit organisations	61,489.64
SUB-TOTAL:	83,936.97
Three Year Halls and Centres Maintenance and Management	
Ridgewood Community Hall Assn Inc.	4,344.20
Pomona & District Community House Inc.	17,307.00
Federal Memorial Hall and Community Centre Inc.	4,985.26
Tinbeerwah Hall Inc.	3,080.50
Peregian Beach Community House Inc.	9,251.73
Cooran Memorial School of Arts Inc.	7,286.79

Community Grant Recipients	Funding Amounts (\$)
Pomona Memorial School of Art Hall Inc.	12,380.22
Kin Kin Community Group Inc.	6,045.36
Rotary Club of Noosa Heads Inc.	2,537.50
Cooroy Memorial Hall Association Inc.	12,000.00
SUB-TOTAL:	79,218.56
Community Project Grants	
Zero Emissions Noosa Inc.	3,835.00
Noosa & District Landcare Group Inc.	12,301.20
Women Initiating New Directions Organization Inc.	1,000.00
Noosa A H & I Society Inc. (Noosa Show Society)	4,250.00
Men's Shed Pomona Inc.	5,021.00
Buddies Refugee Support Group Ltd	1,000.00
Pomona & Cooran Amateur Rugby League Football Club Inc.	3,160.00
Pomona Cooroy and District Australian Football Club Inc.	3,255.00
Noosa Open Studios Inc.	5,000.00
Noosa Strade Bianche Association Inc.	4,000.00
Zonta Club of Noosa Inc.	9,855.40
Australian Volunteer Coast Guard Assoc Inc.	12,997.00
Tewantin Noosa Cricket Club Inc.	15,000.00
Cooran Memorial School of Arts Inc.	7,322.00
Noosa Parks Association Inc.	2,250.00
Noosa Arts and Crafts Assoc. Inc.	3,028.40
Australian Volunteer Coast Guard Association Noosa QF5	6,860.00
Noosa Integrated Catchment Assoc Inc.	2,915.00
Peregian Beach Community House Inc.	8,500.00
Noosa Mens Shed Inc.	5,370.00
Noosa Long Weekend Festival Inc.	6,238.00
Noosa District Rugby League Football Club Inc.	5,000.00
Noosa Integrated Catchment Assoc Inc.	3,000.00
Noosa Triathletes Inc.	1,410.00
Noosa Gymnastics Club Inc.	30,000.00

Community Grant Recipients	Funding Amounts (\$)
Noosa Lions Football Club Inc.	4,027.00
Friends of Noosa Botanic Gardens Inc.	2,250.00
Pomona & District Horse & Pony Club Inc.	8,000.00
Flying Fox Rescue Release Noosa Inc.	555.00
Noosa Integrated Catchment Assoc Inc.	2,250.00
Veggie Village Community Gardens Inc.	2,200.00
Noosa Trailblazers Mountain Bike Club Inc.	10,277.28
Noosa Tennis Club Inc.	9,145.00
Noosa Rainbow River Festival auspiced by Noosaville Business Assoc. Inc.	1,500.00
Mary River Catchment Coordination Assoc. Inc.	4,250.00
Noosa International Film Festival Inc.	5,000.00
School Breakfast Suport Group (Scripture Union Qld)	3,961.00
Noosa A H & I Society Inc. (Noosa Show Society)	3,400.00
Lower Mill Board Inc.	1,149.00
Queensland Koala Crusaders Inc.	7,577.90
Anywhere Theatre Festival Ltd	7,500.00
Sunshine Coast Reconciliation Group auspiced by Reconciliation Qld Inc.	2,000.00
Mary River Catchment Coordination Assoc Inc.	3,300.00
Noosa & District Landcare Group Inc.	5,000.00
Wildcare Australia Inc.	1,122.02
United Synergies Ltd	3,000.00
Sunshine Coast Health Network Ltd	1,000.00
Sunshine 60 & Better Group Inc.	1,525.00
The Royal Australian Institute of Architects Ltd	5,000.00
Tewantin Tennis Club Inc.	3,500.00
Community Skate Program	4,000.00
Kin Kin Community Group Inc.	1,550.00
Kin Kin Community Group Inc.	3,230.00
Repayment of Grant by Cooroy Eumund Cricket Club	-4,972.00
SUB-TOTAL:	264,865.20

Community Grant Recipients	Funding Amounts (\$)
Three Year Sports Field Maintenance Agreements	
Noosa District Softball Association Inc.	14,371.64
Noosa District Rugby Union Club	14,371.64
Noosa Touch Association	11,497.31
Noosa Australian Football Club Inc.	17,245.97
Tewantin Noosa Cricket Club Inc.	21,557.59
Pomona Cooroy and District Australian Football Club Inc.	8,622.98
Noosa Lions Football Club Inc.	20,120.29
Cooroy Eumundi Cricket Club Inc.	8,622.98
Pomona & Cooran Amateur Rugby League Football Club Inc.	14,371.64
Cooroora United Football Club Inc.	8,622.98
Noosa District Junior Rugby League Football Club Inc.	14,371.39
Noosa District Rugby League Football Club Inc.	11,497.31
SUB-TOTAL:	165,273.72
Three Year Festive Season Event Grants	
Lake Cootharaba Sailing Club Inc.	3,045.00
Cooroy Pomona Lions Club Inc.	2,436.00
Tewantin Noosa Sub Branch Inc.	3,552.50
Tewantin Noosa Lions Club Inc.	10,150.00
Cooroy Chamber of Commerce Inc.	7,105.00
Kin Kin Community Group Inc	1,522.50
Noosa Christian Outreach Centre	8,120.00
Noosa Marina auspiced by Tewantin Noosa Lions Club Inc.	5,075.00
East Coast Originals Inc.	3,552.50
SUB-TOTAL:	44,558.50
Three Year Signature Community Event Grants	
Mary River Catchment Coordination Association Inc. - Noosa Festival of Water	8,628.00
Noosa A H & I Society Inc. - Noosa Country Show	10,658.00
Noosa Long Weekend Inc. - Noosa Alive Festival	10,658.00
Cooroy Pomona Lions Club Inc. - King of the Mountain Festival	10,658.00
United Synergies Ltd. - Booin Gari Festival	7,613.00
Cooroy Future Group Inc. - Cooroy Fusion Festival	7,105.00
Noosa Heads Jazz Club Inc. - Noosa Jazz Festival	5,000.00
SUB-TOTAL:	60,320.00

Community Grant Recipients	Funding Amounts (\$)
Economic Development Grants	
Innovate Noosa Inc.	750.00
Slow Food Noosa Inc.	750.00
Zero Emissions Noosa Inc.	14,500.00
Generation Innovation Ltd	2,000.00
Noosaville Association Inc.	1,500.00
Country Noosa	5,000.00
Trashy Artisans auspiced by Noosa Chamber of Commerce and Industry Inc.	5,000.00
SUB-TOTAL:	29,500.00
Sunshine Coast 50th Anniversary Project Grants	
Ridgewood Hall	1,600.00
Kin Kin Community Group	2,000.00
Pomona Memorial Hall	2,000.00
Federal Hall	2,000.00
SUB-TOTAL:	7,600.00
TOTAL EXPENDITURE FOR THE PERIOD:	\$939,260.45

Notes:

1. The Regional Arts Development Fund grants were funded 50/50 between the Queensland Arts Council and Council. The above amount is Council's contribution.
2. Grant repayments relate to funds 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.

There were no Councillor discretionary funds established during the period.

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.

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.

Council did not engage in any beneficial enterprises during the period.

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 s.19 and s. 20 of the LG Regulation, Council's waste management activity was considered a significant business activity for the period.

Commercial business units

Pursuant to s 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's is committed to ongoing compliance with National Competition Policy principles and its legislative obligations in this area. It 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 practices 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 levied

Below is a list of Council levies and special 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 Maintenance Levy;
- Noosa Main Beach Maintenance Levy;
- Rural Fire Charge;
- Hastings Street Community Safety Program Charge; and
- Lower Noosa North Shore Electricity Charge.

Summary of concessions for rates and charges

General rate concessions

In addition to those classes of land granted a general rate exemption under s93(3) of the LG Act and s73 of the LG Regulation, Council was able to grant a general rates concession to land identified in s20(1)(b) of the LG Regulation to the extent that Council was satisfied the land at the relevant time was owned by an entity whose objects do not include making a profit, or an entity that provides assistance or encouragement for arts or cultural development and is one of the following:

- Boy Scout or Girl Guide Association;
- Surf Lifesaving or Coastguard organisation;
- Community sporting organisation – not-for-profit organisations without a commercial liquor licence;
- Community cultural or arts organisation – not-for-profit organisations without a commercial liquor licence; or
- Charitable organisation:
 - a. Not-for-profit organisation; and
 - b. Registered as a charity institution or a public benevolent institution; and
 - c. Providing benefits directly to the community; and
 - d. Endorsed by the Australian Tax Office - Charity Tax Concession.

The relevant concession for the period for eligible entities was 100% of the general rate.

Deferral of general rates

To assist eligible pensioners who have experienced large increases in the value of their property as determined by the Department of Natural Resources and Mines, or who have experienced financial hardship, Council allows deferment of up to 50% of the general rate by way of application.

The deferred rates 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, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 28 & 30.

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.

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.

Interest charges on deferred rates

In accordance with s122(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 there was one rate payer who had their general rates deferred for the relevant period.

Available pensioner concessions for the period

Single owner on the maximum rate of pension

Where the pensioner was in receipt of the maximum level of pension and had sole title to the property that is their principal place of residence for the period, the concession was 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 was in receipt of the maximum level of pension and owned the property jointly with one or more people for the period, the concession was 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 was not in receipt of the maximum level of pension and had sole title to the property that was their principal place of residence for the period, the concession was 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 was not in receipt of the maximum level of pension and owned the property jointly with one or more people for the period, the concession was 25% of the general rate up to a maximum amount of \$65.00 per annum.

Table 9 - Pensioner Concessions

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

Invitations to change tenders

There were no reportable invitations made by Council to change tenders during the 2017/18 period.

Audit and Risk Committee

During the period, Council's Audit and Risk Committee, which consists of two Councillor members and two expert independent external members, held four formal committee meetings. The Audit & Risk Committee played an active role as an advisory committee to Council through the provision of independent comment, advice and counsel on audit and risk management issues covering a wide range of Council operations and projects.

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

The Audit and Risk Committee observed the terms of its Charter for the period and conducted an annual assessment of its performance.

Internal Audit

Council recognises the relevance of strengthening governance and control systems through the establishment of an efficient and effective internal audit function.

Council's Internal Audit Plan for each financial year is developed having regard to current operational risks and is reviewed and adopted by the Audit and Risk Committee. Council's internal audits are conducted in accordance with Council's Internal Audit Terms of Reference and Internal Audit Policy, the objectives of which include providing independent, objective assurance and appropriate services designed to add value and improve Council's operations.

The Internal Audit activities for the period included a review of the following:

- Procure to Pay processes and insurances, bank reconciliation, rates and review; and
- Investment of Surplus Funds.

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

A black, curved sign is mounted on a rusty metal post. The sign features a white skull and crossbones in the center. Above the sign, a rusty sword handle is visible. The background shows a playground with orange slides, blue and yellow equipment, and a large tan canopy. The scene is set outdoors on a sunny day with trees and a clear blue sky.

Pirate Playground

*Ahoy me hearties we welcome all you
beauties o'fortune to pirate playground
eyes out for those lily livered scurvy dogs
steal the buried treasure. Sail in the old
she's a faithful old girl. Beware of the
Cove, ride the captains surfboard but
he'll make you walk the plank. It's all
with ya maties*

Community Financial Report 2017/18

Background

This report aims to simplify the financial information that Council is required to prepare under legislation and provides a simple summary of Council financial performance for the 2017/18 year just ended (1 July 2017 through to 30 June 2018).

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 cash flows as well as a statement of changes in equity. Collectively, the 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.

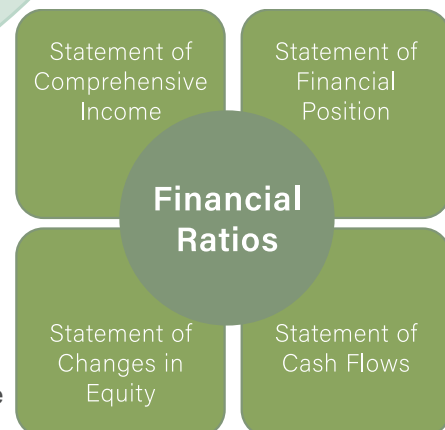


Figure 1 - Financial Reporting Elements

Highlights and achievements

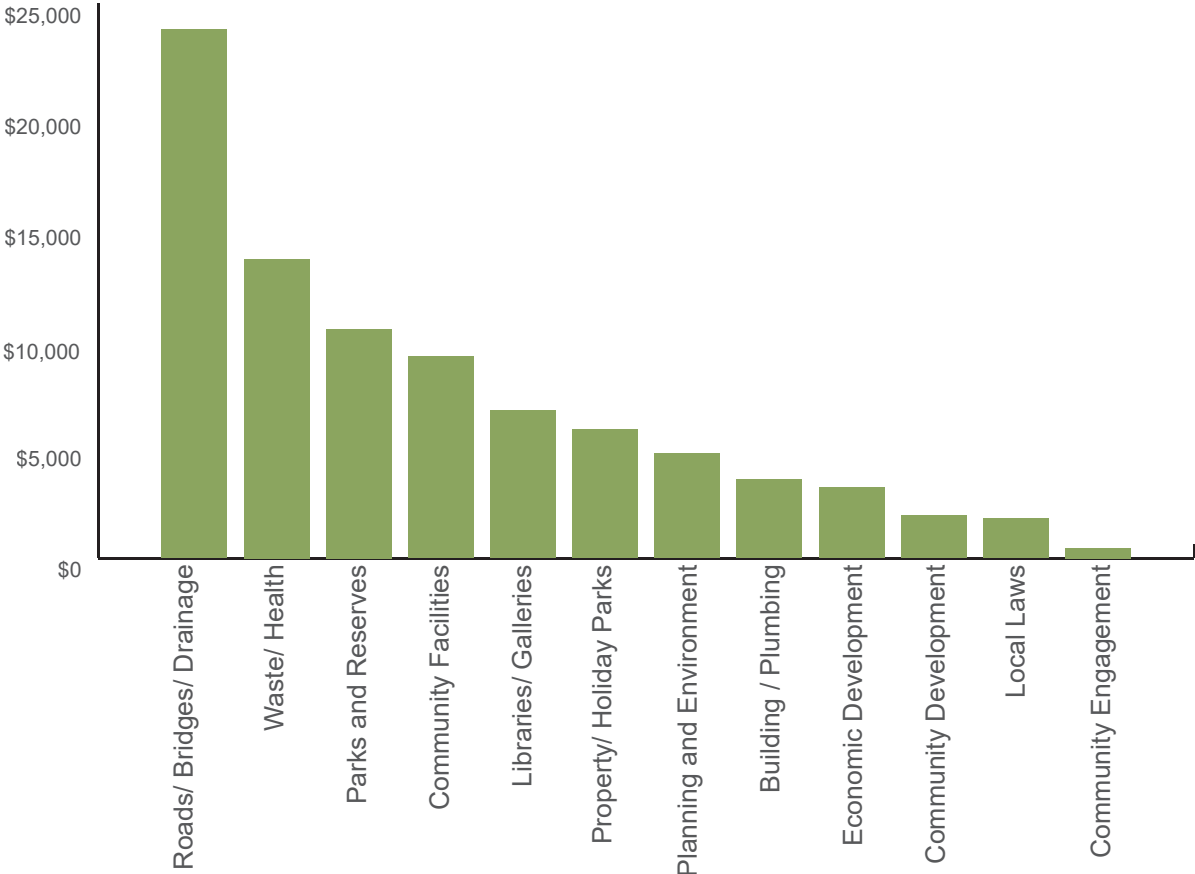
In line with previous years, Council has achieved a strong financial result for the 2017/18 year. The following key outcomes were achieved during the period:

1. An operating surplus of \$8.5 million resulting from revenue growth in fees and sales, good expenditure management, grants paid in advance, a reduction in asset depreciation expense as well as some unspent levy funds that are required to be held for future use.
2. A positive net result when adding Council's share of Unitywater's annual profit, capital revenue and capital income to Council's operating profit, whilst deducting capital expenses for asset disposal and valuation impacts.
3. A decrease in debt levels backed by stable cash balances.

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 2017/18 (\$'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 2017/18 financial performance.

Figure 3 - Council Net Result Financial Performance 2017/18 (\$'000)

	2016/17 (\$'000)	2017/18 (\$'000)
Revenue	106,999	111,793
Expenses	89,875	111,200
Net Result	17,124	593

The 2017/18 net result of \$0.6 million includes revenue received specifically to fund capital expenditure (including grants and subsidies and developer contributions), Council’s share of Unitywater’s annual profit, income and expenses recognised for property, plant and equipment valuation changes as well as asset disposals.

The removal of the \$7.9 million of non-operational items shows Council’s actual operating surplus to be \$8.5 million.

Operating revenue – where the money came from

Throughout the financial year, Council received a total of \$95.4 million in operating revenues (rates, fees, operating grants), \$11.3 million in capital revenues (developer contributions, capital grants) and \$5.1 million recorded as revenue from Council’s share of investment in Unitywater.

Figure 4 outlines the sources of Council’s \$95.4 million in operating revenue received in 2017/18. The breakdown in operating revenue confirms that Council has 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.

Key Council revenue sources include:

- Rates and utility charges include general rates, charges for waste collection and disposal, special rates such as the tourism and economic levy as well as other separate and special rates;
- 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; and
- Revenue from other income includes tax payments from Council’s shareholding in Unitywater.

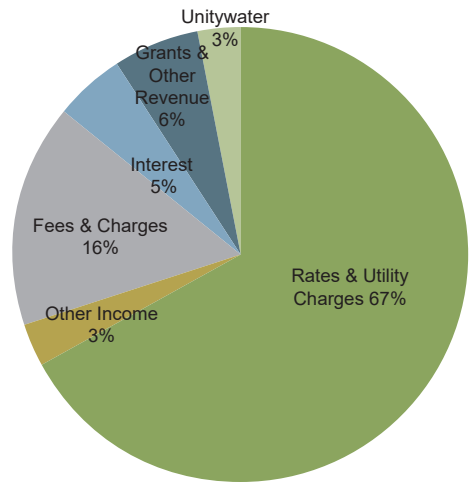


Figure 4 - Operating Revenue Sources 2017/18

Operating expenditure – where the money goes

Council expended a total of \$86.9 million in undertaking operating activities during the financial year. Figure 5 presents a breakdown by expenditure type for normal operating expenditure incurred during 2017/18.

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; and
- Materials and services – includes information communication technology, consultancy services, contractor services, electricity, external hire, rentals, repairs and maintenance, and advertising and donations.

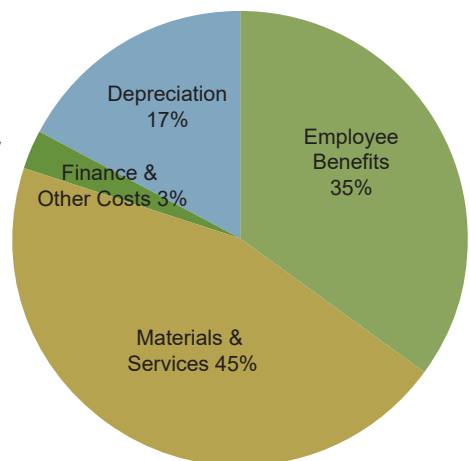


Figure 5 - Operating Expenses by function 2017/18

Statement of financial position

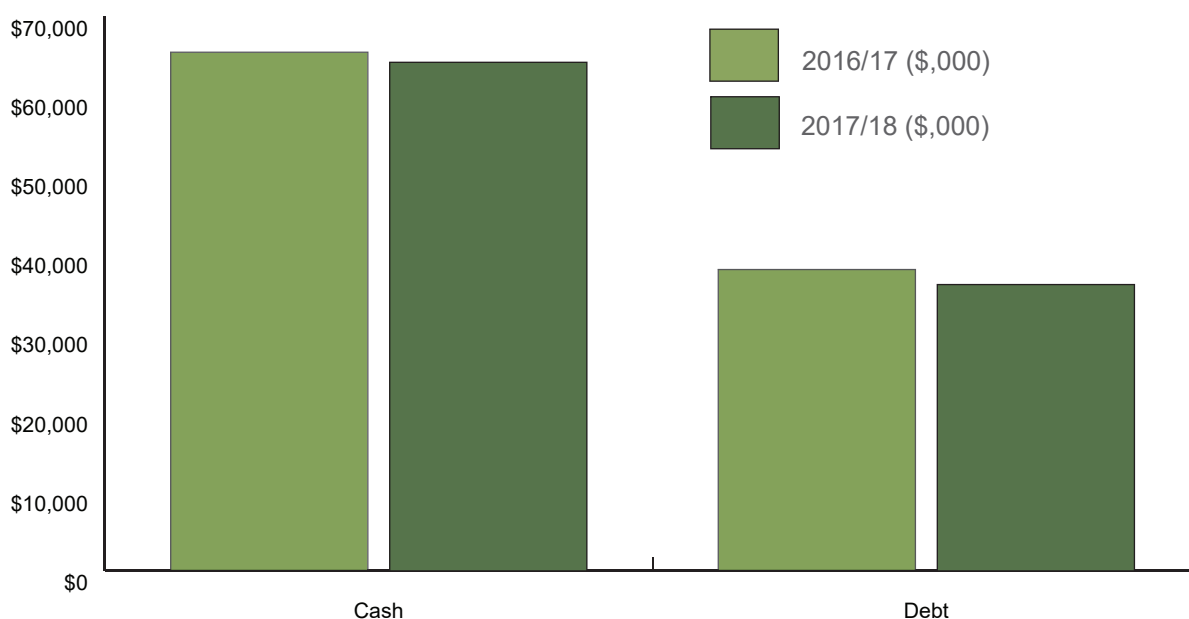
The statement of financial position (or balance sheet) measures what Council owns (i.e. its assets), and what we owe (i.e. liabilities) to determine the total community equity (net worth) at the end of each financial year. Overall, Council's investment in community capital continue to grow steadily.

Figure 6 - Comparative Statement of Financial Position 2017/18 (\$'000)

	2016/17 (\$'000)	2017/18 (\$'000)
Assets	1,065,002	1,078,927
Liabilities	64,418	62,902
Community Equity	1,000,584	1,016,024

Figure 7 shows Council's cash and debt holdings as at 30 June 2018 compared to the previous year. Cash levels have increased marginally, which is reflective of the investment in the substantial capital works program undertaken during 2017/18. Debt levels have marginally decreased as Council continues to minimise its debt position.

Figure 7 - Cash and Debt Comparison 2017/18



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 2018 equated to \$75.5 million.

Non-current assets of over \$1 billion, includes property, plant and equipment totalling \$867 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 Figure 8.

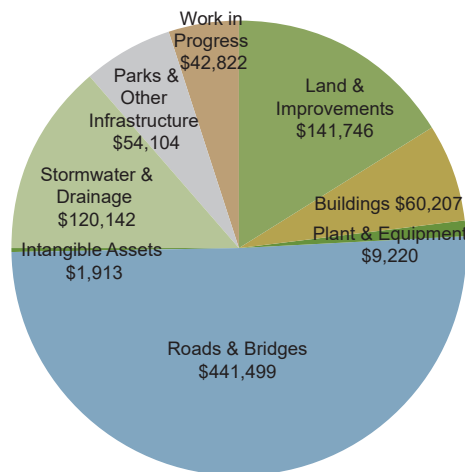


Figure 8 - Non-Current Assets and Community Infrastructure 2017/18 (\$'000)

Liabilities – what we owe

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

The most significant element is loans raised by Council to fund the investment in community infrastructure. During 2017/18, Council's total loan borrowings decreased slightly due to repayments for the year being greater than the value of new borrowings.

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 2018 is \$1.0 billion. Community equity is equal to total assets (what we own) less total liabilities (what we owe) and represents Council's net investment in assets.

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 9 (columns above the line represent cash flowing into the organisation, and columns below the line represent cash payments made).

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; and
- Net movement in cash represents the total physical movement of cash, with any accounting adjustments and accruals removed. The net negative movement in cash for the year of \$1.3 million represents a net decrease in cash on hand.

Figure 9 - Net Cash Flow Sources 2017/18 (\$'000)



Financial Ratios

Ratios are useful tools for getting a snap-shot 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 10, including actual results for the current reporting period plus projections over the next 9 years.

Figure 10 - Financial Ratios 2017/18 (Actual) to 2026/27 (Forecast)

Period ended 30 June	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Sustainability Ratios										
Operating Surplus Ratio										
Operating Position	13.5%	0.0%	0.1%	0.3%	0.9%	1.0%	1.1%	1.0%	8.6%	2.0%
Local Govt Act upper indicator	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Net Financial Liabilities Ratio										
Net Financial Liabilities Ratio	(12.6)%	1.9%	4.4%	1.6%	0.7%	0.9%	0.1%	(2.3)%	(2.4)%	(3.9)%
Local Govt Act upper indicator	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Asset Sustainability Ratio (not audited)										
Asset Sustainability Ratio	130.9%	118.4%	109.8%	93.2%	86.0%	94.7%	98.4%	97.5%	103.0%	87.5%
Local Govt Act minimum indicator	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
Colour Scale:	Within Range	Moderate	Outside Range							

Operating surplus ratio

This ratio measures the operating surplus achieved for the period and represents the operating surplus / (deficit) as a percentage of operating revenue. A surplus will be represented by a positive result.

Council's should be aiming to achieve as a minimum a balanced operating position to ensure that revenues received are sufficient to fund operations and capital replacement works. The 2017/18 operating surplus ratio of 13.5% is a reflection of strong revenue growth along with good management of our expenditure, partial prepayment of the 2018/19 financial assistance grant early in June 2018, revaluation of non-current asset impacts on depreciation expense, as well as some unspent levy funds that are required to be held for future use. The forecast also shows Council's ongoing commitment to strong financial management.

Net financial liabilities ratio

This ratio represents Council's net financial liabilities (total liabilities less current assets) expressed as a percentage of total operating revenue. The target range is less than 60%. A negative percentage indicates that current assets exceed total liabilities, and is considered a very strong position.

The strong position of (12.6%) as at 30 June 2018 indicates that Council has capacity to service higher levels of debt if needed.

Asset sustainability ratio

This ratio is calculated by measuring the annual expenditure on the renewal and rehabilitation of Council's assets against the annual depreciation charge. It is a measure of whether Council is reinvesting in existing assets to ensure that they meet required levels of service for the community.

Asset Sustainability Ratio – infrastructure assets (audited)

This is the ratio audited by the Queensland Government and specifically excludes the replacement of non-infrastructure assets such as Council plant and fleet. During 2017/18 Council achieved a ratio of 130.9%. This ratio is reflective of the efficient delivery of the capital program during the year, including an investment of \$18 million in the replacement of infrastructure such as roads, bridges and buildings. This result reflects Council's continued investment in infrastructure replacement and adherence to sound asset management principles to maintain levels of service to the community.

Asset Sustainability ratio – all assets (not audited)

When considering the replacement of all assets which also includes Council's investment of \$0.8 million in replacing its plant and fleet of vehicles, a sustainability ratio of 126.4% was achieved for the 2017/18 financial year. This outcome reflects Council's commitment not only to maintaining effective levels of service on long life infrastructure such as roads and bridges, but also on the machinery and equipment critical to Council's day-to-day operations.

Summary

The financial period ended 30 June 2018 represents an excellent financial result for Council, and provides a firm foundation for future operations. Ongoing innovation and a commitment to strong financial management through compliance with our Financial Sustainability policy will ensure that this position is maintained into the future.

FINANCIAL STATEMENTS
for the year ended 30 June 2018



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Noosa Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Income			
Revenue			
Recurrent Revenue			
Rates, Levies and Charges	3a	64,011	62,531
Fees and Charges	3b	6,113	5,494
Rental Income		1,301	1,337
Interest and Investment Revenue	3c	4,701	4,831
Sales Revenue	3d	9,201	8,604
Other Income	3e	4,064	2,371
Grants, Subsidies, Contributions and Donations	4a	6,052	6,287
Total Recurrent Revenue		95,443	91,455
Capital Revenue			
Grants, Subsidies, Contributions and Donations	4b	11,275	9,530
Total Revenue		106,718	100,985
Capital Income		-	255
Equity share of profit (loss) in investment in associate through participation rights	23	5,075	5,759
Total Income		111,793	106,999
Expenses			
Recurrent Expenses			
Employee Benefits	5	30,460	28,849
Materials and Services	6	39,017	37,418
Finance Costs	7	2,329	4,374
Depreciation and Amortisation		15,120	17,671
Total Recurrent Expenses		86,926	88,312
Capital Expenses	8	24,274	1,563
Total Expenses		111,200	89,875
Net Result		593	17,124
Other Comprehensive Income			
Items that will not be reclassified to Net Result			
Increase/(decrease) in Asset Revaluation Surplus	18	14,847	2,375
Total Other Comprehensive Income		14,847	2,375
Total Comprehensive Income for the year		15,440	19,499

Noosa Shire Council

Statement of Financial Position

as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
ASSETS			
Current Assets			
Cash and Cash Equivalents	9	64,193	65,463
Trade and Other Receivables	10	11,093	9,899
Inventories		225	330
Total Current Assets		75,511	75,692
Non-Current Assets			
Trade and Other Receivables	10	49,218	49,218
Equity Investments	23	78,377	73,332
Investment Property	11	4,167	4,405
Property, Plant and Equipment	12, 27	866,605	858,858
Intangible Assets	14	5,049	3,497
Total Non-Current Assets		1,003,416	989,310
TOTAL ASSETS		1,078,927	1,065,002
LIABILITIES			
Current Liabilities			
Trade and Other Payables	15	11,681	11,818
Borrowings	16	3,969	3,745
Provisions	17	4,648	4,349
Other Liabilities		697	645
Total Current Liabilities		20,995	20,557
Non-Current Liabilities			
Borrowings	16	32,171	34,291
Provisions	17	9,737	9,570
Total Non-Current Liabilities		41,908	43,861
TOTAL LIABILITIES		62,903	64,418
Net Community Assets		1,016,024	1,000,584
COMMUNITY EQUITY			
Asset Revaluation Surplus	18	41,739	26,892
Retained Surplus/(Deficiency)		974,285	973,692
Total Community Equity		1,016,024	1,000,584

Noosa Shire Council

Statement of Changes in Equity for the year ended 30 June 2018

	Notes	Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
2018				
Opening Balance		26,892	973,692	1,000,584
a. Net Result for the Year		-	593	593
b. Other Comprehensive Income				
Revaluations: Property, Plant & Equip. Asset Revaluation Surplus	18	14,847	-	14,847
Other Comprehensive Income		14,847	-	14,847
Total Comprehensive Income		14,847	593	15,440
Equity Balance as at 30 June 2018		41,739	974,285	1,016,024

	Notes	Asset Revaluation Surplus \$'000	Retained Surplus \$'000	Total Equity \$'000
2017				
Opening Balance		24,517	1,012,107	1,036,625
a. Correction to opening balance		-	(55,540)	(55,540)
Revised Opening Balance (as at 1 July 2016)		24,517	956,568	981,085
b. Net Result for the Year		-	17,124	17,124
c. Other Comprehensive Income				
Revaluations: Property, Plant & Equip. Asset Revaluation Surplus	18	2,375	-	2,375
Other Comprehensive Income		2,375	-	2,375
Total Comprehensive Income		2,375	17,124	19,499
Equity Balance as at 30 June 2017		26,892	973,692	1,000,584

Noosa Shire Council

Statement of Cash Flows

for the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
Cash Flows from Operating Activities			
Receipts from Customers		87,075	81,498
Payments to Suppliers and Employees		(77,033)	(67,789)
		<u>10,042</u>	<u>13,709</u>
Receipts:			
Investment and Interest Revenue Received		4,701	4,831
Rental Income		1,301	1,337
Non Capital Grants and Contributions		6,052	6,287
Income Tax Equivalent Received		3,067	1,456
Income from Equity Investments		30	1,568
Payments:			
Interest Expense		(131)	(122)
Net Cash Inflow/(Outflow) from Operating Activities	25	<u>25,062</u>	<u>29,066</u>
Cash Flows from Investing Activities			
Receipts:			
Proceeds of Sale of Property, Plant and Equipment		154	259
Grants, Subsidies, Contributions and Donations		6,369	6,314
Payments:			
Payments of Property, Plant and Equipment		(26,981)	(19,317)
Payments for Intangible Assets		(1,874)	(1,176)
Net Cash Inflow/(Outflow) from Investing Activities		<u>(22,332)</u>	<u>(13,920)</u>
Cash Flows from Financing Activities			
Receipts:			
Proceeds from Borrowings		1,165	2,697
Payments:			
Repayment of Borrowings		(5,165)	(4,966)
Net Cash Inflow/(Outflow) from Financing Activities		<u>(4,000)</u>	<u>(2,269)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents held		<u>(1,270)</u>	<u>12,877</u>
Cash and Cash Equivalents at the beginning of the financial year		65,463	52,586
Cash and Cash Equivalents at the end of the financial year	9	<u><u>64,193</u></u>	<u><u>65,463</u></u>

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies

(1.a) Basis of preparation

These general purpose financial statements are for the period 1 July 2017 to 30 June 2018 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the following:

- Financial assets and liabilities, certain classes of property, plant and equipment and investment property which are measured at fair value;

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

Council uses the Australian dollar as its functional currency and its presentation currency.

Amounts included in the financial statements have been rounded to the nearest \$1,000 unless otherwise indicated.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(1.b) Statement of Compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

(1.c) Date of Authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

(1.d) Adoption of New and Revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Noosa Shire Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective.

The standards that will be adopted by Council in future financial statements are as follows

Effective for annual reporting periods beginning on or after 1 July 2018

- **AASB 9 *Financial Instruments***. This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities. This change will require Council to measure all financial assets at fair value or amortised cost rather than at cost. The impact is expected to be immaterial.

Effective for annual reporting periods beginning on or after 1 July 2019

- **AASB 15 *Revenue from Contracts with Customers***, **AASB 1058 *Income of Not-for-Profit Entities*** and **AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities***

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

Council is currently reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Summary of Significant Accounting Policies (continued)

- AASB 16 Leases

AASB 16 Leases will require the recognition of all leases in the Statement of Financial Position. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. The overall impact of this standard is yet to be quantified and Council will review over the next reporting period.

(1.e) Critical accounting judgements and key sources of estimation uncertainty

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Judgements, estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

- Investment Property - Note 11
- Valuation and depreciation of Property, Plant & Equipment - Note 12
- Provisions - Note 17
- Contingent Liabilities - Note 20.

(1.f) Financial assets and financial liabilities

Council recognises a financial asset or a financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Noosa Shire Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

- Cash and cash equivalents. Note 9.
- Receivables - measured at amortised cost. Note 10.

Financial liabilities

- Payables - measured at amortised cost. Note 15.
- Borrowings - measured at amortised cost. Note 16.

Financial assets and financial liabilities are presented separately from each other and offsetting has not been

applied. All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 29.

(1.g) Taxation

Income of local authorities and public authorities is exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the ATO or payable to the ATO is shown as an asset or liability respectively.

Unitywater pays Council an income tax equivalent in accordance with the requirements of the *Local Government Act 2009*. Where the activity of such an entity is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 2(a). Council Functions - Component Descriptions

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

CEO

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, the Chief Executive Officer (CEO) and Council leadership team. Service areas include the CEO's Office and Internal Audit.

COMMUNITY SERVICES

Community Services 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 goals 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 office 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 the Community Engagement, Customer Service, Executive Services, Governance and Human Resources.

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 and Revenue Services.

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

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

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 2(b). Analysis of Results by Function

Functions	Gross Program Income		Elimination of Inter-Function Activities	Total Income	Gross Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result	Total Assets
	Grants	Other			Total	Total				
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CEO	-	-	-	-	(1,705)	237	(1,468)	(1,468)	(1,468)	-
Community Services	3,447	23,375	(1,575)	25,247	(32,669)	6,910	(25,759)	(25,759)	(512)	1,148
Infrastructure Services	3,937	8,620	(2,679)	9,878	(36,178)	6,463	(29,715)	(29,715)	(19,837)	168
Executive Services	20	3,250	(3,250)	20	(4,086)	717	(3,369)	(3,369)	(3,349)	308
Corporate Services	2,211	70,183	(11,474)	60,920	(43,745)	2,739	(41,006)	(41,006)	19,914	1,059,922
Environment and Sustainable Development	793	10,112	(221)	10,684	(12,017)	2,133	(9,884)	(9,884)	800	(16)
Total Council	10,408	115,540	(19,199)	106,749	(130,400)	19,199	(111,201)	(111,201)	(4,452)	1,061,530
Controlled Entity Net of Eliminations	-	5,045	-	5,045	-	-	-	-	5,045	17,397
Total	10,408	120,585	(19,199)	111,794	(130,400)	19,199	(111,201)	(111,201)	593	1,078,927

Functions	Gross Program Income		Elimination of Inter-Function Activities	Total Income	Gross Expenses		Elimination of Inter-Function Activities	Total Expenses	Net Result	Total Assets
	Grants	Other			Recurring	Total				
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
CEO	-	-	-	-	(568)	42	(526)	(526)	(526)	-
Community Services	3,211	20,590	(884)	22,917	(33,713)	6,384	(27,329)	(27,329)	(4,412)	1,115
Planning and Infrastructure	2,984	13,524	(2,709)	13,799	(45,158)	7,155	(38,003)	(38,003)	(24,204)	308
Executive Office	4	7,901	(3,253)	4,652	(8,670)	1,213	(7,457)	(7,457)	(2,805)	-
Corporate Services	3,225	68,689	(10,474)	61,440	(19,086)	2,526	(16,560)	(16,560)	44,880	1,051,225
Total Council	9,424	110,704	(17,320)	102,808	(107,195)	17,320	(89,875)	(89,875)	12,933	1,052,648
Controlled Entity Net of Eliminations	-	4,191	-	4,191	-	-	-	-	4,191	12,354
Total	9,424	114,895	(17,320)	106,999	(107,195)	17,320	(89,875)	(89,875)	17,124	1,065,002

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Revenue Analysis

	2018	2017
	\$'000	\$'000

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlements to the funds.

(a). Rates, Levies and Charges

Where rates monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of rating period.

General Rates	47,955	46,988
Separate Rates	5,672	5,301
Special Rates	1,543	1,560
Waste Utility Charges	11,525	11,293
Other Rates, Levies and Charges	(1)	8
Total rates and utility charge revenue	66,694	65,150
Less: Discounts	(1,888)	(1,850)
Less: Pensioner remissions	(795)	(769)
<u>TOTAL RATES, LEVIES AND CHARGES</u>	<u>64,011</u>	<u>62,531</u>

(b). Fees and Charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Building and Development Fees	2,741	2,524
Permits and Licences	831	745
Fines and Penalties	270	179
Registration Fees	334	293
Parking Penalties	692	587
User Fees and Charges	639	594
Other Statutory Fees	606	572
<u>TOTAL FEES AND CHARGES</u>	<u>6,113</u>	<u>5,494</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Revenue Analysis (continued)

	2018	2017
Notes	\$'000	\$'000
(c). Interest and Investment Revenue		
Interest received from term deposits is accrued over the term of the investment. Dividends are recognised once they are formally declared by the directors of the associated entities.		
Investments	1,659	1,704
Interest from Overdue Rates and Utility Charges	493	504
Loan to Unitywater	2,549	2,623
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>4,701</u>	<u>4,831</u>
(d). Sales Revenue		
The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period.		
Sale of services		
Contract and Recoverable Works	34	18
Waste Management Charges	2,296	2,116
Venue Hire	384	368
Holiday Parks Fees and Charges	3,241	3,113
Learn to Swim	704	690
Admission Fees	1,139	1,013
<u>Total Sale of Services</u>	<u>7,798</u>	<u>7,318</u>
Sale of goods		
Sale of Recyclables	755	633
Retail Shop Sales	648	653
<u>Total Sale of Goods</u>	<u>1,403</u>	<u>1,286</u>
<u>TOTAL SALES REVENUE</u>	<u>9,201</u>	<u>8,604</u>
There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.		
(e). Other Income		
Unitywater Income Tax Equivalent Received	3,067	1,456
Other	997	915
<u>TOTAL OTHER INCOME</u>	<u>4,064</u>	<u>2,371</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Grants, Subsidies, Contributions and Donations

	2018 \$'000	2017 \$'000
Grants & Subsidies		
Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council gains control over them.		
Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations are fulfilled under the funding agreement. Council does not currently have any reciprocal grants.		
Non-cash contributions		
Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.		
Physical assets contributed to Council by developers in the form of road works, stormwater, infrastructure and park equipment are recognised as revenue when the development becomes "on maintenance" (i.e. the Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.		
Cash contributions		
Council receives cash contributions from property developers to construct assets such as roads and footpaths. Where agreements between Council and the developers relating to these contributions are determined to fall within the scope of <i>AASB Interpretation 18</i> Transfers of Assets from Customers, these contributions are recognised as revenue when the related service obligations are fulfilled.		
(a) Recurrent		
General Purpose Grants	2,200	3,191
State Government Subsidies and Grants	1,089	1,188
Commonwealth Government Subsidies and Grants	2,673	1,820
Donations	60	53
Contributions	11	20
Other Non-Government Subsidies	19	15
<u>TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>6,052</u>	<u>6,287</u>
(b) Capital		
State Government Subsidies and Grants	3,016	1,909
Commonwealth Government Subsidies and Grants	1,411	1,298
Contributions	1,942	3,106
Non-Monetary - Developer Assets contributed by Developers at Fair Value	4,906	3,217
<u>TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS</u>	<u>11,275</u>	<u>9,530</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 5. Employee Benefits

	Notes	2018 \$'000	2017 \$'000
Wages and Salaries		24,162	22,613
Annual, Sick and Long Service Leave Entitlements		3,995	3,674
Superannuation	21	3,110	2,943
Councillors Remuneration		536	527
		<u>31,803</u>	<u>29,757</u>
Other Employee Related Expenses		1,462	1,455
		<u>33,265</u>	<u>31,212</u>
Less: Capitalised Employee Expenses		(2,805)	(2,363)
<u>TOTAL EMPLOYEE BENEFITS</u>		<u><u>30,460</u></u>	<u><u>28,849</u></u>
Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties.			
Additional information:			
Total Employees at year end:			
Administration Staff		273	255
Depot and Outdoors Staff		92	97
Total full time equivalent employees		<u>365</u>	<u>352</u>
Total Elected members		<u>7</u>	<u>7</u>

Note 6. Materials and Services

Administration Supplies and Consumables	821	1,300
Audit Services *	198	147
Communications and IT	709	618
Consultancy Services	1,521	688
Contract Services	19,928	20,140
Commission Paid	783	622
Donations and Prizes	3,576	3,442
Electricity	1,713	1,773
Fleet Operating Costs	1,735	1,481
Grants Paid to Community Organisations	940	848
Insurance	481	452
Legal Expenses	1,163	1,045
Operating Leases - Rentals	144	283
Software and Maintenance	1,034	844
Water and Sewerage Costs	950	876
Other Materials and Services	3,806	3,391
Less: Capitalised Internal Expenses	(485)	(532)
<u>TOTAL MATERIALS AND SERVICES</u>	<u><u>39,017</u></u>	<u><u>37,418</u></u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2017-18 financial statements were \$131,500 (2017: \$131,500)

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 7. Finance Costs

	Notes	2018 \$'000	2017 \$'000
Finance costs - Queensland Treasury Corporation		2,104	2,187
Bank Charges		118	104
Impairment of Debts		13	17
Landfill Restoration		94	2,065
Other		-	1
<u>TOTAL FINANCE COSTS</u>		<u>2,329</u>	<u>4,374</u>

Note 8. Capital Expenses

(a) Revaluation decrement

Downwards Revaluation of Property, Plant and Equipment (Roads & Bridges Network)	12	23,437	-
Downwards Revaluation of Investment Property	11	238	-
		<u>23,675</u>	<u>-</u>

(b) Other capital expenses

Loss on Write-Off of Assets and Disposal of Assets		599	1,563
		<u>599</u>	<u>1,563</u>
<u>TOTAL CAPITAL EXPENSES</u>		<u>24,274</u>	<u>1,563</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 9. Cash and Cash Equivalents

Notes	2018 \$'000	2017 \$'000
Cash and Cash Equivalents		
Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value, and bank overdrafts.		
Cash at Bank and on Hand	363	148
Cash Equivalent Assets		
- Deposits at Call	57,830	47,315
- Term Deposits	6,000	18,000
TOTAL CASH ASSETS AND CASH EQUIVALENTS	64,193	65,463
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 of future use. These include:		
Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent Government Grants and Subsidies	186	602
Unspent Levy Funds	6,219	6,378
Unspent Developer Contributions	717	8,470
Unspent Carbon Tax	502	502
Unspent Loan Monies	-	598
Total External Restrictions	7,625	16,550
Internally imposed expenditure restrictions at the reporting date relate to the following assets:		
Future Asset Replacement	2,702	8,461
Natural Disaster Rehabilitation	2,396	2,343
Waste Management	4,334	3,512
Specific Purpose Recurrent	1,873	1,941
Total Internal Restrictions	11,305	16,257
Total Unspent Restricted Cash and Cash Equivalents	18,929	32,807

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 2.20% and 2.86%.

Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents.

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 10. Trade and Other Receivables

Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date.

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

All known bad debts were written-off at 30 June 2018. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

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 any rate receivables.

	2018	2017
	\$'000	\$'000
Current		
Rateable Revenue and Utility Charges	4,420	4,431
Other Debtors	1	25
GST Recoverable	1,153	1,053
Accrued Revenue	1,907	2,415
Prepayments	2,208	382
Fees and Charges	1,404	1,593
<u>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</u>	<u>11,093</u>	<u>9,899</u>
Non-Current		
Loans and Advances to Associates	49,218	49,218
<u>TOTAL NON-CURRENT TRADE AND OTHER RECEIVABLES</u>	<u>49,218</u>	<u>49,218</u>

Interest is charged on outstanding rates at a rate of 11% per annum. There is no concentration of credit risk for rates and utility charges, fees and other debtors receivable.

A loan agreement for the subordinated debt was executed on the 21 June 2013. The interest only loan structure terminates on the 30 June 2033 with the interest rate set by QTC annually. Applicable interest rate for 2018 was 5.18% (2017: 5.33%).

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 11. Investment Property

	2018	2017
	\$'000	\$'000
Investment property is property held for the primary purpose of earning rentals and/or capital appreciation.		
Investment property is measured using the fair value model. This means all investment property is initially recognised at cost (including transaction costs) and then subsequently revalued annually at the balance date.		
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.		
Fair value at beginning of financial year	4,405	4,150
Revaluation adjustment to the Income Account	-	255
Revaluation decrement	(238)	-
<u>TOTAL INVESTMENT PROPERTY</u>	<u>4,167</u>	<u>4,405</u>

Operating expenses in respect of investment property are shown in note 6.

Note 12. Property, Plant and Equipment

Recognition

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

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Property, Plant and Equipment (continued)

Valuation

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

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

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

Capital work in progress

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

Depreciation

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Road formation has an unlimited life and is not subject to depreciation. The range of estimated useful lives for each class of asset are detailed in the table contained in this note.

Noosa Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 12. Property, Plant and Equipment (continued)

30 June 2018	Measurement Basis	Note	Capital Work in Progress		Land	Buildings		Plant and Equipment		Road and Bridge Network		Storm Water		Other Infrastructure Assets		Total
			\$'000 Cost	\$'000 Fair Value		\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Fair Value	\$'000 Fair Value	\$'000 Fair Value					
	Opening Gross Balance - at Cost		18,059	-	-	-	12,084	-	-	-	-	-	-	-	-	30,143
	Opening Gross Balance - at Fair Value		18,059	130,649	130,649	79,645	-	169,262	169,262	575,715	575,715	169,262	87,188	87,188	1,042,459	
	Opening Gross Balance as at 1 July 2017		26,982	130,649	130,649	79,645	12,084	169,262	169,262	575,715	575,715	169,262	87,188	87,188	1,072,602	
	Additions*		-	-	-	-	-	-	-	-	-	-	-	-	-	26,982
	Contributed Assets		-	1,640	1,640	1,025	(263)	883	883	1,358	1,358	-	-	-	4,906	
	Disposals		-	-	-	-	-	-	-	-	-	-	-	-	-	(263)
	Write-offs		-	-	(121)	(121)	-	(461)	(461)	(20,822)	(20,822)	(245)	(345)	(345)	(1,172)	
	Revaluation Decrements to P&L	8	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,822)
	Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)	18	-	7,135	7,135	-	-	858	858	228	228	7,606	4,382	4,382	19,123	
	Work in Progress Capitalisation*		(5,351)	2,322	303	303	-	-	-	(83)	(83)	-	-	-	-	
	Internal Transfers to / from other Asset Classes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Gross Value of Property, Plant and Equipment - at Cost as at 30 June 2018		39,687	-	-	-	12,679	-	-	-	-	-	-	-	-	52,366
	Total Gross Value of Property, Plant and Equipment - at Fair Value as at 30 June 2018		39,687	141,746	141,746	80,852	12,679	555,935	555,935	178,393	178,393	178,393	92,062	92,062	1,048,988	
	Total Gross Value of Property, Plant and Equipment as at 30 June 2018		39,687	141,746	141,746	80,852	12,679	555,935	555,935	178,393	178,393	178,393	92,062	92,062	1,101,354	
	Opening Accumulated Depreciation as at 1 July 2017		-	-	-	19,252	2,471	104,969	104,969	53,751	53,751	33,301	3,064	3,064	213,744	
	Depreciation Provided in the Period		-	-	-	1,417	1,075	7,096	7,096	2,146	2,146	-	-	-	14,798	
	Depreciation on Disposals		-	-	-	-	(87)	-	-	-	-	-	-	-	(87)	
	Depreciation on Write-offs		-	-	-	(24)	-	(240)	(240)	(130)	(130)	-	-	-	(596)	
	Revaluation Decrements to P&L	8	-	-	-	-	-	-	-	-	-	-	-	-	-	2,614
	Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)	18	-	-	-	-	-	2,614	2,614	-	-	2,484	1,792	1,792	4,276	
	Total Accumulated Depreciation of Property, Plant and Equipment as at 30 June 2018		-	-	-	20,645	3,459	114,436	114,436	58,251	58,251	37,958	5,104	5,104	234,749	
	Consolidated Book Value as at 30 June 2018		39,687	141,746	141,746	60,207	9,220	441,499	441,499	120,142	120,142	140,435	87,000	87,000	866,605	
	Other Information		-	-	-	3 - 120	1 - 50	3 - 120	17 - 100	2 - 120	-	-	-	-	-	-
	Range of Estimated Useful Life (in years)		-	-	-	3 - 120	1 - 50	3 - 120	17 - 100	2 - 120	-	-	-	-	-	-
	*Asset Additions Comprise		-	-	-	2,247	772	12,394	12,394	2,603	2,603	655	655	655	18,671	
	Asset Renewals		-	2,119	2,119	2,172	420	2,542	2,542	297	297	759	759	759	8,309	
	Other Additions		-	2,119	2,119	4,419	1,192	14,936	14,936	2,900	2,900	1,414	1,414	1,414	26,980	
	Total Asset Additions		-	2,119	2,119	4,419	1,192	14,936	14,936	2,900	2,900	1,414	1,414	1,414	26,980	

Noosa Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 12. Property, Plant and Equipment (continued)

30 June 2017	Measurement Basis	Note	Capital Work in Progress		Land	Buildings		Plant and Equipment		Road and Bridge Network		Storm Water		Other Infrastructure Assets		Total
			\$'000 Cost	\$'000 Fair Value		\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	\$'000 Cost	\$'000 Fair Value	
	Opening Gross Balance - at Cost		8,879	-	-	-	10,308	-	-	-	-	-	-	-	-	19,187
	Opening Gross Balance - at Fair Value		-	130,109	130,109	76,397	-	167,285	-	636,269	-	167,285	-	87,327	-	1,097,386
	Opening Gross Balance as at 1 July 2016		8,879	130,109	130,109	76,397	10,308	636,269	167,285	636,269	167,285	167,285	87,327	87,327	-	1,116,573
	Correction to Opening Balances	27	(1,246)	540	-	-	-	(65,328)	-	-	-	-	-	-	-	(66,034)
	Additions*		19,319	-	-	-	-	-	-	-	-	-	-	-	-	19,319
	Contributed Assets		-	-	-	-	-	-	1,098	-	1,098	2,119	-	-	-	3,217
	Disposals		-	-	-	-	(341)	-	-	-	-	-	-	-	-	(341)
	Write-offs		-	-	-	(128)	-	-	(2,845)	-	(170)	-	(101)	-	-	(3,244)
	Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)	18	-	-	-	3,114	-	-	-	-	-	29	-	-	-	3,114
	Work in Progress Transfers		(8,893)	-	-	262	2,117	-	5,923	-	561	-	-	-	-	-
	Internal Transfers to / from other Asset Classes		-	-	-	-	-	-	599	-	-	-	(599)	-	-	-
	Total Gross Value of Property, Plant and Equipment - at Cost as at 30 June 2017		18,059	-	-	-	12,084	-	-	-	-	-	-	-	-	30,143
	Total Gross Value of Property, Plant and Equipment - at Fair Value as at 30 June 2017		-	130,649	130,649	79,645	12,084	575,715	169,262	575,715	169,262	169,262	87,188	87,188	-	1,042,459
	Total Gross Value of Property, Plant and Equipment as at 30 June 2017		18,059	130,649	130,649	79,645	12,084	575,715	169,262	575,715	169,262	169,262	87,188	87,188	-	1,072,602
	Opening Accumulated Depreciation as at 1 July 2016		-	-	-	17,189	1,638	106,929	51,682	106,929	51,682	30,447	-	-	-	207,885
	Correction to Opening Balances	27	-	-	-	-	-	(10,495)	-	(10,495)	-	-	-	-	-	(10,495)
	Depreciation Expense		-	-	-	1,338	919	9,985	2,104	9,985	2,104	3,032	-	-	-	17,378
	Disposals		-	-	-	-	(86)	-	-	-	-	-	-	-	-	(86)
	Write-offs		-	-	-	(14)	-	(1,587)	(35)	(1,587)	(35)	(43)	-	-	-	(1,679)
	Revaluation Adjustment to Other Comprehensive Income (Asset Revaluation Surplus)	18	-	-	-	739	-	-	-	-	-	-	-	-	-	739
	Internal Transfers to / from other Asset Classes		-	-	-	-	-	136	-	136	-	(136)	-	-	-	-
	Total Accumulated Depreciation of Property, Plant and Equipment as at 30 June 2017		-	-	-	19,252	2,471	104,969	53,751	104,969	53,751	33,301	-	-	-	213,744
	Consolidated Book Value as at 30 June 2017		18,059	130,649	130,649	60,393	9,613	470,745	115,511	470,745	115,511	53,887	53,887	53,887	-	858,858
Other Information																
Range of Estimated Useful Life (in years)																
			3 - 120		1 - 50		3 - 120		17 - 100							
*Asset Additions Comprise																
Asset Renewals			881		2,261		10,490		1,174		943				15,749	
Other Additions			812		14		1,726		33		759				3,546	
Total Asset Additions			1,693		2,275		12,216		1,207		1,702				19,295	

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Fair Value Measurements

(i) Recognised fair value measurements

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 16 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 29.

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (Level 2).

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

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

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

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Fair Value Measurements (continued)

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

	Date of latest valuation	Fair Value Measurement using:		Total
		Level 2 Significant observable inputs \$'000	Level 3 Significant unobservable inputs \$'000	
2018				
Property, Plant and Equipment				
- Land	31/03/18	4,085	137,661	141,746
- Buildings	30/06/15	-	60,207	60,207
- Road and Bridge Network	31/03/18	-	441,499	441,499
- Storm Water	30/06/15	-	120,142	120,142
- Other Infrastructure Assets	30/06/16	-	54,104	54,104
- Investment Property	30/06/18	4,167	-	4,167
Total Property, Plant and Equipment		8,252	813,613	821,865
2017				
Property, Plant and Equipment				
- Land	30/06/14	68,769	61,340	130,109
- Buildings	30/06/15	-	60,393	60,393
- Road and Bridge Network	30/06/14	-	470,745	470,745
- Storm Water	30/06/15	-	115,511	115,511
- Other Infrastructure Assets	30/06/16	-	53,887	53,887
- Investment Property	30/06/17	4,405	-	4,405
Total Property, Plant and Equipment		73,174	761,876	835,050

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

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

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

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 13. Fair Value Measurements (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:

Infrastructure, Property, Plant and Equipment

Land (Level 2 and 3)

A full comprehensive valuation of Land was completed by independent valuer, AssetVal Pty Ltd effective 31 March 2018. Fair values have been derived based on a combination of market approach and direct comparison by analysing land sales occurring over the past year within the Noosa Shire Council area.

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

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

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

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

The results of the full comprehensive valuation of Land by AssetVal, completed as at 31 March 2018 was an increase in value of \$7.1m.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Fair Value Measurements (continued)

Buildings (Level 3)

For the majority of Council's buildings, there is no active market due to the specialised nature of the assets and the services they provide. The fair value of buildings were independently valued by registered valuers Australia Pacific Valuers, effective 30 June 2015.

Due to the predominately specialised nature of local government buildings, the valuations have been undertaken using a cost approach. This is deemed to be a level 3 input.

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

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

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

Building index rates for the period since last valuation to 30 June 2018 shows no significant material changes and therefore the values are considered still at fair value. As a result of this, no indexation has been applied to this class.

Other Infrastructure Assets (Level 3)

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

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

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

Council applied an index rate of 5.1% to the value of Other Infrastructure for the period 1 July 2017 to 31 March 2018. This resulted in an increase in value of \$2.59m.

Accumulated Depreciation

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Fair Value Measurements (continued)

Infrastructure Assets (Level 3)

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

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

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

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

Roads (Level 3)

Road and bridge infrastructure was comprehensively valued by independent valuer AssetVal Pty Ltd as at 31 March 2018. Results of the valuation is a written down value decrement of \$11 million.

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

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

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

During the financial year a comprehensive review and stocktake was undertaken between the financial, spatial and asset management records. As a result, numerous prior period adjustments were identified to derecognise assets, initially recognise assets for the first time and amend existing assets (see Note 27).

Accumulated Depreciation

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Fair Value Measurements (continued)

Bridges (Level 3)

A full valuation of bridges assets was undertaken by independent valuers, AssetVal Pty Ltd effective 31 March 2018. All bridges, with exception to 3 major bridges, were valued based on unit rates developed according to varying material types used for construction, as well as the deck area, size and length of construction. Construction estimates were determined on a similar basis to roads. Significant bridge structures were individually assessed by AssetVal Pty Ltd. Results of the valuation are a \$12 million decrement to the written down value of bridge assets.

Accumulated Depreciation

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

Stormwater (Level 3)

A comprehensive valuation of stormwater infrastructure was undertaken by independent valuers Aurecon Australia Pty Ltd effective 30 June 2015. As there is a significant level of professional judgement used in determining the valuation due to the level of unobservable data, the valuation of drainage assets has been determined as Level 3.

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

Council applied an index rate of 4.5% to the value of Stormwater Assets for the period 1 July 2017 to 31 March 2018. This resulted in an increase in value of \$5.1m.

Accumulated Depreciation

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

Investment Property

Investment Property was valued at fair value by AEC Group Limited, an independent professionally qualified valuation firm, as at 30 June 2018

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Intangible Assets

	2018	2017
Notes	\$'000	\$'000
Intangible Assets are as follows;		
Computer Software		
Opening Gross Carrying Value	2,831	2,836
Acquired at Cost	256	-
Disposals	-	(5)
Closing Carrying Value	<u>3,087</u>	<u>2,831</u>
Work In Progress	3,135	1,517
Closing Gross Carrying Value	<u>6,222</u>	<u>4,348</u>
Opening Accumulated Amortisation Balance	(851)	(562)
Amortisation in the period	(322)	(293)
Closing Accumulated Amortisation Balance	<u>(1,173)</u>	<u>(851)</u>
Net Book Value	<u>5,049</u>	<u>3,497</u>
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u>	<u>5,049</u>	<u>3,497</u>

Software assets have a finite life estimated at 10 years.
Straight line amortisation has been used with no residual value.

Note 15. Trade and Other Payables

Payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price net of applicable discounts other than contingent discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

Liabilities - Employee Benefits

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.

Annual leave

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 future 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.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Trade and Other Payables (continued)

	2018	2017
	\$'000	\$'000
Current		
ATO - Net GST Payable	109	106
Accruals	5,183	3,688
Trade Creditors	2,715	4,498
Employee Related Accruals	1,237	1,228
Annual Leave	2,349	2,207
Other Entitlements	88	91
<u>TOTAL CURRENT TRADE AND OTHER PAYABLES</u>	<u>11,681</u>	<u>11,818</u>

Note 16. 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.

Current

Loans - Queensland Treasury Corporation	3,969	3,745
<u>TOTAL CURRENT BORROWINGS</u>	<u>3,969</u>	<u>3,745</u>

Non-current

Loans - Queensland Treasury Corporation	32,171	34,291
<u>TOTAL NON-CURRENT BORROWINGS</u>	<u>32,171</u>	<u>34,291</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Borrowings (continued)

	2018	2017
	\$'000	\$'000
Reconciliation of Loan Movements for the year		
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	38,036	38,118
Loans Raised	1,165	2,697
Loan Interest Capitalised in Period	2,104	2,188
Principal Repayments	(5,164)	(4,967)
Book value at end of financial year	36,141	38,036

The QTC loan market value at the reporting date was \$40,141,537 (2017: \$42,885,207). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. No assets have been pledged as security by the council for any liabilities.

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

Note 17. Provisions

Long service leave

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

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months long service leave is classified as a current liability. Otherwise it is classified as non-current.

Restoration Provisions

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

The provision is measured at the expected cost of the work required discounted to current day values using an appropriate rate. The current capital market yield bond rate is considered an appropriate rate with a maturity date corresponding to the anticipated date of restoration.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Provisions (continued)

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.

	2018 \$'000	2017 \$'000
Current		
Long Service Leave	4,364	4,076
Landfill Sites	284	273
<u>TOTAL CURRENT PROVISIONS</u>	<u>4,648</u>	<u>4,349</u>
Non-current		
Long Service Leave	618	534
Quarry Rehabilitation	50	50
Landfill Sites	9,069	8,986
<u>TOTAL NON-CURRENT PROVISIONS</u>	<u>9,737</u>	<u>9,570</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 17. Provisions (continued)

	2018	2017
	\$'000	\$'000
Details of movements in Provisions:		
Long Service Leave		
Balance at beginning of financial year	4,610	4,714
Amount provided for in the period	780	579
Amount paid in the period	(408)	(683)
Balance at end of financial year	<u>4,982</u>	<u>4,610</u>
Quarry Rehabilitation		
Balance at beginning of financial year	50	50
Balance at end of financial year	<u>50</u>	<u>50</u>
This is the present value of the estimated future cost of restoring the quarry site under the State Government environmental regulations at the end of its useful life.		
Landfill Sites		
Balance at beginning of financial year	9,259	7,194
Remeasurement due to discount rate	251	2,585
Unwinding of provision over time	(157)	(520)
Balance at end of financial year	<u>9,353</u>	<u>9,259</u>

This is the present value of the estimated cost of restoring the Noosa landfill under the State Government environmental regulations at the end of its useful life.

Note 18. Asset Revaluation Surplus

Movements in the 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 Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Asset Revaluation Surplus (continued)

	Balance at beginning of year \$'000	Movements \$'000	Balance at end of year \$'000
Movements in the asset revaluation surplus:			
2018			
Land	6,815	7,135	13,950
Buildings	9,348	-	9,348
Stormwater	8,696	5,122	13,818
Other Infrastructure Assets	2,033	2,590	4,623
	<u>26,892</u>	<u>14,847</u>	<u>41,739</u>
2017			
Land	6,815	-	6,815
Buildings	6,973	2,375	9,348
Stormwater	8,696	-	8,696
Other Infrastructure Assets	2,033	-	2,033
	<u>24,517</u>	<u>2,375</u>	<u>26,892</u>

Note 19. Commitments for Expenditure

	2018 \$'000	2017 \$'000
(a) Capital Contractual Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, Plant and Equipment		
Roads, Bridges and Stormwater	11,089	6,844
Pathways	9,846	54
Other	2,518	5,019
Total Commitments	<u>23,453</u>	<u>11,917</u>
These expenditures are payable as follows:		
Within the next year	16,888	11,917
Later than one year and not later than 5 years	5,094	-
Later than 5 years	1,471	-
Total Payable	<u>23,453</u>	<u>11,917</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Commitments for Expenditure (continued)

	2018	2017
	\$'000	\$'000
(b) Operating Leases (Non Cancellable)		
Minimum lease payments in relation to non-cancellable operating leases are as follows:		
Within one year	134	190
One to five years	492	60
Later than five years	-	-
	<u>626</u>	<u>250</u>

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

(c) Operational Contractual Commitments

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

Within one year	19,747	7,855
One to five years	47,491	27,961
Later than five years	19,356	14,238
	<u>86,594</u>	<u>50,054</u>

Note 20. Contingent Liabilities

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

Local Government Mutual

Noosa Shire 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 2017 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Contingent Liabilities (continued)

Local Government Workcare

Noosa Shire 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 \$656,444, (2017: \$512,634)

Note 21. Superannuation

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

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

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

Technically Noosa Shire 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.

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

Another actuarial investigation is being conducted as at 1 July 2018. At the time of signing these financial statements this investigation is still in progress.

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.

There are currently 63 entities contributing to the scheme and any changes in contribution rates would apply equally to all 63 entities. Noosa Shire Council made less than 4% of the total contributions to the plan in the 2017-18 financial year.

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Superannuation (continued)

	Notes	2018 \$'000	2017 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		229	248
Other superannuation contributions for employees		2,881	2,695
Total superannuation contributions paid by Council for employees	5	<u>3,110</u>	<u>2,943</u>
			2019 \$'000
Contributions council expects to make to the Regional Defined Benefits Fund for 2018-19			<u>235</u>

Note 22. Operating Lease Income

The Council has leased properties to various tenants under commercial lease arrangements.

The minimum lease receipts are as follows:

Not later than one year	255	357
One to five years	290	484
Later than five years	-	-
	<u>545</u>	<u>841</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 23. Equity Investments

Accounting Recognition:

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

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

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

	Council's Share of Net Income		Council's Share of Net Assets	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Investment in Associate	5,075	5,759	81,559	76,515
Total	5,075	5,759	81,559	76,515

Associates

Council has incorporated the following Associate into its Financial Statements.

(a) Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	2018 \$'000	2017 \$'000
Unitywater	Associate	Equity	78,377	73,332
Total Carrying Amounts			78,377	73,332

(b) Details

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

(c) Relevant Interests and Fair Values

Name of Entity	Participation Portion	2018	2017
Unitywater		4.25%	4.25%

Noosa Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 23. Equity Investments (continued)

	2018	2017
	\$'000	\$'000
(d) Summarised financial information for associate is set out below		
Summarised Statement of Financial Position - Councils Share		
	Unitywater	
Assets	160,562	153,831
Total Assets	160,562	153,831
Liabilities	79,003	77,316
Total Liabilities	79,003	77,316
Net Assets	81,559	76,515
Reconciliation of the Carrying Amount of Participation Rights		
Opening Net Assets (1 July)	73,332	69,141
Profit/(Loss) for the period	5,075	5,759
Dividends Payable	(30)	(1,568)
Closing Participation Rights	78,377	73,332
Council's share in %	4.25%	4.25%
Council's share in \$	81,559	76,515
Summarised Statement of Comprehensive Income - Councils Share		
	Unitywater	
	2018	2017
	\$'000	\$'000
Income	29,591	28,455
Income Tax Expense	(3,682)	(1,905)
Total Expenses	(20,834)	(20,791)
Profit/(Loss) for Period	5,075	5,759
Total Comprehensive Income	5,075	5,759
Dividends received by Council	30	1,567

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 24. Trust Funds

	2018	2017
	Notes	\$'000
	\$'000	\$'000
Trust funds held for outside parties		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	3,387	3,372
	<u>3,387</u>	<u>3,372</u>

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.

Note 25. Reconciliation of Net Result for the year to Net Cash Inflow/(Outflow) from Operating Activities

Net operating result from Income Statement	593	17,124
Non-cash items		
Depreciation and amortisation	15,120	17,671
Non cash capital contributions	(4,906)	(3,217)
Impairment of receivables and bad debts written off	13	17
Interest expense capitalised in QTC loans	2,104	2,188
	<u>12,331</u>	<u>16,659</u>
Losses/(Gains) recognised on fair value re-measurements through the P&L		
Investment properties	238	(255)
Unwinding of Discount Rates on Reinstatement Provisions	94	2,065
	<u>332</u>	<u>1,810</u>
Investing and development activities		
Loss on write-off and disposal of assets	24,036	1,563
Capital grants and contributions	4 (6,369)	(6,313)
Share of net (profits)/losses of Associates	(5,075)	(5,759)
	<u>12,592</u>	<u>(10,509)</u>
Changes in operating assets and liabilities:		
(Increase)/Decrease in receivables	(1,194)	(1,327)
(Increase)/Decrease in inventories	105	(174)
Increase/(Decrease) in other assets	30	1,568
Increase/(Decrease) in payables and accruals	(289)	3,525
Increase/(Decrease) in other liabilities	203	511
Increase/(Decrease) in employee leave entitlements	372	(104)
Increase/(Decrease) in other provisions	(13)	(17)
	<u>(786)</u>	<u>3,982</u>
Net cash inflow from Operating Activities	<u>25,062</u>	<u>29,066</u>

Noosa Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 26. Reconciliation of Liabilities arising from Finance Activities

	As at 30-Jun-17 \$'000	Cashflows \$'000	Non-Cash Changes \$'000	As at 30-Jun-18 \$'000
Loans	38,036	(4,000)	2,104	36,140
	<u>38,036</u>	<u>(4,000)</u>	<u>2,104</u>	<u>36,140</u>

Note 27. Prior Period Adjustments

During the 2017/18 financial year, Council commenced a comprehensive project to stocktake and align asset data between financial, spatial and asset management systems for land as well as road and bridge asset classes.

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

- Incorrectly recognised assets during prior periods which resulted from a combination of duplicate data entry and not accounting for asset disposals.
- Initial recognition of assets that should have included in previous years financial statements.
- Adjustments to asset valuation due to re-componentisation and improved attribute information.

A restated recognition date of 1 July 2016 has been applied to all assets initially recognised, derecognised or amended during the financial year based on their written down value. Retrospective depreciation adjustments have not been applied due to the impractical nature of determining the depreciation expense and materiality thresholds.

	Notes	2018 \$'000	2017 \$'000
Prior year adjustments to each non-current asset class			
Land			540
Road and Bridge Network		-	(54,834)
Total Prior Period Adjustments		<u>-</u>	<u>(54,294)</u>
Statement line items affected from the prior period adjustments			
Statement of Financial Position (Extract)			
Property, plant and equipment	12	-	(54,294)
Total Non-Current Assets		<u>-</u>	<u>(54,294)</u>
Total Assets		<u>-</u>	<u>(54,294)</u>
Net Community Assets		<u>-</u>	<u>(54,294)</u>
Community Equity			
Retained Surplus		-	(54,294)
Total Community Equity		<u>-</u>	<u>(54,294)</u>
Statement of Changes in Equity (Extract)			
a. Correction to opening balance		-	(54,294)
Opening Balance		<u>-</u>	<u>(54,294)</u>
Equity Balance		<u>-</u>	<u>(54,294)</u>

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 28. Events Occurring After Balance Sheet Date

There were no material financial adjusting events after balance date.

Note 29. Financial Instruments

Noosa Shire Council has exposure to the following risks arising from financial instruments; **(i)** market 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.

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.

Noosa Shire Council does not enter into derivatives.

Credit Risk Exposure

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

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

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

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

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 29. Financial Instruments (continued)

	Notes	2018 \$'000	2017 \$'000
The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:			
Financial Assets			
Cash and Cash Equivalents	9	64,193	65,463
Receivables - Rates	10	4,420	4,431
Receivables - Other	10	51,776	51,889
Equity Investments	23	78,377	73,332
		<u>198,766</u>	<u>195,115</u>
Other Credit Exposures			
Guarantee	20	656	513
		<u>656</u>	<u>513</u>
Total		<u>199,422</u>	<u>195,628</u>

Cash and Cash Equivalents

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

Other Financial Assets

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

Trade and Other Receivables

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

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

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

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 29. Financial Instruments (continued)

	Notes	2018 \$'000	2017 \$'000
Ageing of past due receivables and the amount of any impairment is disclosed in the following table:			
Receivables			
Fully Performing		1,668	1,942
Past due:			
- 31 to 60 days overdue		166	109
- 61 to 90 days overdue		60	28
- Greater than 90 days overdue		4,978	4,931
- Loans and Advances to Associates		49,218	49,218
- Impaired		(2)	(15)
Total	10	<u><u>56,088</u></u>	<u><u>56,213</u></u>

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.

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 16.

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

	0 to 1 year	1 to 5 years \$'000	Over 5 years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
2018					
Trade and Other Payables	9,134	-	-	9,134	9,244
Loans - QTC	5,289	21,203	19,178	45,670	36,140
	<u>14,423</u>	<u>21,203</u>	<u>19,178</u>	<u>54,804</u>	<u>45,384</u>
2017					
Trade and Other Payables	9,412	3	-	9,415	9,520
Loans - QTC	5,164	20,762	23,456	49,382	38,036
	<u>14,576</u>	<u>20,765</u>	<u>23,456</u>	<u>58,797</u>	<u>47,556</u>

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

Noosa Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 29. Financial Instruments (continued)

Market Risk

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

Interest Rate Risk

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

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

Sensitivity

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

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

	Net Carrying	Net Result		Equity	
	Amount \$'000	1% increase \$'000	1% decrease \$'000	1% increase \$'000	1% decrease \$'000
2018					
QTC Cash Fund	52,934	529	(529)	529	(529)
Other Investments	4,897	49	(49)	49	(49)
Loans - QTC	(36,140)	(361)	361	(361)	361
Net Total	21,691	217	(217)	217	(217)
2017					
QTC Cash Fund	34,896	349	(349)	349	(349)
Other Investments	12,419	124	(124)	124	(124)
Loans - QTC	(38,035)	(380)	380	(380)	380
Net Total	9,280	93	(93)	93	(93)

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.

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 29. Financial Instruments (continued)

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 16.

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 Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 30. National Competition Policy

Business activities to which the code of competitive conduct is applied

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

Waste Management
Holiday Parks

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

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

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

	Waste Mgt 2018 \$'000	Holiday Parks 2018 \$'000
Revenue for services provided to the Council	446	-
Revenue for services provided to external clients	14,812	3,265
Community service obligations	90	-
	<u>15,348</u>	<u>3,265</u>
Less : Expenditure	(11,443)	(2,354)
Surplus/(Deficit)	<u><u>3,905</u></u>	<u><u>911</u></u>

Description of CSO's provided to business activities:

Activities	CSO Description
Waste Management	Waste collection and disposal charges for charitable organisations.

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 31. 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:

	Additional Information	2018 \$'000	2017 \$'000
Revenue			
Interest on loans	3(c)	2,549	2,623
Taxation equivalents		3,067	1,456
Dividends		30	1,568
Other revenue		-	7
Amounts receivable			
Interest		637	656
Dividends		-	925
Taxation equivalents		1,180	477
Loans			
Loans		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 23 Equity Investments.

(c) Joint Ventures

Council has no interest in any Joint Ventures.

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 31. Transactions with Related Parties (continued)

(d) Other Related Parties

Transactions with Other Related Parties

Details of Transactions	2018 \$'000	2017 \$'000
Employee expenses with close family members of key management personnel	75	96
Total	75	96
All close family members of key management personnel were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.		
Number of Staff	1	2

(e) Key Management Personnel

Transactions with Key Management Personnel

Key Management Personnel Include

Councillors

Cr Tony Wellington (Mayor)	Cr Brian Stockwell
Cr Frank Pardon	Cr Jess Glasgow
Cr Frank Wilkie	Cr Joe Jurisevic
Cr Ingrid Jackson	

Executive Leadership Team

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

The compensation paid to Key Management Personnel comprises:

	2018 \$'000	2017 \$'000
Short-Term Employee Benefits	1,664	1,510
Post-Employment Benefits	183	179
Long-Term Benefits	39	23
Termination Benefits	-	167
Total	1,886	1,879

Noosa Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 31. Transactions with Related Parties (continued)

(f) Loans and Guarantees to/from Related Parties

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

(g) Commitments to/from Other Related Parties

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

(h) Transactions with Related Parties that have not been disclosed

On a regular basis ordinary ratepayer transactions occur between Council and its related parties. Examples include, rates and animal registrations. Council has not included these types of transactions in its disclosure where they are made on the same terms and conditions available to the general public.

Noosa Shire Council

General Purpose Financial Statements

for the year ended 30 June 2018

Management Certificate

for the year ended 30 June 2018

These General Purpose Financial Statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

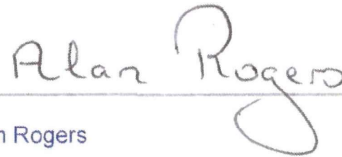
In accordance with section 212(5) of the Regulation we certify that:

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government 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 48, 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.



Frank Wilkie
ACTING MAYOR

16/10/2018



Alan Rogers
ACTING CHIEF EXECUTIVE OFFICER

16/10/2018

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Noosa Shire Council

Report on the audit of the financial report

Opinion

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

In my opinion, the financial report:

- a) gives a true and fair view of the Council's financial position as at 30 June 2018, 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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the management certificate given by the acting Mayor and the acting Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises the information included in the Noosa Shire Council's annual report for the year ended 30 June 2018, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement, the long-term financial sustainability statement and the annual report.

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 Council for the financial report

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

The Council is 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 2018:

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



Carolyn Dougherty
as delegate of the Auditor-General

16 October 2018

Queensland Audit Office
Brisbane

Noosa Shire Council

Current Year Financial Sustainability Statement for the year ended 30 June 2018

	Actual 2018	Target 2018
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Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾	13.52%	0 - 10%
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. Infrastructure Asset Sustainability Ratio

Capital Expenditure on the Replacement of Infrastructure Assets (renewals) ⁽³⁾	130.86%	more than 90%
Depreciation Expense for Infrastructure Assets		

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

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets	-12.54%	less than 60%
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 2018.

Noosa Shire Council

Current Year Financial Sustainability Statement (continued) for the year ended 30 June 2018

Notes

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

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

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

Noosa Shire Council

Current Year Financial Sustainability Statement
for the year ended 30 June 2018

Certificate of Accuracy
for the year ended 30 June 2018

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.



Frank Wilkie
ACTING MAYOR

16/10/2018



Alan Rogers
ACTING CHIEF EXECUTIVE OFFICER

16/10/2018

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 2018 comprising the statement, explanatory notes, and the certificate of accuracy given by the acting Mayor and the acting Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Noosa Shire Council for the year ended 30 June 2018 has been accurately calculated.

Basis of opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the 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 of Queensland 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 the information included in Noosa Shire Council's annual report for the year ended 30 June 2018, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements, the long-term financial sustainability statement and the annual report.

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 council for the current year financial sustainability statement

The council is responsible for the preparation and fair presentation of the current year financial sustainability statement in accordance with the Local Government Regulation 2012. The council's responsibility also includes such internal control as the council determines 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.



Carolyn Dougherty
as delegate of the Auditor-General

16 October 2018

Queensland Audit Office
Brisbane

Noosa Shire Council

Long-Term Financial Sustainability Statement

prepared as at 30 June 2018

	Target	Actual	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	2018	2018	Forecast										

Measures of Financial Sustainability

Council's performance at 30 June 2018 against key financial ratios and targets.

Performance Indicators

1. Operating Surplus Ratio

Net Result (excluding capital items) ⁽¹⁾

Total Operating Revenue (excluding capital items) ⁽²⁾

0 - 10%	13.52%	0.01%	0.07%	0.26%	0.88%	0.97%	1.10%	1.02%	1.05%	2.02%	1.87%
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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)

Depreciation Expense

> 90%	130.86%	118.37%	109.76%	93.15%	86.02%	94.73%	98.41%	97.52%	102.96%	97.47%	91.60%
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An approximation of the extent to which the infrastructure assets managed are being replaced as these reach the end of their useful lives.

3. Net Financial Liabilities Ratio

Total Liabilities less Current Assets

Total Operating Revenue (excluding capital items) ⁽²⁾

< 60%	-12.54%	1.93%	4.41%	1.56%	0.66%	0.85%	0.08%	-2.30%	-2.44%	-3.87%	-9.17%
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An indicator of the extent to which the net financial liabilities can be serviced by its operating revenue.

Noosa Shire Council

Long-Term Financial Sustainability Statement (continued) prepared as at 30 June 2018

Noosa Shire Council Financial Management Strategy

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

Notes

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

These ratios are the relevant measures of financial sustainability required to be reported under section 178(1) of the *Local Government Regulation 2012*.
Definitions are sourced from the Financial Management (Sustainability) Guideline issued by the Department of Infrastructure, Local Government and Planning.

Noosa Shire Council

Long-Term Financial Sustainability Statement

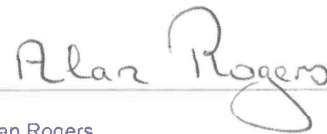
Certificate of Accuracy
for the long-term financial sustainability statement prepared as at 30 June 2018

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.



Frank Wilkie
ACTING MAYOR



Alan Rogers
ACTING CHIEF EXECUTIVE OFFICER