



Annual Report 2014/2015



Welcome to Cassowary Coast Regional Council's 2014/15 Annual Report

Contents

2	Corporate Vision, Mission and Values	37	Service, Facility or Activity Supplied by Another Local Government and for which Special Rates/Charges are Levied
3	Regional Profile		
5	Mayor's Report	37	Councillors
6	Chief Executive Officer's Report	38	Councillor Remuneration and General Meetings Attended
7	Councillor Profiles	40	Councillor Conduct and complaints
9	Executive Team	41	General complaints Process - Administrative Action Complaints
	Key Focus Areas	42	Public Interest Disclosure
11	Customer Focused Organisation	42	Competitive Neutrality Complaints and Decisions
16	Diverse Thriving Economy	43	Changes to Tenders
18	Strong Social Fabric	43	Audit Committee
22	Unique Natural Environment Environment	44	Other Issues Relevant to Making an Informed Assessment
25	Liveable Built Environment	44	Rebates and Concessions - Rates and Charges
	Legislative Information	45	Equal Employment Opportunity - Anti-Discrimination Policy
29	Significant Business Activities and Commercial Business	46	Community Financial Report
30	Overseas Travel		Audit Financial Statements Attachment 1
30	Registers Open to the Public		
31	Grant to Community Organisations		
31	Executive Remuneration		
32	Finance Plans and Reporting		
32	Expenses Reimbursement for Councillors Policy		

Corporate Vision

Photo courtesy Tropical Tourism Nth Qld

Our Vision

Our region will retain its unique tropical lifestyle, valuing our exceptional natural environment while creating a balanced, sustainable economy for future generations.



Our Mission

Through integrity and strong leadership, combined with excellence in customer service, we will be a Council in which the community has confidence.

Our Values

Council believes in strong leadership. This is achieved by:



Photo courtesy Tropical Tourism Nth Qld

- Being responsible, proactive and positive Valuing our integrity
- Being accountable for our decisions
- Valuing the people of our communities
- Respecting others' points of view
- Working as a team

Our Five Focus Areas

A Customer-Focused Organisation
Objective:

To build a strong customer-focused organisation delivering effective and efficient services to the community.

A Diverse Thriving Economy

Objective:

To build a diverse and thriving economy.

A Strong Social Fabric

Objective:

To build a strong and resilient community that celebrates diversity and operates within strong social networks.

A Unique Natural Environment

Objective:

That our communities value the diversity of our region's natural environment.

A Liveable Built Environment

Objective:

That the development and growth of our region demonstrates social, economic and environmental sustainability.



Photo courtesy Tropical Tourism Nth Qld

The Cassowary Coast is a diverse region, covering an area of 4701 square kilometres. The region stretches from Garradunga in the north to Cardwell in the south and the East Palmerston district in the west. Its major population centres are Innisfail, Tully, Cardwell and Mission Beach.

The region incorporates Wet Tropics and World Heritage rainforest areas, a number of tropical islands including the 37 kilometre-long Hinchinbrook Island off Cardwell, rugged ranges and fertile floodplains.



The Cassowary Coast is home to approximately 30,000 people. Our community prides itself on its cultural diversity with, at last count, 48 languages spoken and 46 different religions practised. Residents live in a mixture of town, rural and coastal communities.

The region is well-known for its high annual rainfall, a factor in its lush tropical rainforests and rich agricultural land. The southern township of Tully holds the nation's annual rainfall record, with a 7.93 metre tally from 1950. Further south, the rainfall lessens dramatically and the forests surrounding Cardwell are testament to the drier conditions.

Water, soils and diverse growing conditions have supported the development of a wide range of agricultural and horticultural industries. The Cassowary Coast is the biggest banana-growing region in Australia, boasting a \$400 million a year industry. Cane is the other major crop. Sugar mills operate out of South Johnstone in the north and Tully in the south. Sugar has driven the growth of the region since the late 1800s and still exerts a major influence. Cane and bananas are big employers in the Cassowary Coast region.

A wide range of smaller horticultural industries co-exist in the district. The diversity of crops grown on the Cassowary Coast is ever-increasing. Produce includes tea, paw paws, pineapples, rambutans and mangosteens, limes, lychees, watermelons, flowers, lettuces, pumpkins and less traditional Cassowary Coast products such as tomatoes, vanilla and cocoa.

Cattle, timber, aquaculture, fishing and fruit wineries also feature among our agriculture-based industries. Beef cattle are produced both for the domestic market and for export, at times through the region's port, Mourilyan Harbour near Innisfail. Prawn and reef fishing fleets also work out of the region, as do tourist fishing boats.

The aquaculture industry also extends to prawn and barramundi farming. The Cassowary Coast's rainforests, tropical beaches and islands, and its close proximity to the Great Barrier Reef

make it a popular tourist destination.

The region serves up rainforest walking trails, idyllic swimming holes, waterfalls, a plethora of stunning beaches, national parks and island getaways. There are also well-established tourist attractions, art deco towns and museums for history buffs, an increasing amount of indigenous culture-based tourism and, of course, the chance to spot an endangered cassowary.



The region has also earned a name for itself as the adventure Capital of Queensland, with white-water rafting on the Tully River, skydiving at Mission Beach, Tully and Innisfail, scuba diving on the Great Barrier Reef, game fishing, sea kayaking and croc spotting tours. Our tourism opportunities continue to grow.

Did you know...

The Cassowary Coast is a diverse region, covering an area of 4701 square kilometres

Photo courtesy Tropical Tourism Nth Qld

The Cassowary Coast also has plenty of industrial opportunities, with Mourilyan Harbour and Mundoo Airport situated just one hour from Cairns and three hours from Townsville. Mourilyan's port, near Innisfail, is a gateway for sugar and cattle exports. There is potential for further development of our port and airports, which are situated near Innisfail in the north and at Tully and Dallachy in the south. The region's manufacturing industries include a large foundry and cover everything from plastic products to farm implements, mining and transport equipment.



The Cassowary Coast region is linked north to south by the Bruce Highway and the North Coast railway. It is linked to its western areas by the Palmerston Highway.

The region's accessibility, natural beauty and year-round warm tropical climate are making it an increasingly attractive proposition for both "sea-changers" and "tree-changers", bringing even greater diversity to the population.

Our region is steeped in indigenous culture with traditional owners from the Mamu, Djiru, Jirrbal, Gulnay, Girramay and Banjin groups. It also has a strong Italian influence, dating back to a large migration before World War One and continuing into the 1930s and post-World War Two. The Chinese began to arrive from the Palmer Goldfields in the late 1880s and South Sea Islander, French, Javanese and Malay migrants arrived with the growth of the agricultural industry, followed by Greek, Maltese and Spanish arrivals.

The region boasts strong Greek, Hmong and Indian communities which have also enriched our cultural identity. In addition, there are large numbers of English and New Zealand-born residents in our midst.

The Cassowary Coast region's key council assets include 1203 kilometres of roads, 160 bridges and 93 major culverts, 65 kilometres of footpaths and cycleways, 4 water supply schemes, 22 water reservoirs, 2 sewerage systems, 52 sewerage pump stations, a water treatment plant, 16 managed boat ramps, 7 wharves and jetties and 1 harbour.



Photo courtesy Tropical Tourism Nth Qld

In 2014, Council completed \$100.3 million worth of Natural Disaster Relief and Recovery work to restore assets - from roads and bridges to jetties - following Cyclone Yasi. New assets include the redeveloped Cardwell foreshore, a replacement jetty at Mission Beach and a reconstructed jetty at nearby Dunk Island.

Did you know...

In 2014, Council completed \$100.3 million worth of Natural Disaster Relief & Recovery Works



I congratulate our ratepayers for their faith in our beautiful region

The 2014-15 annual report reflects strong achievements across the range of responsibilities that your Council is charged to deliver.

Previous years have been dominated by the problems of the times - from merging two organisations, to addressing a massive infrastructure backlog, to coping with Tropical Cyclone Yasi, the ramifications of a global financial crisis and commodity prices crises.

It is very satisfying to be on the cusp of achieving recognition from the Queensland Treasury Corporation for our financial turnaround and the completion of the largest capital works program in our history.

Last summer was the first in many years with no NDRRA claims and we deserve the reprieve.

At the same time we have delivered low general rate increases for two years running.

I commend the review on the following pages across our five key themes and I thank Councillors and our staff for their application to their work, and I congratulate our ratepayers for their faith in our beautiful region.

Cr Bill Shannon
Mayor

Contacts:

Tel: (07) 4030 2205 or 0400 220 848

Fax: (07) 4061 4258

Email: mayor@ccrc.qld.gov.au

Committees:

LGAQ Policy Executive; FNO Regional Organisation of Councils; FNO Regional Roads Group; Cassowary Coast Local Marine Advisory Committee; Cassowary Coast Local and District Disaster Management Groups; CCRC Australia Day Committee; CCRC Audit Committee; Advance Cairns Board; Far North Queensland and Torres Strait Regional Development Australia Committee; Reef Guardian Council Steering Committee; Invasive Plants and Animals Co-investment Model Project Board; Crocodile Management Advisory Committee; Innisfail State College Advisory Committee; Terrain Audit Committee





The past 12 months has been a period of consolidation for Council, after the significant focus on disaster reconstruction and recovery works in recent years. It is pleasing to note that there were no declared disaster events in the Cassowary Coast region during the year.

A key project commenced during the year involves the development a new organisational culture that reflects the fact we are one Council. The project is being undertaken in-house with some external support and has been progressing at a steady pace with a vision and key themes developed to help drive the project across the organisation.

The provision of excellence in customer service is part of the Council's adopted Mission Statement and during the year considerable work has been undertaken to enhance our Customer Request Management system. This has resulted in improved responsiveness and co-ordination across Council in dealing with customer requests.

One of the significant projects undertaken by Council officers was the finalisation of the Cassowary Coast Planning Scheme for adoption by Council. This project has been ongoing for a

number of years and had been delayed by the significant planning reform processes undertaken by successive State Governments. The Scheme replaces the previous Cardwell and Johnstone Shire Planning Schemes.

The Council completed some major capital projects during the year, including the reopening of the Kirrama Range Road which had been closed since 2006. The \$5.9 million project involved the replacement of 11 timber bridges using innovative new technology and the reconstruction of approx. 18 kms of road.

Significant funding support was provided by the State and Federal Governments for this project.

The Council's financial position continues to improve and it is pleasing to note that a surplus was achieved in the current financial year.

Work commenced on the Innisfail Regional Library project with the redevelopment and extension of the existing library at Alan Maruff House. The project will deliver a modern regional library with a substantial increase in floor area and an improved range of services. The State Government is providing \$2 million in funding support for the project. The funding assistance provided to Council by the Federal Government through its annual financial

assistance grant allows projects of this nature to be undertaken without a significant additional financial burden on ratepayers.

The Council's financial position continues to improve and it is pleasing to note that a surplus was achieved in the current financial year. This is testimony to the hard work undertaken by Councillors and staff to closely monitor expenditure throughout the year and allocate resources to the highest areas of need.

The Council has a significant asset base and it will need to continue focusing its efforts on the reconstruction and renewal of these assets based on good asset management planning.

The 2014/15 financial year has been a successful one for Council and I would like to express my appreciation to all staff for their contribution to the outcomes achieved.

Terry Brennan
Chief Executive Officer



Councillors Profiles



Deputy Mayor
Cr Bryce Macdonald —
Division 2

Portfolio:
Drainage, Water Supply and Sewerage

Committees:
Cassowary Coast River Improvement Trust
Tully Multipurpose Centre Management Committee
Cassowary Coast Natural Asset Management Advisory Committee
Cassowary Coast Traffic Consultative Committee
Tully Police and Community Advisory Committee
Tully Support Centre Inc.
Cassowary Coast Local Disaster Management Group
CCRC Audit Committee
Cairns Hinterland, Hospital and Health Services Community Consultation Committee - Cassowary Coast Hub
Panama Tr4 Response & Resilience Task Force
Panama Tr4 Regional Working Group

Division 2: comprises Tully, Feluga, Silkwood and Mena Creek

Tel: 0417 720 379
Email:
bryce.macdonald@ccrc.qld.gov.au



Cr Glenn Raleigh —
Division 1

Portfolio:
Planning, Environmental Services and Waste

Committees:
Local Authority Waste Management Advisory Committee
Cardwell and District Historical Society
Hinchinbrook Local Marine Advisory Committee
CCRC Australia Day Committee
Community Assistance Scheme Grant Selection Panel
Cardstone Working Group Committee
Regional Arts Development Fund Committee

Division 1: comprises Cardwell, Hinchinbrook Island, Kennedy, Bilyana, Euramo, Murray Upper, Lower Tully, Tully Heads and Hull Heads

Tel: 0417 719 591
Email: glenn.raleigh@ccrc.qld.gov.au



Cr Alister Pike —
Division 3

Portfolio:
Tourism and Cultural Development

Committees:
Dunk Island Spit Management Committee
Mission Beach Liquor Accord
Mission Beach Aquatic Facilities Reference Group
Tropical Coast Tourism Inc. Board

Division 3: comprises South Mission, Wongaling and Mission Beach, Bingil Bay, El Arish, Kurrimine Beach, Cowley Beach and Silkwood East

Tel: 0417 698 435
Email: alister.pike@ccrc.qld.gov.au





Cr Mark Nolan — Division 4

Portfolio:
Community Services and Natural
Environment

Committees:
Cassowary Coast River Improvement
Trust
FNQ Local Government Pest Plan
Advisory Committee
Cassowary Coast Natural Asset
Management Advisory Committee
Pease Park Management Committee
Innisfail Aerodrome Management
Committee
Conservatorium Management
Committee
CCRC Australia Day Committee
Innisfail Combined Sports Association
Inc.
Community Assistance Scheme Grants
Selection Panel
Liveable Cassowary Coast 2020
Committee

Division 4: East Palmerston, Sth
Johnstone, Goondi, Wangan, Mundoo

Tel: 0400 440 837
Email: mark.nolan@ccrc.qld.gov.au



Cr Ian Rule — Division 5

Portfolio:
Transport Infrastructure Planning

Committees:
Cassowary Coast Traffic Consultative
Committee
Pease Park Management Committee
Community Assistance Scheme Grants
Selection Panel
Cardwell Esplanade and Marine
Infrastructure Recovery Project
Steering Committee

Division 5: Innisfail, Vasa Views, Flying
Fish Pt, Coconuts, Inn Estate

Tel: 0400 550 409
Email: ian.rule@ccrc.qld.gov.au



Cr Kylie Farinelli — Division 6

Portfolio:
Economic Development

Committees:
Innisfail and District Liquor Accord
ICM Catchment Management
Association
Johnstone River Catchment
Management Association
Innisfail Aerodrome Management
Committee
Australian Sugar Industry Museum Board
Economic Development Committee,
Innisfail Chamber of Commerce
Queensland Regional Economic
Development Advisory Group
Liveable Cassowary Coast 2020
Mourilyan Port Advisory Group

Division 6: East Innisfail, Sth Innisfail,
Mourilyan, Etty Bay, Moresby

Tel: 0417 710 378
Email: kylie.farinelli@ccrc.qld.gov.au





Chief Executive Officer

Terry Brennan
Commenced position 1 July 2008

Qualifications:
Bachelor of Business
Masters of Business Administration
(Local Government)
Professional Membership
FLGMA (Life), CPA

Responsibilities:
Strategic advice and support to Council
Lead and coordinate overall
organisational responsibilities
Overview Council's Financial
management
Communicate and promote Council
policies



Director Corporate Services

Peter Cochrane
Commenced position 12 October 2009

Qualifications:
Bachelor of Business — Public
Administration
Professional Membership LGMA

Responsibilities:
Finance
Statutory reporting
Policy development and advice
Corporate records
Information technology
Internal control
Disaster management
Rates & charges
Customer service
Governance
Media & Communications



Director Works

David Trotter
Commenced Position 21 November 2008

Qualifications:
Bachelor of Engineering (Civil)
Professional Membership
IPWEAQ - Institute of Public Works
Engineering
Australasia, Queensland Division

Responsibilities:
Production and performance
Asset management
Engineering
Fleet and plant
Transport
Drainage
Marine facilities
Water
Sewerage



Executive Team

continued

page 10



Director Community Services

Margaret Darveniza
Commenced position 6 May 2013

Qualifications:

MBA, MEd Studies, and GAICD
Professional Membership
Australian Institute of Company
Directors

Responsibilities:

Community services management
Parks and open spaces
Natural environment
Community facilities
Community development
Special projects & planning
Economic development and tourism
Community knowledge and information



Director Planning & Environmental Services

John Pettigrew
Commenced position 21 November
2008

Qualifications:

Bachelor of Engineering (Civil)
RPEQ (5759)
Professional Membership
Institute of Engineers Australia

Responsibilities:

Planning and building
Environmental protection
Environmental health
Waste management



A customer focused organisation

Objective:

To build a strong customer-focused organisation delivering effective and efficient services to the community through:

Key Strategies:

- 1.Strong governance and risk awareness
- 2.A customer focused organisational culture
- 3.Responsible financial management
- 4.Effective asset management planning
- 5.Effective community engagement and communication
- 6.Building skills and capacity within staff
- 7.Embracing innovative technological opportunities
- 8.Effective disaster management

Strong Financial Management

The delivery of a diverse range of services to the community and the management of substantial community assets depend upon strong financial management. Over the past 12 months Council has been able to demonstrate effective management of financial resources.

a) Budget Preparation and Management
The budget was adopted on 8 July 2014 with a small deficit of \$379,571. During the year the budget was amended, replacing the small deficit with an expected surplus. The final result as at 30 June 2015 was a surplus of \$1.45 million.

Council's \$72.547 million budget included a 2.95% general rate increase and needed to contend with increased costs for electricity, insurance premiums, stamp duty and depreciation as well as significant cuts in grant funding from the Federal and State Government. The capital budget was \$35.3 million. Council undertook three budget reviews which involved careful monitoring of expenditure and projected incomes. The new Technology One computer system proved to be an effective tool in assisting Council with its financial management.

b) Debt Management
During the 2014/2015 financial year Council raised a \$1.65 million loan for construction of the Innisfail Library.

The total portfolio of Council's loans as at 30 June 2015 equated to \$21.482 million, a reduction of \$1.2 million on the previous year.

c) Asset Management
Council has a large asset base totalling \$1.633 billion. During the 2014/2015 financial year Council's asset base increased by \$68 million or 4.1%. The two main asset classes where the increases occurred were roads - an increase of \$20 million - and sewerage infrastructure - an increase of \$50 million. Council also undertook a comprehensive revaluation of its water and sewerage infrastructure assets. These revaluations are important tools to help mould Council's Asset Management Plans.

d) Sustainability Ratios
On an annual basis Council's sustainability is assessed using three ratios and targets. These targets are set within the Financial Management Sustainability Guideline 2013 and include the:

Operating Surplus Ratio which measures Council's net operational performance

Asset Sustainability Ratio which measures Council's expenditure on replacement assets

Net Financial Liabilities Ratio which measures Council's ability to meet short-term liabilities. For the 2014/2015 financial year Council has met all targets in relation to these ratios.

Responding to our Customers

During the 2014/2015 year a number of changes were made to Council's customer requests management processes. All Council departments contributed to a new Customer Service Manual. This has allowed all customer enquiries to be dealt with in a consistent manner and has led to a slight reduction in the number of customer requests.

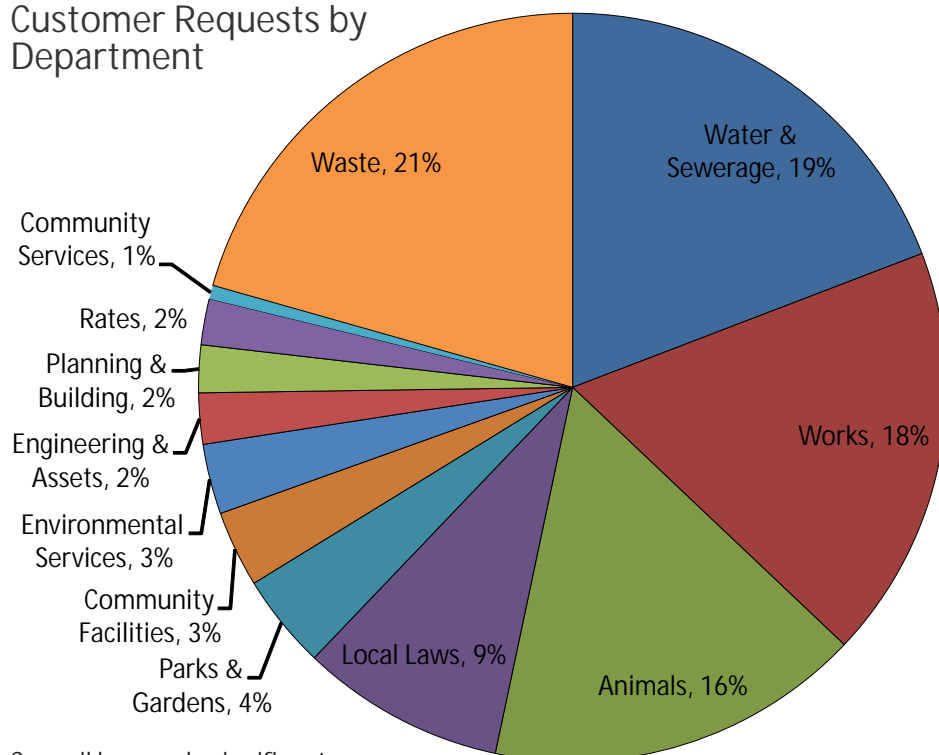
Did you know...

Council's Operational Expenditure was \$72.5 M with an additional \$35.3M in Capital Works

A customer focused organisation

Continued

Customer Requests by Department



Council has made significant improvements in actioning and completing customer requests. On average customer requests during 2014/2015 were actioned 32% quicker than in 2013/2014.

Department	Customer Requests		Avg Days to Action		Avg Days to Complete	
	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015
Community Services	687	622	5.44	4.91	7.06	4.97
Corporate Services	63	103	9.57	15.43	11.39	16.03
Planning and Environmental Services	4091	3954	9.63	6.01	24.98	21.63
Works	3065	3060	18.06	12.13	20.27	16.61
Total	7906	7739	12.55	8.48	21.49	18.18

Internal Audit

Council's internal auditors Pacifica Chartered Accountants conducted internal audits in the following areas from 1 July 2014 to 30 June 2015:

1. **Procurement Review:** The audit was to determine whether internal controls over procurement activities were operating appropriately and to ensure that procurement was—
 - Initiated on the basis of legitimate business need
 - In accordance with legislative requirements and Council's formal procurement policy and guidelines
2. **Grant Application Management and Coordination Review:** The audit determined whether the internal controls over Council's grant application management and coordination were sufficient to ensure the grant funding sought was appropriate for Council's needs and able to be adequately delivered and reported upon.
3. **Asset Management and Recognition Practices Review:** The audit assessed the adequacy of processes in place for capturing and updating Council's assets register to ensure complete, accurate and reliable information is available for use.

Managing Risk

Council's risk management approach includes objective risk identification, analysis, assessment, evaluation, treatment, monitoring, ownership and review. Enterprise Risk Management (ERM) is a crucial process to help in the reduction of current and future risks that impact on the operations of Council, and

Did you know...

Council recorded, tracked and responded to 7,739 customer requests

A customer focused organisation

Continued

to best utilise opportunities that are identified.

In February 2015 a review of Council's risk profile was undertaken across 17 categories and 33 program areas. Effective risk management has seen Council's level of risk shift from 183 (extreme/high risks) in 2010/11 to 83 in 2014 with the majority of Council's risks now falling within the medium to low range.

An in-house base-line audit was conducted in February and March 2015 in line with the previous year's scope.

The results of this audit showed a significant increase in risk management performance overall with a strong focus on further development and management of risk treatment plans.

Insurance

The property insurance market continues to be problematic, with very few underwriters interested in local government, particularly in the North Queensland region. That is until now. Local Government presents some unique exposures in relation to the management of property risk. Catastrophic risks presented by the broad and diverse regions are some of the more obvious difficulties to overcome.

At the Local Government Finance Summit in April 2015, it was announced that a new self-insurance program covering council assets and a broad range of other risks would be available to local governments in Queensland. The new program will be known as LGM Assets and will operate as a separate self-insurance fund within Local Government's highly successful legal liability self-insurance scheme LGM Queensland. It will provide cover for

council property assets and any other covers that may be required.

On the 11 June 2015, Council adopted the following recommendation—

"That Council accept the offer of membership to LGM Assets for all its property insurance requirements, commencing 1 July 2015".

There will be no increase in the 2015/2016 premium to Council, with a saving of approximately \$12,000. Additionally, motor vehicle excess will be reduced from \$2000 per claim to \$500.

Responding to Information Requests

The *Right to Information Act 2009* and *Information Privacy Act 2009* provide a process for responding to requests for information that ensures a balance between public interest and privacy. The table below outlines the various applications received over the past five years

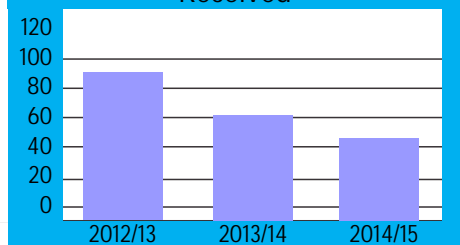
Year	Right to Information	Information Privacy	Right to Information Third Party
2010/11	6	0	0
2011/12	13	1	3
2012/13	16	4	0
2013/14	12	0	3
2014/15	8	1	1

Complaint Management

Section 268 (1) of the *Local Government Act 2009* (the Act) requires Council to establish a complaints management process for resolving administrative action complaints.

The new administrative action complaints system began in late August 2012. Effective complaints management has seen the number of complaints received by Council since that date continue to fall.

Administrative Action Complaints Received



Did you know...

There will be no increase in the 2015/2016 insurance premium to Council, with a saving of approximately \$12,000

A customer focused organisation

Continued

page 14
part 1

Corporate Plan

The Corporate Plan is a high-level strategic document that sets the direction for Council for a five-year period. It is one of the most significant planning documents adopted by Council and is the means by which Council delivers on its mission statement.

The current Corporate Plan covers the period from 2013 to 2017. Council undertook a review of its corporate plan in February 2015. The purpose of the review was to reassess the direction of the document and the effectiveness of the strategies.

The review involved a workshop with councillors and senior staff and systematic analysis of the various strategies under the five key focus areas. Strategies adopted by Council were assessed to determine whether they were effective in meeting the objectives.

In some cases the strategies were no longer relevant or needed to be refocused. Minor changes have been made as a result of the review.

Disaster Management

The "Get Ready Queensland" preparedness campaign and strategic planning were key focus areas within Council in the 2014-2015 financial year.

Disaster preparedness messages were delivered to community groups and through school-based education sessions by Council's disaster coordinator. In addition, disaster preparedness household emergency kits were distributed throughout the community and proved to be a popular way to reinforce the messages.

Effective planning is essential for response readiness and Council has undertaken a complete review of its

disaster plan and various sub-plans. During March 2015, Tropical Cyclone Nathan threatened the Far North Queensland coast and initial forecasts had possible impacts close to the Cassowary Coast region. The Local Disaster Management Group alert level was raised in preparation but fortunately the system stayed well north.

Building Staff Capacity to Deliver Services

As at 30 June 2015 Council employed a total workforce of 325 full-time equivalent (FTE) staff. During the financial year, 54 recruitment actions were completed to appoint replacement staff due to resignations and retirements, appointment of trainees and apprentices and fixed-term appointments for graduate students.

Staff completed a total of 971 professional development courses including conferences, in-house courses, mandatory competencies and occupational health and safety training.

Course subjects ranged from water industry training, disaster management and industrial relations training to corporate inductions, information technology, enterprise risk management, first aid, fire safety, confined spaces and traffic management training.

In addition, monthly tool box talks on workplace safety were undertaken by all staff.

Organisational Culture

In the 2014/2015 financial year Council focused on its organisational culture, exploring what makes it special and possible changes to make work life more fulfilling and productive.

A staff survey was conducted in late 2014. The survey indicated employees prioritised, as a shared purpose, striving to provide high quality and good value service to the community.

It also indicated there was a mood for change, with 90 per cent of survey recipients saying they believed the organisation's work culture needed change.

A small team of cultural 'leaders' and 'champions' has been working across Council since with a focus on ensuring staff feel valued and respected, informed and connected, and are working as one council to be productive, innovative and efficient.

Meeting the Challenge of Asset Management

Like many other government authorities, Council faces significant challenges managing its asset portfolio in the face of reduced income sources, a static population base and demand for an increasing portfolio. All these elements can result in financial stress on budgets.

Council is focusing on improving the quality and reliability of its assets data. This project will, among other things, lead to a better understanding of the 'big picture' in terms of asset ownership, operations and maintenance. Council is also looking to develop improved systems to accurately link asset management to budgeting and risk management.

The overall result is better-informed decisions regarding future investments and risks associated with management of an extensive asset network. Council undertakes forward-planning while considering both the desires of the community and ongoing financial sustainability.

Did you know...

Council manages 4 water supply schemes, 22 water reservoirs, two sewerage systems and 52 sewerage pump stations

A customer focused organisation

Continued

Through improved data and systems, Council can better articulate the true costs and risks of asset ownership and plans to involve the community more actively in future decisions around levels of service.

A Gold Result for Workplace Health and Safety

An external audit was conducted by Jardine Lloyd Thompson on Council's Workplace Health and Safety management systems in June 2015.

The audit process consisted of a desktop audit evaluating Council's workplace health and safety policies, procedures, risk assessments and associated workplace health and safety documentation, and worksite inspections to ascertain compliance.

Council performed exceptionally well, achieving a gold award for the management of workplace health and safety. The gold award reflects Council's focus on ensuring a safe and healthy workplace for employees and its commitment to be an employer of choice.

Progressing with Innovative Technology

Innovative technology can be important in improving productivity, customer service and outcomes for the community. The TechnologyOne system has now been in place for several years and many sections across Council are expanding their use of this technology.

The Planning Services section developed and implemented planning, building and plumbing modules in TechnologyOne in the 2014/2015 financial year. In 2015/2016, the focus will be on refining building and plumbing work processes through the introduction of mobility technology, allowing Council's building and plumbing inspectors in the field to complete the

paperwork associated with inspections on tablets.

The Environmental Services section has developed and implemented service modules for environmentally relevant activities, shared facility accommodation, camp grounds, caravan parks, food licenses, waste and high-risk personal appearance services. In 2015/2016, further work will be completed to refine the workflows and processes within these modules, particularly in relation to environmentally relevant activities.

Human Resources has now moved to the Technology One system and has developed a number of workflows during its implementation. The workflows will automate and streamline employee development processes and procedures which will lead to better management of staff.

Early in 2015 Council's records management system, ECM, was upgraded to the new CiAnywhere platform. This platform is a device-independent system which allows greater flexibility for Council to deliver its enterprise software internally and to a mobile workforce.

Moving to this platform will allow Council to live up to the TechnologyOne mantra of "working anytime anywhere". During 2014/2015 further enhancements have been made to water and sewerage SCADA systems, with the Innisfail Water Treatment Plant and reticulation system now managed by that platform.

This new technology allows for external monitoring of infrastructure. Plant operators can externally regulate water flows, pumping systems and treatment processes. The existing SCADA system at the Innisfail Sewerage Treatment plant has also been incorporated into the system used throughout the rest of the organisation

Community Engagement

Council continues to focus on engaging the community and strengthening partnerships.

Major engagement projects in the 2014/2015 year have included the:

- Foreshore Management Plan for
- Greater Mission Beach
- Get Out and Get Active Program
- Arts and Culture Plan
- Ice Forum
- Official reopening of Lions Park in Tully Launch of Tully Show Grounds' new lights during the Tully Bull & Bike Ride

Tully Beautification Project

The Lions Park Upgrade, at the entrance to Tully, was officially opened in December 2014.

Council secured a \$162,800 subsidy from the Local Government Grants and Subsidy Program in 2013, and worked with the Tully Lions Club on the upgrade.

The project included town entrance landscaping, installation of shared pathways, drainage works and tree-plantings. It is the first stage of the Tully Entry Experience master plan.

Programs including library services, family day care, housing and arts and culture regularly conduct surveys to identify the needs of residents and to inform service improvement strategies.

Council continued to promote online engagement in 2014/2015 via "Have Your Say", surveys and quick questionnaires on Council's website as a cost-effective way for community members to provide feedback and ideas.

Did you know...

Council achieved a gold award for the management of Workplace Health and Safety

A Diverse Thriving Economy

page 16
part 2

Objectives:

To build a diverse and thriving economy through:

Key Strategies:

- 1: Innovative marketing of our region.
- 2: Building partnerships.
- 3: Developing our workforce.
- 4: Enabling infrastructure that will support the expansion of existing industries and attract new innovative industries.
- 5: Planning for the future.

Partners in our Region's Destination Development

Following industry consultation, a new strategic direction has been adopted for Cassowary Coast tourism. Key to this is a partnership with, and investment in, Tropical Coast Tourism as the industry-representative local tourism organisation.

Tropical Coast Tourism facilitates regional strategies and priorities for industry destination development.

A review of visitor information services in the 2014/2015 financial year also led to improvements in the delivery of industry support, locations, pre-arrival marketing and visitor services.

Kirrama Range Road - A Tourism Success

Kirrama Range Rd was re-opened in November 2014 after a major reconstruction project by Council, funded by the State Government, Federal Government and Council.

The road, which links the coast at Kennedy to the southern Tablelands, had been closed for eight years. Its re-opening has been embraced by locals and tourists alike. The road is an adventure drive with spectacular scenery.

A tourism signage and interpretive information project was completed in partnership with local stakeholders and Wet Tropics Management Authority, adding to the Kirrama Range Road experience.

Interpretive signage, website information and promotional collateral including detailed tourism maps have been produced.

Council's Development Incentive Policy

Council introduced a development incentive policy in April 2014, offering up to 50 per cent off infrastructure charges for certain developments.

The incentive aims to attract investment and new development, stimulating economic growth and employment in the Cassowary Coast Region.

The policy largely applies to commercial, industrial and tourism development in different parts of the region, but it also promotes some infill residential development.

The development incentive policy has provided savings of \$495,179 to eligible developers.

In April 2015 Council reviewed the policy, adopted some amendments to extend its applicability and resolved to continue the incentives until April 2016.

Development/Building Approvals on the Increase

Council considered 159 planning development applications in the 2014/2015 financial year. All of these were approved.

Council also considered 453 building applications and all were approved. Of the 453 building applications, 110 were for new dwellings.

The approximate value of building applications approved by Council in the 2014/2015 financial year was \$48,843,586.20.

Did you know...

Council considered 159 planning development applications in the 2014/2015 financial year. All of these were approved.

A Diverse Thriving Economy

Continued

Cardstone Village: Eco-Tourism Potential

The Cardstone Project was initiated by Council late in the 2013/2014 financial year, with a view to allowing for development of the Cardstone Village site for eco-tourism purposes.

This project was seen as a way to make use of a valuable Council asset, and to potentially stimulate the region's economy.

Council owns 18.2ha of land alongside the Tully River where Cardstone Village was situated from the 1950s to 1990 to house Kareeya Power Station workers and their families.

Cardstone was closed once the power station became fully automated in 1990, and its buildings were removed.

The area is a series of grassed sites alongside Tully Gorge Rd with a scenic backdrop of rainforest, mountains and the Tully River.

A draft master plan was developed for the site and site clean up works were completed in the first half of the 2014/2015 financial year.

The reference group, comprising key stakeholders and State Government representatives, met three times in the financial year and the working group, comprising industry representatives, met once.

A roadmap report has been prepared as a guiding framework for Council, outlining clear critical actions and time-frames to facilitate future development of the site by the private sector.

Industry Drives Tourism Marketing Initiatives

Marketing initiatives in collaboration with the tourism industry have included an upgrade of the region's tourism website (Tropical Coast), social media



Tropical Coast Tourism Board Members (L to R) Richard Blanchette, Cameron McKay, Dianne Stepniewski, Mary Brown, Mark Evans, Judy Arnold, Mark Colquhoun (Absent; Sonya Jeffrey)

marketing, promotional collateral and representation at Drive North Queensland Caravan and Camping expos.

Building Partnerships - Stronger Region

Council recognises the value of strong and active partnerships for building a more resilient region. Stronger relationships and regional alliances have been forged between chambers of commerce and business networks with the establishment of a Regional Economic Advisory Group led by business representatives. Innisfail District Chamber of Commerce, Industry and Tourism membership doubled in the 2014/2015 financial year.

Strengthened relationships with the local chambers and with the Chamber of Commerce and Industry Queensland are also evidenced in the Memorandum of Understanding developed between Council and the Innisfail District Chamber of Commerce, Industry and Tourism and signed in December 2014.

Council has supported a range of events to encourage and facilitate regional and local partnerships. These include the RegenAg Sustainable Environment and Food Futures Forum; the Eco Week and Queensland Week Taste Paradise festival, Women in Agribusiness (Growcom) and an Industry Advisory Group:

Horticulture/Agriculture Terrain.

Council has also participated in workforce development sessions from the Youth Employment Strategy to the Cassowary Coast Skills Day Out

Airports

In the 2014/2015 financial year, land-use planning options for Mundoo Aerodrome, Innisfail, were commissioned, and a favoured option was endorsed by Council, requiring further development as a master-planned proposal for 2015/2016.

Regional Mountain Bike Strategy

Mountain biking is a growing industry and the Tropical North has a reputation for world class trails that have attracted international and national championship events.

In the Cassowary Coast region, it is a developing tourism draw card with several national park walking trails recently opening to mountain bikes.

Council is participating in the Tropical North Queensland Regional Mountain Bike Strategy continuing to facilitate opportunities to promote mountain biking in the region.

Did you know...

More than 2,500 vehicles used Kirrama Range Rd in the first two months of its re-opening



Strong Social Fabric

page 18
part 3

Objective:

To build a strong and resilient community that celebrates diversity and operates within strong social networks through:

Key Strategies:

1. An engaged and involved community.
2. Maintaining social infrastructure.
3. Promoting healthy, active and safe living.
4. Valuing a knowledge-based and informed future.
5. An inclusive, diverse, fair and cohesive community.



Enriched through Arts and Culture

Cassowary Coast Regional Council recognises the role of arts and culture in enriching the social fabric of the region and contributing to the region's liveability.

Arts and cultural programs also have a positive impact on health and education.

Council, in partnership with the Queensland Government, supports sustainable cultural development through the Regional Arts Development Fund (RADF). The program is for arts projects, artists and art workers' professional development and community capacity-building projects aimed at connecting communities.



Feast of the Senses - Hawking the Chalk - 3D chalk workshop

The Regional Arts Development Fund benefitted 21 projects in the 2014/2015 financial year. A total of \$180,531 was invested in these projects, with \$79,460 coming from the Regional Arts Development Fund.

Projects included:

The Feast of the Senses - 3D chalk workshop "Hawking the Chalk"
The Full Moon Festival - Lantern-making workshops
Public seminars by Arts Law: 'Saving your butt'



Innisfail & District Men's Shed Inc.

Men's Shed Up and Running

Council has worked with an enthusiastic group of men to establish a Men's Shed in Innisfail.

This involved raising community awareness about the concept, forming a working committee, obtaining incorporation and Australian Men's Shed Association membership, helping to search for suitable premises (Corinda St) and helping with funding submissions.

In its first year the Innisfail Men's Shed attracted 35 members. The committee is well-established and has processes in place to ensure ongoing success.

Shed members have undertaken a number of fundraising activities including raffles and a car boot sale. Members also make and sell mynah bird traps. Council will step down from the committee at its first annual general meeting.

Community Housing Meeting Needs



Did you know...

Council approved 453 building applications valued at 48.8 million

Strong Social Fabric

Continued

Council acknowledges the importance of seniors being able to "age in place" through its housing services. Council manages properties across the region, accommodating 81 individuals.

In the 2014/2015 financial year, Council worked with both the Tully Support Centre and the South Sea Islander Housing Cooperative- Jubilee Housing in preparation for the transfer of their community housing stock to Council.

Family Day Care Achieves Excellence



The Cassowary Coast Family Day Care Scheme provides educational care for 248 children from 180 families. The scheme supports 12 educators who deliver a high quality service across the Cassowary Coast region.

The Cassowary Coast Family Day Care Scheme received a 'Meeting National Quality Standards' rating in the 2014-15 financial year under the Australian Government's National Quality Framework.

Cassowary Coast Family Day Care concentrates predominately on mainstream care with an educational focus for working families.

The scheme has also developed strong partnerships with Queensland Health and the Department of Communities to help, where necessary, with families experiencing hardship by offering overnight and emergency care for children.

Cassowary Coast Family Day Care organises annual children and baby expos to increase parent and carer awareness of services and business within the region that cater for children in their early years (0-6).

The scheme is proud to have among its ranks the 2013 Australian Family Day Care Scheme Educator of the Year and 2013 and 2014 Regional Family Day Care Scheme Educator of the Year.

New Library under Construction

Council awarded a construction contract to local company Allan Sultana Constructions in 2014 to build a three-level regional library at Allan Maruff House on Rankin St.

The new library is scheduled to open in late 2015 with the main public library space and collections situated at street level, community meeting rooms and study spaces above on the second level overlooking the river, and administration and local history archive areas below the street.



This building replaces the Innisfail Library which was badly damaged in Cyclone Larry.

The purpose-built facility will give community members better access to collections and services.

There will be more space for popular children's programs, for students of all ages, for events, reading rooms and collections.

There will also be improved facilities for servicing all branch libraries. The new library's meeting rooms will have after-hours access for community groups and functions.

Mission Beach Aquatics Facility Seeking Funding

In August 2014 Council began the design development phase of the Mission Beach Aquatic Facility project including detailed designs, an evidence-based assessment of possible sites and an update of the business plan. The project was completed to design development stage in late November 2014.



Since that time Council has been focused on seeking funding for construction of the aquatic facility.

Did you know...

The Cassowary Coast Family Day Care Scheme provides educational care for 248 children from 180 families



Strong Social Fabric

Continued

page 20
part 3

A submission was made to the Queensland Government through the Department of Sport and Recreation's Get Playing Plus program in October 2014. This was unsuccessful, however applications will be made to alternative funding programs in 2015-2016.

Tully Showgrounds Switches on the Lights

The Tully Showgrounds lighting and switchgear upgrade projects are complete. In total Council secured over \$300,000 in funding to implement these projects through the Queensland Government's Local Grants and subsidies Program.

Lighting on the main playing field now meets current standards, and additional lighting has been installed at the playing field and dog training and show facility (the Kennel Club). A safe and reliable electrical supply has been achieved by upgrading the facility's main switchboard and replacing an existing supply pillar with a new sub-main switchboard.

This switchboard allows for future supply upgrades and has been mounted on raised platforms to reduce the risk of flooding. Lighting switchgear at the third field has also been upgraded. Feedback from showgrounds users across a range of activities has been very positive. The project has also increased the facility's capacity to host community and regional events, allowing events such as the recent Northern Pride State Rugby League match to be held in Tully.

Tully Beautification Project

The Lions Park Upgrade, at the entrance to Tully, was officially opened in December 2014.

Council secured a \$162,800 subsidy from the Local Government Grants and Subsidy Program in 2013, and worked with the Tully Lions Club on the upgrade.

The project included town entrance landscaping, installation of shared pathways, drainage works and tree-plantings. It is the first stage of the Tully Entry Experience master plan.

Public Health Standards Protect the Community

To ensure food provided to customers at cafes, restaurants, other licensed premises and festivals is safe, Council's environmental health officers conducted 474 inspections of food premises in the 2014/2015 financial year. Council also issued 255 food licenses.

Animals and their Owners



Council's local law officer Dan Handley hands over dogs to Ellesha Owens and Jess Grinter from the North Queensland Animal Rescue

Council promotes responsible animal ownership. While animals bring much pleasure to their owners they are also the subject of many customer requests to Council particularly in relation to lost dogs and complaints about straying or aggressive dogs.

As at 30 June 2015, there were 3444 dogs registered in the Cassowary Coast region.

In the 2014/2015 financial year Council received 1196 complaints about animals and 1054 of those complaints related to dogs.

The tables below provide an indication of Council's efforts to ensure safety and compliance through animal impoundments and fines, and increased awareness of responsible animal ownership practices.

Dogs

Registered dogs
3444
Impounded dogs
305
Impounded dogs released to their owner or the animal refuge for adoption
157
Dog registration compliance notices
85
Installation/improvement of animal enclosure compliance notices
44
Removal of excess dogs compliance notices
21
Menacing dog declarations
5
Dangerous dog declarations
11

In 2014/2015 Council initiated three prosecutions under the *Animal Management (Cats and Dogs) Act 2008*.

One prosecution related to a dog attacking a young girl visiting a farm and another to a hunting dog attacking a smaller dog being walked by its 83-year-old owner. The third involves two dogs and cattle.

Did you know...

48 languages are spoken and 46 different religions practised across the Cassowary Coast region

Two of the prosecutions were completed in the 2014/2015 financial year. In each case, the dog owner was issued a fine and costs were awarded to Council. In one case, the owner was required to pay compensation to the owner of the attacked animal.

The third prosecution had not been completed by the end of the 2014/2015 financial year.

While Council's main focus is on dogs and responsible dog ownership, a range of other animal-related issues also come to Council's attention from stock on roads to excessive numbers of animals.

The actions undertaken include:

Animal Complaint Actions:

Animal patrols	1802
Animal noise investigations	173
Abate noise/nuisance compliance notices	28
Livestock investigations	30
Penalty infringement notices	21

Compliance with Cassowary Coast Local Laws

Council's local law officers have undertaken a range of activities to ensure compliance with community standards as expressed in the local laws:

Responses to overgrown allotment, harbouring vermin complaints	375
Inspections of properties suspected of being overgrown or harbouring vermin	753
Notices for overgrown allotment, harbouring vermin notices	577
Responses to mosquito harbourage complaints	47
Suspected illegal camping inspections	21
Illegal camping notices	16
Impounded vehicles	52
Inspections of properties suspected of containing hazardous/windborne threats	37
Notices for removal of hazardous/windborne threats from property	33
Commercial use of roads permits	94
Inspections to confirm compliance with commercial use of roads permit	91
Nuisance penalty infringement notices for non-compliance (mostly relating to overgrown allotments)	34
Regulated parking patrols (mainly in response to complaints)	20
Parking penalty infringement notices (contravening regulated parking)	147

Managing Environmental Relevant Activities

Council manages 10 licensed environmentally-relevant activities (ERAs). ERAs are usually industrial activities which have the potential to lead to the release of contaminants into the environment, for example chemical processing, waste treatment or spray painting. Mining and petroleum activities and some agricultural activities, such as piggeries, prawn farms and cattle feedlots, are also ERAs. The following action was taken by Council in relation to environmental protection matters in the 2014/2015 financial year:

Inspection of licensed environmentally relevant activities	2
Transfer of licenses for environmentally relevant activities	2
Complaints received regarding environmental protection matters	78
Environmental protection-related investigations resulting from complaints	30
Notices in relation to environmental nuisance such as noise, odour, erosion, sediment control	13
Infringement notices for environmental nuisances including illegal dumping	7

Did you know...

There are 3,441 dogs registered in our region and the most popular name is Bella

Our unique natural environment

Objective:

That our communities value the diversity of our region's natural environment through:

Key Strategies:

1. Maintaining our unique biodiversity.
2. Protecting, restoring and enhancing our special places.
3. Protecting our natural resources and landscapes.

Proudly a Reef Guardian Council

Council has reaffirmed its commitment to the Reef Guardian Council program in the 2014/2015 financial year by endorsing a 2014/2015 action plan. The Reef Guardian program is a Great Barrier Reef Marine Park Authority initiative that supports councils, schools and industries to become involved in protecting the Great Barrier Reef. Council also recorded its actions and projects that contributed to Reef health in a 2013/14 Milestone Report. The action plan is reviewed and updated annually.



Native Tree Nurseries

Council's community nurseries in Innisfail and Tully produce more than 150 varieties of local native tree species for revegetation and town beautification purposes. In the 2014/2015 year, nursery staff and volunteers potted 29,800 plants, 16,221 of which were sold to external customers including environmental groups and residents or used for council revegetation projects.

The nurseries held three tree giveaway events, inviting residents to select two free trees at each event. More than 2000 plants were given away during these promotions.

More than 500 trees were also provided to schools and community groups throughout the year to support their environmental programs.

Did you know...

The nurseries provide an opportunity for residents to volunteer and participate on a weekly basis in seed collection, plant potting, plant propagation and related environmental pursuits.

The nurseries also host Work for the Dole groups, programs for disadvantaged people and Conservation Volunteer Australia programs.

In the 2014/2015 financial year there have been major safety and usability upgrades at the Innisfail and Tully facilities from disability accesses to repairs to ageing infrastructure.

Helping with Environmental Projects

Council secured funding in 2014/2015 for two environmental projects in conjunction with Conservation Volunteers Australia, one based in Innisfail and the other in Tully.

Both projects will run for almost two years. The focus is on national environment priorities such as protecting cassowaries, sea turtles and endangered forest communities.

Council has also worked with rural landholders at Barrett's Lagoon and the Syndicate area in the Tully region. Staff have provided technical advice, mapping, in-kind work and help with seeking external funding for coordinated targeting of invasive weeds.



Barrett's Lagoon landholder project to manage invasive weeds.

We live in one of the most bio diverse regions in Australia, boasting the largest variety of frogs

Our unique natural environment

Continued

Council co-manages Girringun indigenous protected area reserves with Girringun staff and traditional owners. Activities include fire and weed management, reserve planning and strategic operations planning.

Community Engagement

Council's natural environment program involves extensive community engagement, and support for community education and natural resource management-related activities. In the 2014/2015 year staff organised or supported a variety of community events such as the tilapia fishing competition and the eco festival at Warrina Lakes, numerous school environmental activities and community/service group activities.

These were conducted in conjunction with Reef Guardian activities, upon requests from community groups and as part of wider strategies. In one instance, support was provided to Mission Beach State School to secure a grant for wetland restoration works as part of its Reef Guardian and curriculum program.



Nursery Volunteers weeding at Tully Heads
Mission Beach Scouts Tree Planting

A Focus on Coastal Management

Council maintains a wide variety of coastal assets including pedestrian beach accesses and all beach access points for boat launching. A quieter than normal storm season has allowed Council to undertake more extensive tidy-up projects in the Cardwell, Mission Beach and Kurrimine areas which have been well-received. A new coastal access point has been created at the Kurrimine Beach campground overflow area, along with minor coastal works at the main campground, which have prevented further erosion and loss of foreshore.



Kurrimine Beach access

In the Innisfail region, preliminary design work is underway for a more permanent solution to ongoing erosion issues at Scheu Park, Flying Fish Point. The project aims to address coastal erosion issues while also maintaining amenity and protecting significant shade trees.



Scheu Park, Flying Fish Point

Finalisation of the Greater Mission Beach Foreshore Management Plan has been a major achievement over this period.

The process began in 2013 with preliminary work and studies before public consultation in 2014. Once the plan is adopted by Council it will provide a framework for managing coastal strips the length of Mission Beach for the next 20 years, offering guidance to Council and the community and a balanced approach to foreshore management in relation to natural and economic values.

Two new signage projects have been undertaken in the 2014-2015 year. The projects focused on protecting shorebirds and turtles, and on issues with vehicles accessing beaches. Signs have been erected at a variety of locations.

Walking Tracks and Campgrounds

Council has a strong asset management-related program in coastal areas which includes maintaining council walking tracks, mainland and island campgrounds and bushland reserves.



Kennedy Walking Track

Bingil Bay Campground and Mission Beach Caravan Park are in the process of being redeveloped and repaired to address coastal erosion issues.

Did you know...

The Cassowary Coast region has 150 km of coastline with spectacular beaches

Our unique natural environment

Continued

page 24
part 4

Sustainability initiatives

Council's Sustainability Working Group met four times in the 2014/2015 financial year to progress sustainability initiatives in the Cassowary Coast region.



Council's Sustainability Working Group

Energy audits for the Innisfail Shire Hall, Tully Civic Centre, Tully Depot and Innisfail Depot were completed in the last month of the 2013/2014 financial year.

In 2014/2015, Council prioritised and began implementing actions from the audits.

One of the first actions was installing timers for water coolers, urns and box air conditioners at the Innisfail Shire Hall, Innisfail Depot, Tully Civic Centre, Tully Depot and Cardwell Depot.

Investigations into energy-efficient security lighting at the Innisfail Depot and energy efficient office lighting in the Tully Civic Centre were also undertaken.

Council again partnered with the Johnstone Region Landcare Group for the Cassowary Coast Region Sustainability Expo held at Warrina Lakes in Innisfail in June 2015.

The event also marked World Environment Day, and was well attended, with stalls providing information on sustainability initiatives and activities.

Coastal and climate change adaptation

Council continued its membership and participation on the Local Government Association of Queensland's Coastal Councils Adaptation Taskforce (C-CAT) in the 2014/2015 financial year. As part of its participation, a climate change adaptation governance assessment was undertaken for Council.

The report will be presented to Council for consideration in the 2015/2016 financial year.



In December 2014, Council engaged BMT WBM Pty Ltd to undertake a review of Council's coastal hazard mapping, including areas at risk from storm tide inundation, areas vulnerable to inundation due to sea level rise, and erosion-prone areas. This project will be completed in the latter half of 2015.



Did you know...

Council's community nurseries in Innisfail and Tully produce more than 150 varieties of local native tree species

Liveable built environment

Objective:

That the development and growth of our region demonstrates social, economic and environmental sustainability through:

Key Strategies:

1. Effective planning for liveable outcomes.
2. Delivering sustainable community infrastructure.
3. Making sustainable decisions.
4. Embracing our places and spaces.
5. Efficiently transporting our people and goods around the community.

An All-Of-Region Planning Scheme for the Cassowary Coast

Cassowary Coast Regional Council adopted its first all-of-region planning scheme on 25 June 2015, to take effect on 3 July.

The Deputy Premier, Minister for Transport, Minister for Infrastructure, Local Government and Planning and Minister for Trade approved the planning scheme for adoption on 27 May 2015, following extensive research, zoning considerations, preparation of studies, mapping upgrades, public consultation, submission reviews and State Government reviews over a number of years.

The scheme replaced the Johnstone Shire Planning Scheme and the Cardwell Shire Planning Scheme.

One hundred and fifteen submissions were received by Council during the public consultation period for the draft Cassowary Coast Regional Council Planning Scheme, which concluded on 11 July 2014.

A total of 1724 people accessed the consultation website and 1122 people either downloaded the draft planning scheme or used the interactive mapping.



Manager Strategic Planning, Aletta Nugent, with the draft Cassowary Coast Regional Council Planning Scheme

Council adopts strategic network plans for water supply and sewerage

Council engaged engineering consultants to create sewer network models for each of the region's sewerage areas (Innisfail, Tully and Mission Beach) and to prepare a sewer network modelling report identifying the sewerage infrastructure upgrades needed to meet population projections out to 2031. Council adopted this report in April 2015.

As a result of this modelling, Council has shifted its capital investment focus to substantially reducing infiltration and upgrading sewer overflow facilities at sewerage pump stations.

Council also adopted the Tully Sewage Treatment Plant Options Assessment Report in April 2015. The sewage treatment plant has very limited redundancy in the event of mechanical failure and this report identifies measures that can be adopted to minimise critical equipment failure risks.

These measures include retaining the existing plant and adding a balancing storage tank with new inlet works, new chemical storage and dosing facilities, upgraded disinfection equipment and odour control facilities.

Council roads under the spotlight in the network study

Following a revaluation of roads in 2014-15, Council continued to improve its asset management data by undertaking a full review of its road network hierarchy. The hierarchy classifies all the roads within Council's 1200km network into various categories based on their function.

The road hierarchy is the main criteria in

Did you know...

Council maintains 162 bridges (1 bridge for every 7km of road) and 93 major culverts



Council's decision-making process when considering which roads to upgrade and the order in which upgrades are delivered.

By focusing on the higher-order roads within the hierarchy, Council ensures that its investment into the vast road network benefits the greatest number of ratepayers and businesses.

Council is developing a prioritisation model that will also consider factors such as traffic volumes, heavy vehicles, crash history, forecast growth and pavement condition in order to define a list of strategic network upgrades throughout the region.

While Council would like to upgrade more roads, the costs are prohibitive and beyond the communities ability to fund.

By investing in key roads that provide a strategic and regional benefit, Council aims to provide the most efficient means of access to the greatest number of road users while still spending within its means.

Walk and cycleway plans progress

With a 68km network of pathways that require ongoing maintenance and replacement, Council prioritises new works to ensure the community receives maximum benefit from any pathway network expansion.

Since the Cassowary Coast Cycle and Pedestrian Strategy was developed in 2009, Council has used a multi-criteria assessment tool to prioritise the 99km of future pathways and bike lanes that have been identified.

The process considers factors such as pathway hierarchy, connectivity, alternative

routes and existing use for sites across the region.

Stormwater drainage master plan

Council obtained a grant through the Queensland Government's Local Government Floods Response Subsidy funding program to undertake master drainage studies for East Innisfail, Innisfail and the Mission Beach area.

These master drainage studies identify deficiencies within the existing stormwater drainage network and opportunities for drainage improvements in these areas.

The outcomes will be used to develop a long-term priority-based drainage implementation plan for drainage infrastructure improvements.

Plans progressing for a replacement commercial wharf in Innisfail

In December 2014 Council began preliminary design work and budget estimates for a replacement Innisfail commercial wharf on the Johnstone River in the town centre following a functional needs analysis and stakeholder workshops in the previous financial year.

Council called tenders in June 2015 for construction of the replacement wharf and its approaches, and for the demolition of the existing closed wharf. Construction of the new wharf is scheduled for completion in December 2015.



Under construction: Replacement Innisfail commercial wharf

Council completes water infrastructure upgrades

During 2014/2015 Council has undertaken a number of important infrastructure projects aimed at building additional capacity and reliability into Council's water supply systems.

The projects included:

- Upgrading the water main on Etty Bay Road to improve flows and water quality
- A Gladly St and Grace St water main upgrade in Innisfail to improve fire-fighting flows
- Daveson Road water delivery main, east of the Bruce Hwy at Daveson, to replace the primary delivery main to Bingil Bay and Mission Beach
- A new Lower Tully water delivery main to provide a dedicated supply from the Hyatt Street Reservoir to Lower Tully, Tully Heads and Hull Heads

Plans are well-advanced for a new 3.3 megalitre reservoir for the Nyleta water scheme servicing Mission Beach, Kurrimine Beach, Silkwood and El Arish, with first stage works expected to be commenced in the 2015/2016 financial year.

Did you know...

Council manages 65km of footpaths and cycleways

Rehabilitation of sewer mains

In April 2015 Council adopted the Sewer Rehabilitation Strategy. This strategy outlines projected work for renewal of deteriorated sewer pipes in all sewerage schemes and forms the basis for on-going delivery of funding of sewer rehabilitation works.

These works typically involve relining existing sewer mains. Using modern technology, Council has relined old sewer mains to reduce storm water infiltration into the region's sewer network, to improve performance and save money.

The process involves forming a new sewer pipe inside the existing sewer pipe, thereby creating an as-new pipe with very little disturbance to properties and substantial cost-savings when compared to full reconstruction.

The Innisfail works were completed in Belvedere, north of Belvedere Avenue and in South Innisfail from Turner Street. A concrete trunk main from Bliss Street to Web Crescent was also relined. The Tully works were undertaken between Cook and Bineham Streets and also included concrete trunk mains along Nicotra Road.

SCADA water and sewerage systems lead to greater efficiencies

In February 2015, Council adopted the Water Supply and Sewerage Services SCADA Strategy. This strategy is the basis for the ongoing prioritisation, delivery and funding of SCADA (supervisory control and data acquisition systems) for water and sewerage infrastructure.

The roll-out of SCADA continued in the 2014/2015 financial year. The SCADA

system allows for remote monitoring and controlling of operations so that Council can work more efficiently and can more quickly respond to faults.

Drainage outlet renewals

Council has relined the stormwater drainage facility at Koda Street, Wongaling Beach. This relining work was undertaken using similar relining technology to that used for the relining of sewer pipes.

The existing drainage pipe is located several metres below ground level and had become disjointed over time, resulting in sink holes forming over the pipe.

To avoid extensive costs for excavation, pipe replacement and repair of damage to property, the existing pipe was relined.

Upgrading Council's transport network

Council provides transport infrastructure which enables safe, efficient and sustainable movement of people, goods and freight around the region. Major projects undertaken in the 2014/2015 financial year include:

- Reconstruction of Kirrama Range Road to re-open a strategic tourist link between the coast, at Kennedy near Cardwell, and the southern Tablelands. The year-long project involved the rehabilitation of 11 bridges and extensive road, drainage and landslip rectification work
- Timber bridge renewal work of various bridges through-out the region.



Etty Bay Road Upgrade

- Lawrence Road - Road and culvert upgrade to a section north of Nicholson Road
- Kennedy Creek State School Public car park upgrade
- Sydney's Smith Street, Kurrimine Beach Kerb and channelling renewal
- McGowan Drive Stage I - Extension of a shared riverside pathway
- Schrock's Bridge, Walter Lever Estate Road, Silkwood - Bridge renewal
- Hill 60 Bridge, El Arish- Bridge replacement
- Etty Bay Road Link three-Road upgrade



Kirrama Range Road redevelopment and reopening project, Kennedy

Did you know...

About 2.8 million vehicles a year cross the Jubilee Bridge in Innisfail



Waste Management Strategy Delivered

In the 2014/2015 financial year, Council entered into its first all-of-region kerbside waste collection contract. This resulted in significant changes to the kerbside waste collection system which will come into effect in the 2015/2016 financial year.

A public education and awareness campaign in relation to the upcoming changes was initiated in the final months of the 2014/2015 financial year.

A new contract for the operation of the gatehouse Stoters Hill and Tully waste facilities commenced on 1 August 2014, as did management contracts for the landfills at Stoters Hill and Tully and all seven waste transfer stations.



Metal for recycling at the Tully landfill

Further waste-related activities include:

- 25,094 litres of recyclables collected from nominated schools in the region
- 13,119 agricultural chemical drums inspected and transported from farming properties under the Drum Muster program

- Recycling bins installed at all transfer stations for the community to bring in paper, cardboard, aluminum cans, steel cans, used engine oil, acid batteries and plastics
- Formal "tip shops" established at all transfer stations
- Assistance provided to community clean ups undertaken as part of the 2014 Great Northern Clean Up in Innisfail, Tully and Tully Heads. In total, 450kg of waste was collected. Council provided light refreshments for volunteers.
- Significant capital works at the Tully waste management facility including leachate management works and the construction of a wet weather pad.

In the later part of the 2014/2015 financial year, Council entered into a regional contract coordinated by the Far North Queensland Regional Organisation of Councils (FNQROC) for recycling ferrous metal.

This is the metal dropped off at Council's transfer stations by the community and the commercial sector.

In the first three months of the contract, 28 tonnes of metal was recycled.



The tip shop at the Tully Waste Transfer Station

Cyclone Recovery Delivered

Council has continued reconstruction works to restore infrastructure damaged as a result of natural disaster events in 2013 and 2014.

Natural Disaster Relief and Recovery Arrangements (NDRRA) is funded by the Commonwealth Government (75%) and the Queensland Government (25%) over and above Council's trigger point.

Submissions for NDRRA funding were approved by the Queensland Reconstruction Authority and included:

- Landslip stabilisation work at Tully Gorge Rd, Cardstone, Alexander Drive, Bingil Bay, Cooroo Lands Rd, Upper Daradgee and McCutcheon Rd, McCutcheon
- Sealed and unsealed road renewals throughout the region
- Culvert renewals throughout the region

2013 NDRRA event

- \$6.9 million expended on restoration works

Physical construction completed.

2014 NDRRA event

- \$5 million expended on restoration works
- Physical construction scheduled to be completed by 30 June 2016.

Did you know...

Garbage trucks cover 4000km on a weekly basis to empty 23,000 kerbside wheelie bins.

Legislative Information

The *Local Government Regulation 2012* articulates the requirement for Council to produce an Annual Report. Council must adopt the Annual Report within one month of the day the Auditor-General gives the Auditor-General's Audit Report about the Local Government's Financial Statements for the financial year to the Local Government. In accordance with this regulation, the Annual Report is one of Council's principal planning and accountability documents.

Council must comply with a range of legislative requirements when compiling its Annual Report. The principal legislation that affects Council is:

- *Local Government Act 2009*
- *Local Government Regulation 2012*

The Annual Report is the primary document in which Council reports its annual financial performance. The audited general purpose financial statements and the Auditor General's Audit Report can be found in Attachment 1 of this report.

The Community Financial Report can be found from page 46.

The Annual Report also includes Council's assessment of its performance in implementing its Corporate and Operational Plans as required in section 190 of the Act as found from pages 11-28 of this report.

In addition, Council must comply with specific requirements in numerous other pieces of legislation.

Significant Business Activities and Commercial Business

Council's Annual Report must contain a list of all business activities conducted by Council during the 2014-15 financial year, and must identify which of those activities are significant business activities.

New Significant Business Activities

Under the *Local Government Regulation 2012*, Council must assess, as soon as possible after the Budget meeting for the year, whether any businesses are a new significant businesses activity.

Council is required to make this assessment using the financial information from the previous financial year that was presented at Council's Budget meeting.

The *Local Government Regulation 2012* no longer distinguish between Type 1 or Type 2 business activities.

The threshold amounts as stated in section 19 of the *Local Government Regulation 2012* details were amended to increase the thresholds. The thresholds for the 2015-16 financial year are therefore as follows:

- \$13,600,000 for water and sewerage combined activities; and
- \$9,000,000 for any other business activity.

Council must state whether it applied the Code of Competitive Conduct to the significant business activity and, if not, provide the reasoning. Council must also confirm if the business activity is a new activity for the organisation. If the business activity is a new activity for Council it must describe the process and outcomes of conducting a public benefit assessment as described in section 46 of the *Local Government Act 2009*.

Council's response to these requirements can be found as part of the general purpose financial statements outlined in Attachment 1 of this report.

Section 49 of the *Local Government Regulation 2012* requires Council to report on investigation notices given for competitive neutrality complaints, a summary of and decisions made on any referee's recommendations or Queensland Competition Authority Tribunal Recommendations.

Council has not received any investigation notices relating to competitive neutrality complaints for the 2014-15 financial year.

Council conducts water, sewerage and waste business activities. These activities do not meet the thresholds set in the *Local Government (Beneficial Enterprises and Business Activities) Regulation 2010* to be classed as significant business activities. Council does not conduct a building certifying activity or a roads activity other than through a sole supplier arrangement.

In accordance with the *Local Government Act* Section 47 (7), Council resolved on 8 July 2014 (*Resolution Number B1427*) not to apply the Code of Competitive Conduct to its business activities in this reporting period.

Overseas Travel

No overseas travel was undertaken by Councillors or employees of Council in an official capacity during 2014-15.

Registers Open to the Public

Local Government Regulation 2012 s.190 (1) (f): ... The Annual Report for a financial year must contain a list of the registers kept by the Local Government. The following registers are kept by Council:

- Register of Members Interests
- Register of Roads
- Register of General Charges and Regulatory Fees
- Register of Delegations by Council to Chief Executive officer
- Register of Sub-Delegations from CEO to Council Officers and Authorised Officers
- Register of Policies
- Cemetery Register
- Impounding Register

Grants to Community Organisations

Grants/donations were made during the period 1 July 2014 to 30 June 2015.

Council provided a number of grants and contributions to community organisations to the total value of \$603,364 as follows:

DESCRIPTION	AMOUNT \$
Rates rebates to Not for Profit Organisation	\$154,772.70
RADF	\$ 84,564.00
Tourism	\$220,000.00
Australia Day	\$3,126.00
ANZAC Day	\$1,820.00
Special Events	\$17,250.00
Economic Development	\$43,250.00
Community Assistance Scheme	\$53,150.00
Animal Management	\$17,980.91
Christmas Celebrations	\$6,100.00
Garden Competition	\$1,350.00
Total	\$603,363.61

Executive Remuneration

Local Government Act 2009 s.201:

- (1) The Annual Report of a Local Government must state:
 - (a) the total of all remuneration packages that are payable (in the year to which the Annual Report relates) to the senior management of the Local Government; and
 - (b) the number of employees in senior management who are being paid each band of remuneration.
- (2) The senior management, of a Local Government, consists of the Chief Executive Officer and all senior executive employees of the Local Government.
- (3) Each band of remuneration is an increment of \$100,000.
- (4) To remove any doubt, it is declared that nothing in this section requires the exact salary of any employee in senior management to be separately stated in the Annual Report.

Cassowary Coast Regional Council has the following to report for the 2014/15 financial year—

- 1 senior contract employee with a total remuneration package in the range of \$225,000 - \$325,000.
- 4 senior contract employees with a total remuneration package in the range of \$125,000 - \$225,000.

Finance Plans and Reporting

One of the driving forces behind local government reform in 2008 was the need for Councils to ensure long-term financial sustainability. Through Section 183 of the *Local Government Regulation 2012*, the State Government has legislated that Council must include in its Annual Report a long-term financial sustainability statement inclusive of relevant measures of financial sustainability for the year the Annual Report has been prepared. Council's measures of the financial sustainability have been defined in the legislation and are outlined in the table on pages 47-48 of this report.

In addition, Council is required to provide an explanation of how its Financial Management Strategy is consistent with the long-term financial forecasts.

Council has developed a long-term financial forecast (the Forecast) to help monitor and guide its decision-making to ensure the financial sustainability of Council.

The Forecast provides for anticipated growth in the Cassowary Coast region and funds renewal and new capital infrastructure to maintain service levels and support growth, with millions of dollars invested in infrastructure in recent years.

Cash balances are maintained at a level to provide sufficient liquidity to cover working capital requirements.

Expenditure is forecast to grow in line with the increases to Council's asset base with an expectation for ongoing efficiency gains from Council's operations.

Council has in place a number of policies to support the management of its finances and the achievement of the long-term financial forecast. These include but are not limited to:

- Revenue Policy
- Investment Policy
- Debt Policy
- Procurement Policy

Expense Reimbursement Policy

Section 185 of *Local Government Regulation 2012* requires:

The Annual Report for a financial year must contain:

- (a) a copy of the resolutions made during the financial year under section 250(1):
"A local government must adopt an expenses reimbursement policy":

The last review of this policy undertaken on 16 May 2013. No resolutions or amendments were made to the Policy - Expense Reimbursement for Councillors during 2014/15.



POLICY

EXPENSES REIMBURSEMENT FOR COUNCILLORS

Policy Number: 1.4

1. Authority

Local Government Act 2009

Local Government Regulation 2012 - Section 249 - 252

2. Policy Statement

To provide the Mayor and Councillors with reimbursement of reasonable expenses incurred in the performance of their roles.

3. Principles

This Councillor Expenses Reimbursement Policy is based on the following principles:

- **No private benefit to be derived**

Facilities provided to Councillors are for the sole use of Councillors in undertaking their duties and must be used responsibly and appropriately.

- **Reasonable Expenses Reimbursement**

Councillors should not be financially disadvantaged when carrying out their roles, and should be fairly and reasonably compensated in accordance with community expectations.

- **Public accountability and transparency**

The use of the provided facilities will be open for review to the extent appropriate to the proper performance of a Councillor's responsibilities.

- **Public perceptions and community expectations**

The Council will provide only those facilities reasonably necessary for the efficient performance of a Councillor's responsibilities.

- **Equity and Participation**

To maximize equity and the participation of Councillors from diverse backgrounds and circumstances, this Councillor Expenses Reimbursement Policy expressly permits the reimbursement of expenses that are necessarily incurred to allow the participation of Councillors who experience unusual barriers to participation, such as a disability or cultural responsibilities.

4. Scope

This policy applies to the mayor and Councillors for the reimbursement of expenses incurred by them in undertaking their roles.

5. Responsibility

The Chief Executive Officer is responsible for ensuring this policy is understood and adhered to by the mayor and Councillors.

6. Definitions

Official Council Business - activities conducted on behalf of Council where a councillor is required to undertake certain tasks to satisfy legislative requirements or achieve business objectives for the Council. Official Council business should result in a benefit being achieved, either for the Local Government and/or the local community. This includes:

- Attendance at Council, Committee and Briefing meetings;
- Attendance at prescribed Local Government training activities/workshops, seminars and conferences;
- Attendance at civic ceremonies and community events where a formal invitation has been received inviting Councillors in their capacity to undertake official duty;
- Attendance at public meetings, annual meetings or presentation dinners where invited as a Councillor;
- Attendance at meetings of community groups where appointed as a Council delegate to the group or invited to speak about Council programs and activities;
- Attendance at private meetings with constituents, where arranged through official Council channels and details of discussions are documented in official records or diaries;
- Attendance at civic functions on behalf of the Mayor;
- Attendance at organized meetings/deputations/inspections/community consultations on a one-off basis; and
- Attendance at organized meetings pertaining to a meeting of a community organization where a delegate of the Council has not been appointed to attend or is unavailable to attend.

Reasonable - Councillors must make sound judgments and consider what is prudent, responsible and acceptable to their communities when determining reasonable levels of expenditure.

Expenses - Council will reimburse Councillors for their reasonable and necessary expenses incurred or to be incurred when discharging their duties as Councillors.

Professional Development - Attendance at workshops, courses, seminars and conferences that improve Councillor's skills relevant to the role of a Councillor. Mandatory Professional Development is the title that applies when the Council resolves that all Councillors must attend the event. Discretionary Professional Development is the title used to describe all professional development that is not Mandatory Professional Development.

7. Policy

The Council will reimburse Councillors for expenses as set out in this policy.

In addition to the expenses expressly referred to in the section of this Policy headed *Expense Categories*, the Council will reimburse other expenses that are necessarily incurred to allow the participation of Councillors who experience unusual barriers to participation, such as a disability or cultural responsibilities.

Expense Categories

1. Professional Development

The Council will reimburse expenses incurred for:

- All mandatory professional development; and
- Discretionary professional development up to a maximum of \$5,000 (indexed annually to CPI) during a single Local Government term.

2. Travel as required to represent Council

The Council will reimburse local, interstate and overseas travel expenses (e.g. Flights, car hire, accommodation, meals and associated registration fees) deemed necessary to achieve the business of Council when:

- A Councillor is acting as an official representative of Council; and
- The activity/event and travel have been endorsed by resolution of Council.

Councillors must travel via the most direct route, using the most economical and efficient mode of transport. The amount of the reimbursement will be the actual amount expended by the Councillor, or where an actual amount cannot be directly substantiated, an equivalent mileage allowance.

NOTE: Any fines incurred while travelling in Council-owned vehicles or privately-owned vehicles when attending to Council business will be the responsibility of the Councillor incurring the fine.

2.1 Travel bookings

All Councillor travel approved by Council will be booked and paid for by Council. Economy class is to be used where possible although Council may approve Business class in certain circumstances.

Airline tickets are not transferable and can only be procured for the Councillor's travel on Council business. They cannot be used to offset other unapproved expenses (e.g. Cost of partner or spouse accompanying the Councillor).

2.2 Travel transfer costs

Any travel transfer expenses associated with Councillors travelling for Council-approved business will be reimbursed, e.g. Trains, buses, taxi and ferry fares. Receipts must be provided with all claims for reimbursement.

2.3 Private vehicle usage

Payment for use of the Councillor's private vehicle on Council business will be reimbursed to the Councillor on a kilometre rate as set out in the Australian Taxation Office 'Allowable deductions for Motor Vehicles'.

In other circumstances, Councillor's private vehicle usage will be reimbursed by Council if the:

Travel has been endorsed by Council resolution;
Claim for mileage is substantiated with log book details; and
Total travel claim does not exceed the cost of the same travel using Economy flights plus the cost of taxi transfers.

2.4 Accommodation

All Councillor accommodation for Council business will be booked and paid for by Council.

Accommodation should be selected that provides:

- Council with the best price value; and
- Convenient to the conference/meeting

Councillors will be reimbursed for the actual cost of meals when:

- The Councillor incurs the cost personally;
- The meal was not provided within the (registration) costs of the approved activity/event/travel; and
- The Councillor can produce documents sufficient to verify the actual meal cost.

If a Councillor cannot produce a receipt for a meal they have purchased then a Statutory Declaration must be completed to claim the reimbursement.

No alcohol will be paid for by Council.

2.5 Hospitality Expenses

The Mayor will be reimbursed up to \$1,000 per annum for hospitality expenses deemed necessary in the conduct of Council business.

3. Facilities Categories - 'Administrative tools'

Administrative tools will be provided to Councillors as required to assist Councillors in their role. Administrative tools include:

- Office space and meeting rooms
- Computers/iPad with internet access
- Mobile Phone
- Stationery
- Access to photocopiers
- Printers
- Facsimile machines
- Publications
- Use of Council landline telephones and internet access in Council offices
- Secretarial support may also be provided for the Mayor and Councillors as required

Date of Adoption: 16 May 2013

Minute Number:

Policy Review: 4 years, or as determined by Council or the Chief Executive Officer

Service, Facility or Activity supplied by another Local Government and for which Special Rates/Charges are levied

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

- (i) supplied by another local government under an agreement for conducting a joint government activity; and
- (ii) for which the local government levied special rates or charges for the financial year.

Threshold for treating non-current assets as an expense

There were no resolutions made during the year under section 206(2) of the *Local Government Regulation 2012* (setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense).

Council has previously determined that the threshold for capitalisation of asset classes other than land is \$5000. These details form part of Note 1 to the financial statements.

Measures of Financial Sustainability

The Cassowary Coast Regional Council prepared a Long-Term Financial Plan which was adopted by Council at its Budget meeting on 8 July 2014. This plan included details of various measures of financial sustainability. The *Local Government Regulation 2012* subsequently amended the requirements in relation to financial sustainability ratios with the following measures of financial sustainability to be reported on:

Operating Surplus Ratio
Net Financial Liability Ratio
Asset Sustainability Ratio

More details regarding these can be found in the Community Financial Report on pages 46-51 of this report.

Councillors

Councillor remuneration is determined by the Local Government Remuneration Discipline Tribunal by 1 December each year. The remuneration applies to the following financial year and is provided as a percentage range of the State Government Members of the Legislative Assembly salary. Council has applied the percentage within this category to which it has been assigned for remunerating Councillors each year.

In addition, Council is required to adopt the expenses it will reimburse to Councillors and the facilities that will be provided in order to fulfil their duties.

Councillor Remuneration and General Meetings Attended

As per Section 244 of the *Local Government Regulations 2012*:

- (1) The Tribunal must, before 1 December of the year, and for each category of Local Government, decide the maximum amount of remuneration payable from 1 July of the following year to a Councillor, Mayor or Deputy Mayor of Local Governments in each category.
- (2) The remuneration may include, or may separately provide for, remuneration for the duties a Councillor may be required to perform if the Councillor is appointed to a committee, or as Chairperson or Deputy Chairperson of a Committee, of a Local Government.

Local Government Regulation 2012 s.186: ...The Annual Report for a financial year must contain particulars of—

- (a) for each Councillor, the total remuneration, including superannuation contributions, paid to the Councillor during the financial year;
- (b) and the expenses incurred by, and the facilities provided to, each Councillor during the financial year under the Local Government's Expenses Reimbursement Policy.

Salary

Remuneration for Cassowary Coast Regional Council elected members as determined by the Local Government Remuneration and Discipline Tribunal for a Category Four Council shall be—

- **Mayor**

80% of the Reference Rate (the annual base salary payable to Members of the Queensland Legislative Assembly on and from 1 January 2014) being \$117,523 per annum for the 2014/15 Financial year.

- **Deputy Mayor**

50% of the Reference Rate (the annual base salary payable to Members of the Queensland Legislative Assembly on and from 1 January 2014) being \$73,452 per annum for the 2014/15 Financial year.

- **Councillors**

42.5% of the Reference Rate (the annual base salary payable to Members of the Queensland Legislative Assembly on and from 1 January 2014) being \$62,434 per annum for the 2014/15 Financial year.

Method of Payment

Remuneration will be paid in equal instalments in line with the normal Council pay periods.

Superannuation

Elected members will be entitled to superannuation benefits in respect to their salary in accordance with section 226 of the *Local Government Act 2009*.

Councillor Meetings Attendance

Section 186(1)(c) of the *Local Government Regulation 2012* requires Council to provide details of the number of Local Government meetings attended by each Councillor during the financial year. These particulars are contained in the table below.

Local Government meetings are held in the Council Chambers at Innisfail and Tully on the 2nd and 4th Thursday of the month respectively, unless otherwise advertised. The maximum number of meetings held was **22**.

Councillor's Meeting Attendance from 1 July 2014 to 30 June 2015	
	No. of Meetings Attended
Cr Bill SHANNON	18*
Cr Bryce MACDONALD	22
Cr Glenn RALEIGH	21 [#]
Cr Alister PIKE	21 [#]
Cr Mark NOLAN	22
Cr Ian RULE	22
Cr Kylie FARINELLI	22

* Cr Shannon has attended all meetings apart from four (4) meetings in order to attend LGAs Policy Executive Meetings as the District 10 (Far North) representative.

[#] Councillors were unable to attend Council Meetings due to other Council-related business.

Expenses Incurred Under Expense Reimbursement Policy

Section 186(b) of the *Local Government Regulation 2012* requires Council to provide particulars of the expenses incurred by, and the facilities provided to, each of its Councillors, under the Expense Reimbursement Policy during the year. The following table outlines details of Councillor remuneration and expenses as required under this section.

Councillor's Remuneration Superannuation, Expenses Incurred and Facilities Provided				
Description	Remuneration	Superannuation Council 12%	Expenses Incurred	Private Vehicle Usage
Cr Bill SHANNON	\$117,328	\$14,102	\$10,896	Nil
Cr Bryce MACDONALD	\$73,330	\$8,799	\$3,602	\$3,949
Cr Glenn RALEIGH	\$62,330	\$7,479	\$1,935	\$5,019
Cr Alister PIKE	\$62,330	\$7,479	\$2,077	\$5,534
Cr Mark NOLAN	\$62,330	\$7,479	\$1,338	\$144
Cr Ian RULE	\$62,330	\$7,479	\$950	Nil
Cr Kylie FARINELLI	\$62,330	\$7,479	\$2,416	\$502
TOTAL	\$502,308	\$60,296	\$23,214	\$15,147

Councillor Conduct and Complaints

In accordance with section 186(d),(e) & (f) of the *Local Government Regulation 2012*, Council's Annual Report must contain the number of orders or recommendations made under Section 180(2) or (4) of the *Local Government Act 2009* (the Act) by the Regional Conduct Review Panel or the Mayor in relation to Councillor misconduct or inappropriate conduct.

Council must also provide a report on the complaints it has received and dealt with for the financial year in relation to Councillors.

Item		Result
LGR Section 186(d) the total number of the following during the year:		
(i)	Orders and recommendations made under section 180 (2) or (4) of the Act;	Nil
(ii)	Orders made under section 181 of the Act;	Nil
Item		Result
LGR Section 186(e) the total number of the following during the year:		
(i)	The name of each Councillor for whom an order or recommendation was made under section 180 of the Act or an order was made under section 181 of the Act.	Nil
(ii)	A description of the misconduct or inappropriate conduct engaged in by each of the Councillors.	N/A
(iii)	A summary of the order or recommendation made for each Councillor;	N/A
LGR Section 186 (f) the number of each of the following during the year:		
(i)	Complaints about the conduct or performance of Councillors for which no further action was taken under section 176C (2) of the Act.	Nil
(ii)	Complaints referred to the Department's Chief Executive Officer under section 176C (3)(a)(i) of the Act.	Nil
(iii)	Complaints referred to the Mayor under Section 176C (3)(a)(ii) or (b) (i) of the Act.	Nil
(iv)	Complaints referred to the Department's Chief Executive Officer under Section 176C(4)(a) of the Act;	Nil
(v)	Complaints assessed by the Chief Executive Officer as being about official misconduct.	Nil
(vi)	Complaints heard by a Conduct Review Panel.	Nil
(vii)	Complaints heard by the Tribunal.	One
(viii)	Complaints to which Section 176C (6) of the Act applied.	Nil

General Complaints Process - Administrative Action Complaints

Council is required to include in its Annual Report a statement about the Local Government's commitment to dealing fairly with Administrative Action Complaints and how the Local Government has implemented its Complaints Management Process. This includes an assessment of the Local Government's performance in resolving complaints under the process.

Requirements under section 187(2) of the *Local Government Regulation 2012* are for Council to report the number of—

- Administrative Action Complaints made to the Local Government
- Administrative Action Complaints resolved by the Local Government under the Complaints Management Process
- Administrative Action Complaints not resolved by the Local Government under the Complaints Management Process.
- The number of those complaints not resolved that were made in a previous financial year

Council has adopted a Complaints Management Policy and established an Administrative Action Complaints Procedure to manage, monitor and report on complaints received. A dedicated Complaints Management System ("ICasework") has been implemented to centrally capture, assign, track and report on the actions taken to resolve Administrative Action Complaints.

The Complaints system was audited by the Internal Auditor, Pacifica in May 2013, and the findings of the review indicate that legislative requirements and better practice principles are embedded in Council's Complaints Management Policy and that complaints management adopted by Council represents a better practice model, at both a governance and operational level.

The following report for the 2014/15 financial year is in accordance with the provisions of the general complaints process as outlined in the *Local Government Act 2009*.

	2012/13	2013/14	2014/15
Total Complaints made to Council	107	52	35
Complaints resolved under the Complaints Management Process	96	57	34
Complaints not resolved under the Complaints Management Process in the financial year- (complaints still open)	7	2	3
Complaints made in a previous financial year	0	107	52
Complaints resolved under the general complaints process	4	0	0
The number of complaints not resolved by Council in the financial year that were made in the previous financial year.	0	0	0

Public Interest Disclosure

As per Chapter 5 Section 61 of the *Public Interest Disclosure Act 2010* Cassowary Coast Regional Council is committed to the disclosure, in the public interest, of information about wrongdoing in the public sector and to provide protection for those who make disclosures.

Council has adopted a Public Interest Disclosure Policy Number 1.11. The last review date was 23 May 2013, the next review is scheduled for May 2017.

No Public Interest Disclosures were received by Council for the period 1 July 2014 to 30 June 2015.

Competitive Neutrality Complaints and Decisions

Local Government Regulation 2012 s.190 (1): ...The Annual Report for a financial year must contain—

- (i) a summary of investigation notices given in the financial year under section 49 for competitive neutrality complaints;
- (j) the local government's responses in the financial year on the Queensland Competitive Authority's (QCA's) recommendations on any competitive neutrality complaints under section 52(3).

Section 49 Notice of Intention to Investigate

- (1) Before the QCA starts to investigate a competitive neutrality complaint, the QCA must give an investigation notice to—
 - (a) the complainant; and
 - (b) the relevant local government; and
 - (c) if a corporatised business entity is conducting the business activity—the corporatised business entity.
- (2) The QCA may also give an investigation notice to another person the QCA considers appropriate.
- (3) An **investigation notice** is a document that—
 - (a) states the QCA's intention to investigate a competitive neutrality complaint; and
 - (b) states the subject matter of the complaint, or has a copy of the complaint attached; and
 - (c) invites the complainant to make written submissions or, if the QCA approves, oral submissions about the matter; and
 - (d) states a reasonable period within which the submissions may be made; and
 - (e) states the QCA's address.

Council received no complaints under s.190(1)(i)(j) in 2014/15.

Changes to Tenders

Local Government Regulation 2012 s.190 (1): ...The Annual Report for a financial year must contain—

- (e) the number of invitations to change tenders under *section 228(7)* during the year.

Local Government Regulation 2012 s.228 (7): ...If:

- (a) an invitation to tender under subsection (4) or (6)(b) states that the local government might later invite all tenderers to change their tenders to take account of a change in the tender specifications; and
- (b) the local government does change the tender specifications;

There was one (1) occasion during the year that persons who submitted a tender were invited to change their tender to take account of a change in the tender specifications prior to council making a decision (Section 190(1)(e)

of the *Local Government Regulation 2012*). This change relates to Tender 1415-001 Kerbside Collection Contract .

Audit Committee

Section 105 of the *Local Government Act 2009* requires every Local Government to establish an internal audit function. Cassowary Coast Regional Council established its Audit Committee in June 2009. The role of the Audit Committee as outlined in its Charter is to provide independent assurance and assistance to the Chief Executive Officer and Council on—

- ◇ The risk, control and compliance frameworks.
- ◇ Council's external accountability responsibilities as prescribed in the *Local Government Act 2009* and any regulations or standards made there under.

Membership of the Audit Committee from 1 July 2014 to 30 June 2015 was as follows:

Independent Members

- Ruth Faulkner, Chairperson
- Mr Bruce Gillan
- Mr Greg Archer

Council Members

- Cr Bill Shannon, Mayor
- Cr Bryce Macdonald, Deputy Mayor

Meetings—

The Committee must meet at least two times per year. Meetings held during the 2014/15 financial year were as follows—

- 15 September 2014 - Innisfail
- 15 October 2014 - Tully (Special meeting)
- 26 November 2014 - Innisfail
- 4 March 2015 - Tully
- 3 June 2015 - Innisfail

There is increasing responsibility being placed on the Audit Committee as a result of legislative change, QLD Audit Office expectations and changes in external reporting requirements.

The main areas of activity for the Audit Committee included:

External Audit

Unaudited draft financial statements are examined by the Audit Committee and the final audited financial statements are also reviewed and recommended for adoption by Council.

The valuation of 'Property, Plant and Equipment' continues to be a significant financial reporting risk due to the complexity and size of the asset register managed by CCRC.

The Audit Committee reviews documentation received from the external auditors regarding audit strategy, plans, concerns and issues in addition to management responses to these issues.

Internal Audit

The Audit Committee works closely with Council's contract Internal Auditor in order to further understand, monitor and review the internal audit function, its findings and the implications for External Audit and Council operations.

Enterprise Risk Management

Council has enhanced its Enterprise Risk Management System and the audit committee reviews regular updates on the progress being made.

Asset Management

Due to high levels of materiality, damage from natural disasters and increased requirements for disclosure, asset valuations and management are an on going significant audit issue. A revaluation of water and sewerage assets was undertaken during the financial year.

Capital works

The Audit Committee continues to review major infrastructure projects undertaken by Council.

Other Issues Relevant to Making an Informed Assessment

Local Government Regulation 2012 s.190 (1) (b): ...The Annual Report for a financial year must contain particulars of other issues relevant to making an informed assessment of the local government's operations and performance in the financial year.

The information provided in the Annual Report on the outcomes achieved by each Department during the financial year address this requirement.

Rebates and Concessions - Rates and Charges

Local Government Regulation 2012 s.190 (1) (g): ... The Annual Report for a financial year must contain a summary of all concessions for rates and charges granted by the local government. At its budget meeting on 8 July 2014, Council approved the following Rate Rebate and Concessions Policies—

- **Council Pensioner Concession Policy**
This policy provides rate remission for eligible pensioners to an amount of 50% of the general rates to a maximum of \$300 per annum.
- **Rate Based Assistance for Not-For-Profit Community, Recreation and Sporting organisations Policy**
This policy provides for a range of rates concession to not-for-profit community, recreation and sporting organisations which meet certain criteria.
- **Water Consumption Concession Policy**
This policy provides a measure of rate concession in respect to excess water charges or water consumption charges resulting from a leak.

Pursuant to Section 172(2)(a)(ii) of the *Local Government Regulation 2012*, for the 2014/2015 financial year Council allowed a discount of 15% on General Rates only on full settlement of all rates and charges (including any overdue rates and interest) up to 30 (thirty) days after the date of issue of the rate Notice.

Equal Employment Opportunity Anti-Discrimination Policy

The purpose of this policy is to:

- promote a safe and healthy work environment for all staff
- prevent discrimination in the workplace
- ensure that directors, managers and staff are aware of their roles and responsibilities in relation to preventing and resolving complaints or discrimination; and
- describe procedures for the effective resolution of complaints of discrimination.

The *Anti-Discrimination Act 1991* applies to all workplaces of the Cassowary Coast Regional Council. Its provisions extend to all employed by the Council including permanent, temporary and casual employees when dealing with one another and members of the public. The *Anti-Discrimination Act 1991* states that it is against the law to discriminate against people in particular circumstances, including when they—

- apply for a job or try to get into a course
- work, whether it be full-time, casual, temporary or voluntary
- attend schools, colleges, universities or other educational institutions
- purchase goods and services in shops, hotels, cafes, restaurants etc.
- seek or use services from legal, medical and other professionals, businesses or tradespersons
- rent a house, flat or apartment, hotel or motel room, caravan, office or shop
- purchase land or property
- apply for a credit loan
- join, visit or use the services of a club or similar organisation
- seek or use the services of state or local governments.

Discrimination is only against the law if it covers at least one of the grounds listed in the Act and if it occurs in particular circumstances.

Community Financial Report

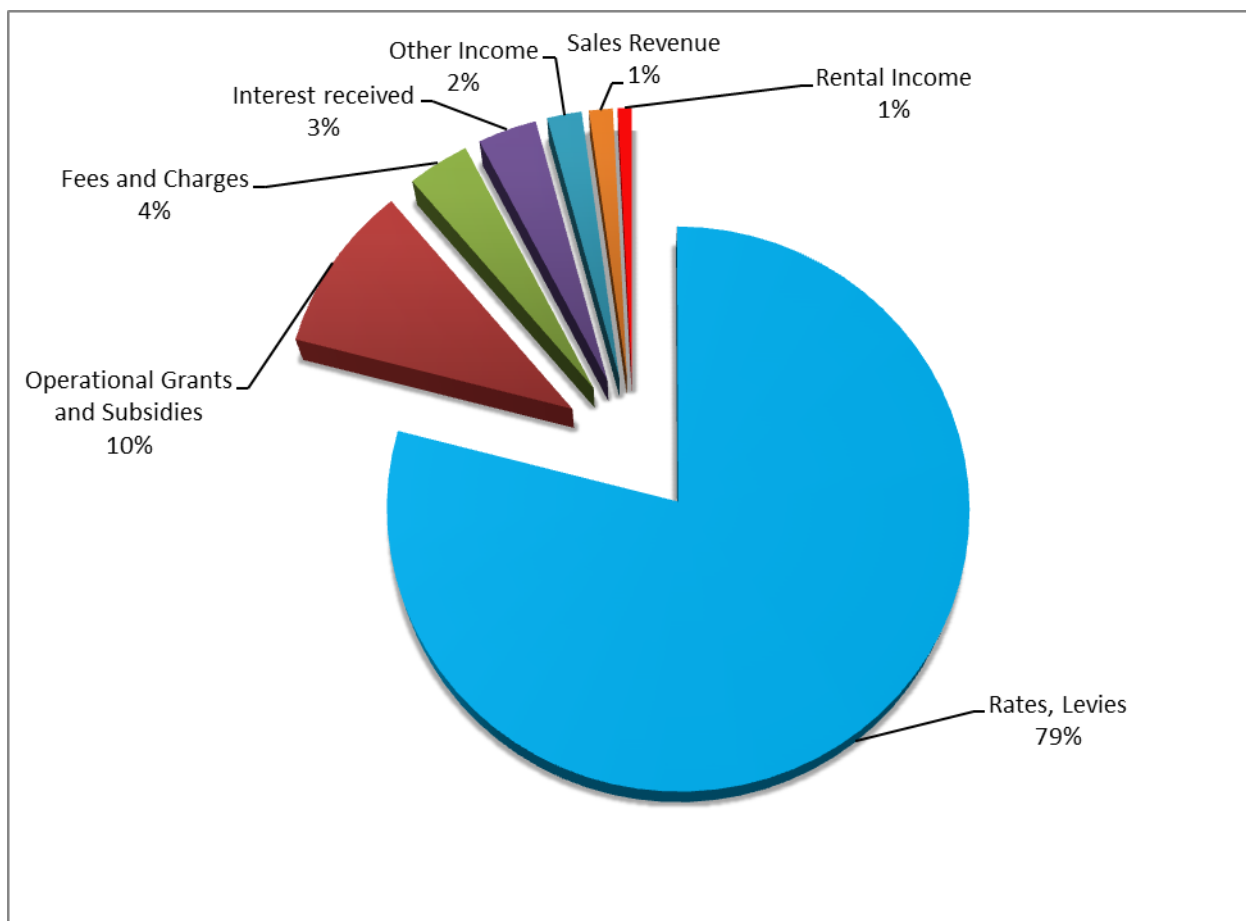
A community financial report contains a summary and analysis of a Local Government's financial performance and position for the financial year. For more detail on Council's financial results and financial position please refer to the audited Financial Statements.

<i>Simplified Income Statement for 30 June 2015</i>	
Total Operating Income	\$74,060,481
Less Total operating expenditure	\$72,610,483
Net Operating Surplus	\$ 1,449,998
Add Capital Income	\$13,884,878
Less Capital Expenses	\$ 6,225,183
Net result shown in Statement of Comprehensive Income	\$ 9,109,693

Sources of Revenue - Where our money comes from

Total revenue of \$87,945,359 was recognised during the period 1 July 2014 to 30 June 2015. Total revenue consists of operating revenue (including rates and charges) of \$74,060,481 and capital revenue (including grants, subsidies and contributions) of \$13,884,878. The graph below shows operating revenue only. Total operating revenue for the period 1 July 2014 to 30 June 2015 was \$74,060,481.

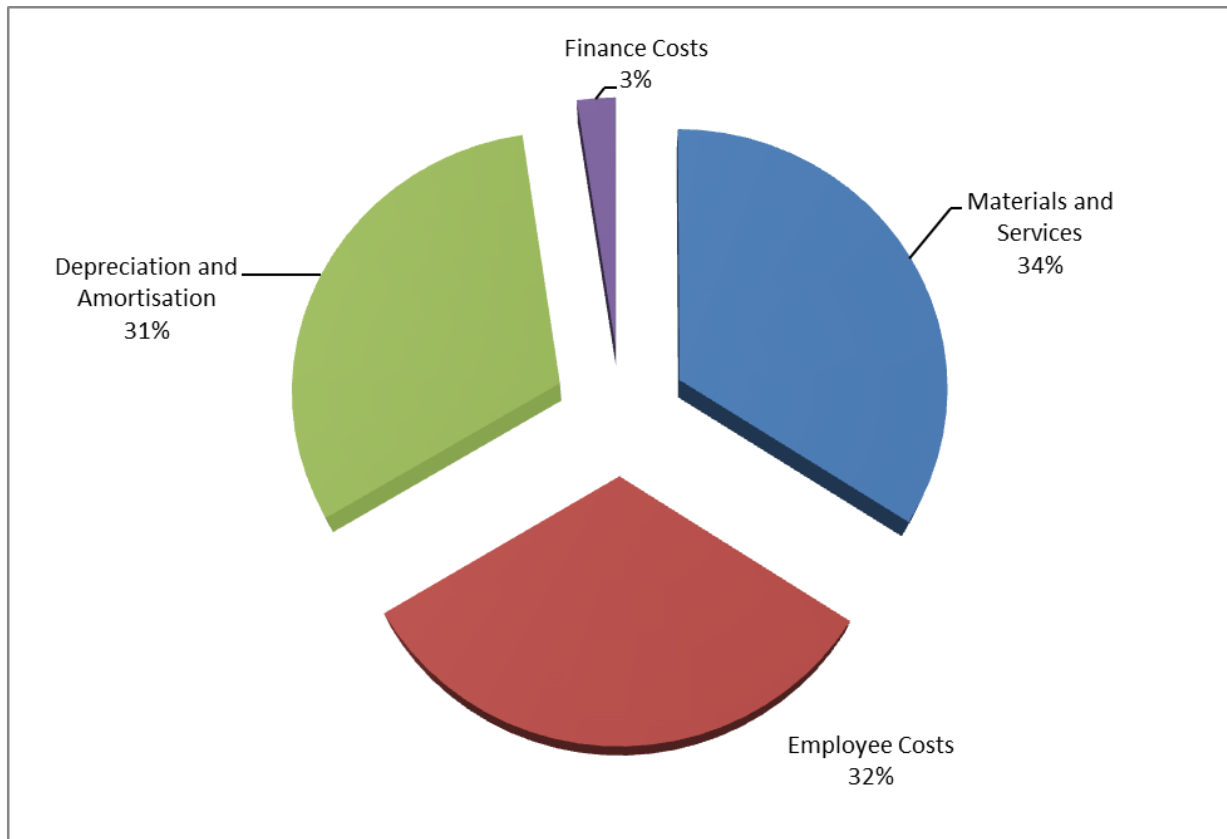
Council endeavours to maximise revenue from sources other than rates by actively pursuing grants and subsidies from State and Federal Government.



Expenditure - Where our money is spent

Total expenditure of \$78,835,666 was recognised during the period 1 July 2014 to 30 June 2015. Total expenditure consists of operating expenditure of \$72,610,483 and capital expenditure of \$6,225,183. The graph below shows the breakup of operating expenditure.

Depreciation is a major component of Council's operating expense. The depreciation charge is determined by applying the requirements of an accounting standard to Council's asset base. As such, Council's ability to reduce this figure is limited.



Financial Sustainability Indicators

During any period - whether it be growth, steady or decline - responsible financial management is crucial for Council to ensure it is financially sustainable for the short-term, medium and long-term.

The Community Financial Report contains three measures of financial sustainability used to demonstrate that Council is operating in a prudent financial manner whilst maintaining its financial management objectives.

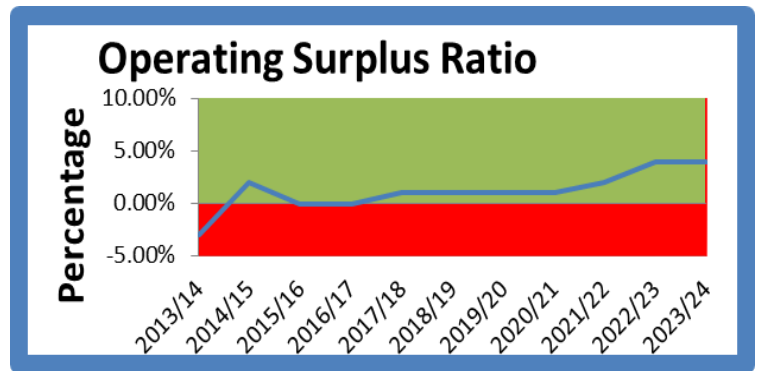
The following table shows actual historical ratio values for the last two financial years. The graphs show the historical actual ratio values for the last two financial years as well as forecast ratios for the next nine years.

The target range for the financial ratio graphs are in accordance with the State Department of Local Government guidelines. There are circumstances specific to Council where actual results may vary from target range.

Financial Ratios	Target Range	Actual 2014-15	Actual 2013-14
Operating Surplus Ratio	Between 0 and 10%	2%	-3%
Net Financial Liabilities Ratio	Not greater than 60%	-36%	-27%
Asset Sustainability Ratio	Greater than 90%	91%	220%

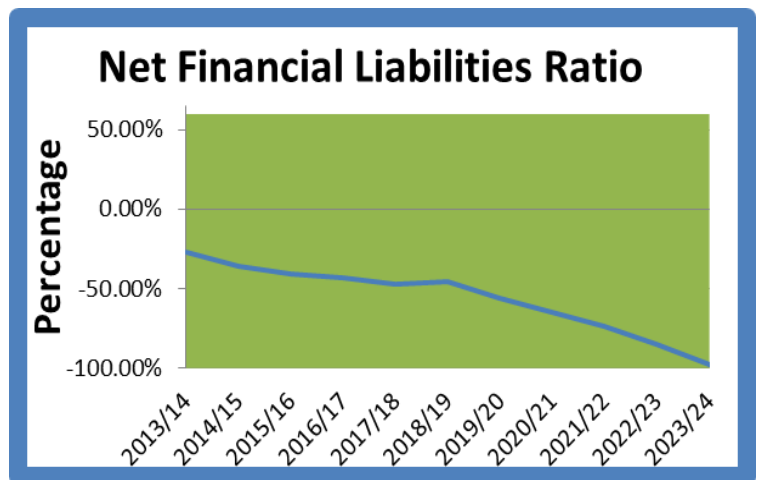
Operating Surplus Ratio

Council's positive ratio in 2014/15 indicates Council has achieved an operating surplus, with recurrent operating revenue exceeding recurrent operating expenses. Council is committed to achieving operating surplus ratios into the future to ensure long-term financial sustainability. This strengthens our financial position, placing less reliance on borrowings with reduced debt levels and associated interest expense



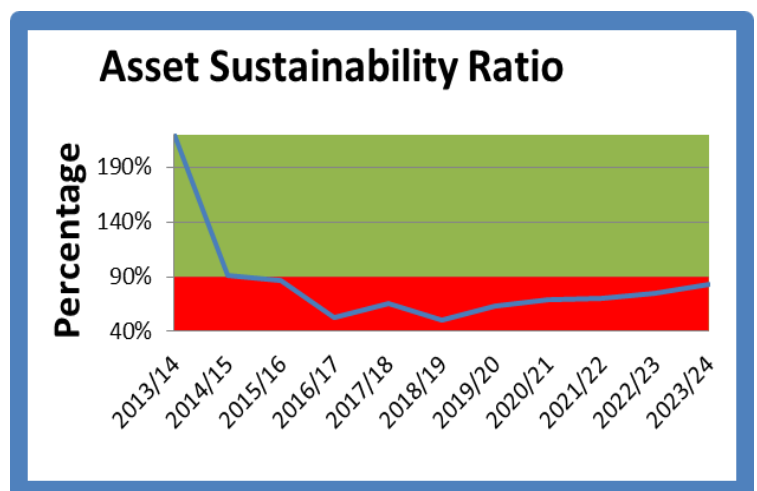
Net Financial Liabilities Ratio

This ratio is an indicator of the extent to which the net financial liabilities of Council can be serviced by its operating revenues. Council has achieved a very good result here. The use of debt to fund long life community infrastructure is appropriate so that the current community does not pay for more than its fair share of infrastructure. In the context of a household budget, this ratio would indicate whether a homeowner's annual salary plus savings could repay the mortgage and all other debt, assuming no money was spent on anything else during the year.



Asset Sustainability Ratio

This ratio is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced, as these reach the end of their useful lives. It can assist in identifying the potential decline or improvement in asset condition and standards. This ratio indicates whether a local government is renewing or replacing existing assets at the same rate that the assets are wearing out. Natural disaster relief and recovery activities can have a significant impact on this ratio. Council has maintained a positive result of 91% for the financial year 2014/15, following a much higher ratio in the previous financial year associated with the completion of major natural disaster reconstruction works.

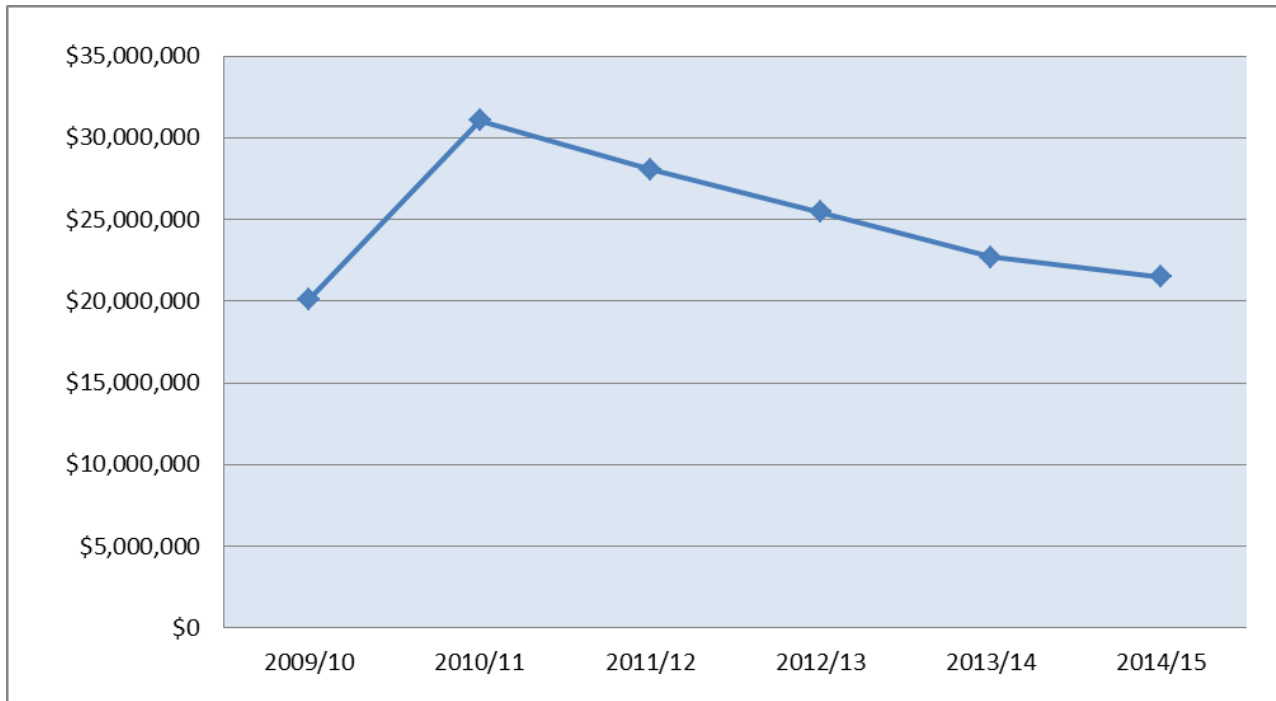


Debt Position

Cassowary Coast Regional Council's outstanding debt as at 30 June 2015 was \$21,482,086.

The graph below shows the debt levels for the last six years.

Outstanding Debt Balance



Snapshot of Region's Assets

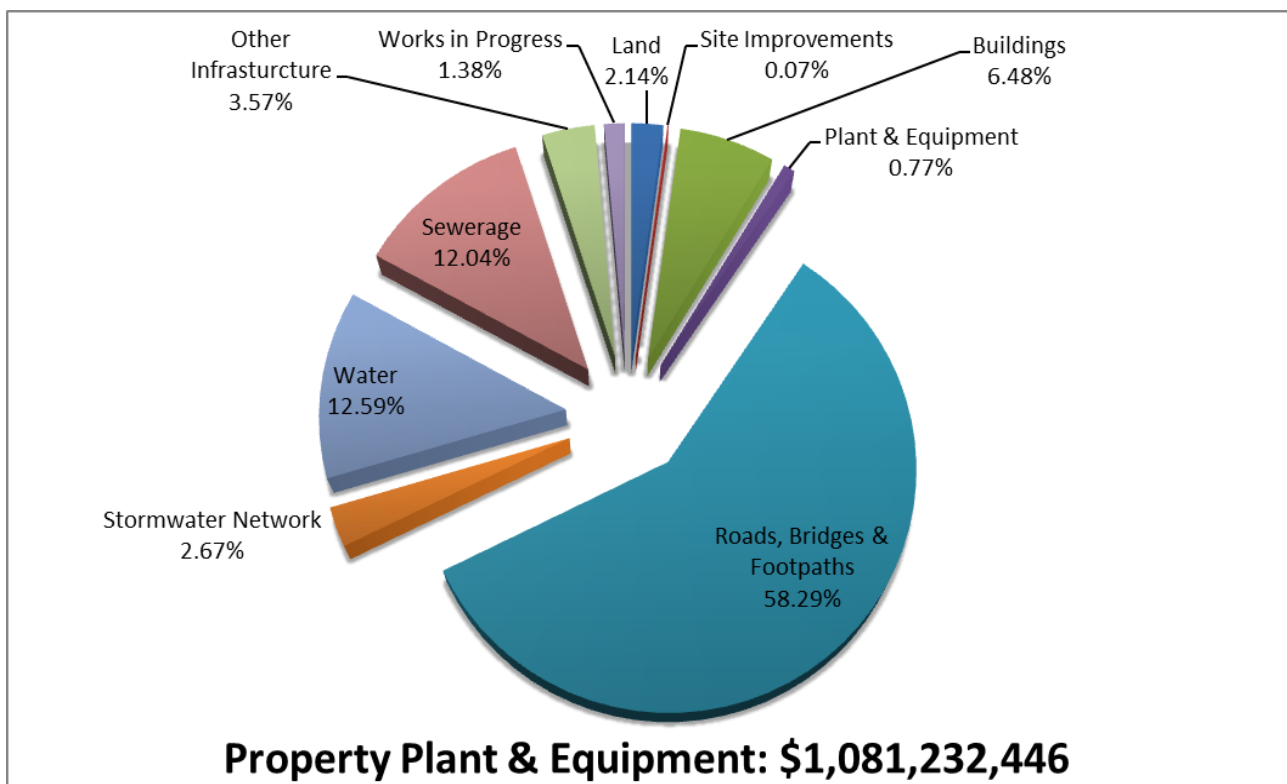
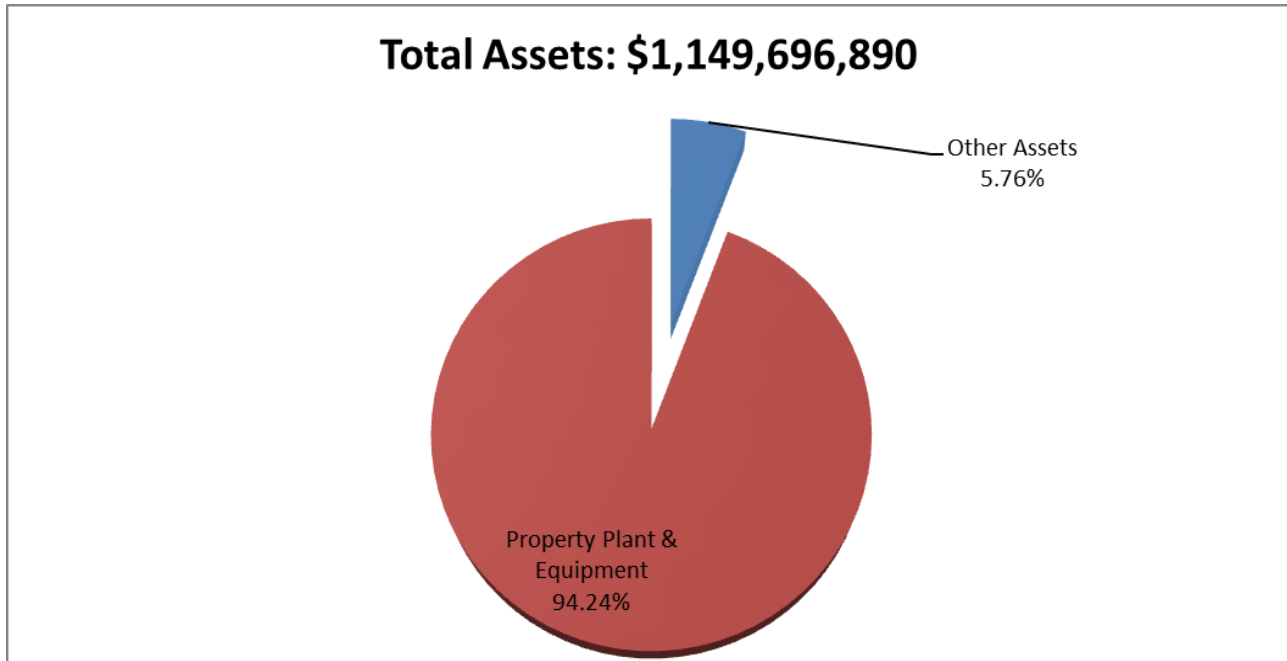
The table below illustrates Cassowary Coast Regional Council's Property Plant and Equipment as at 30 June 2015.

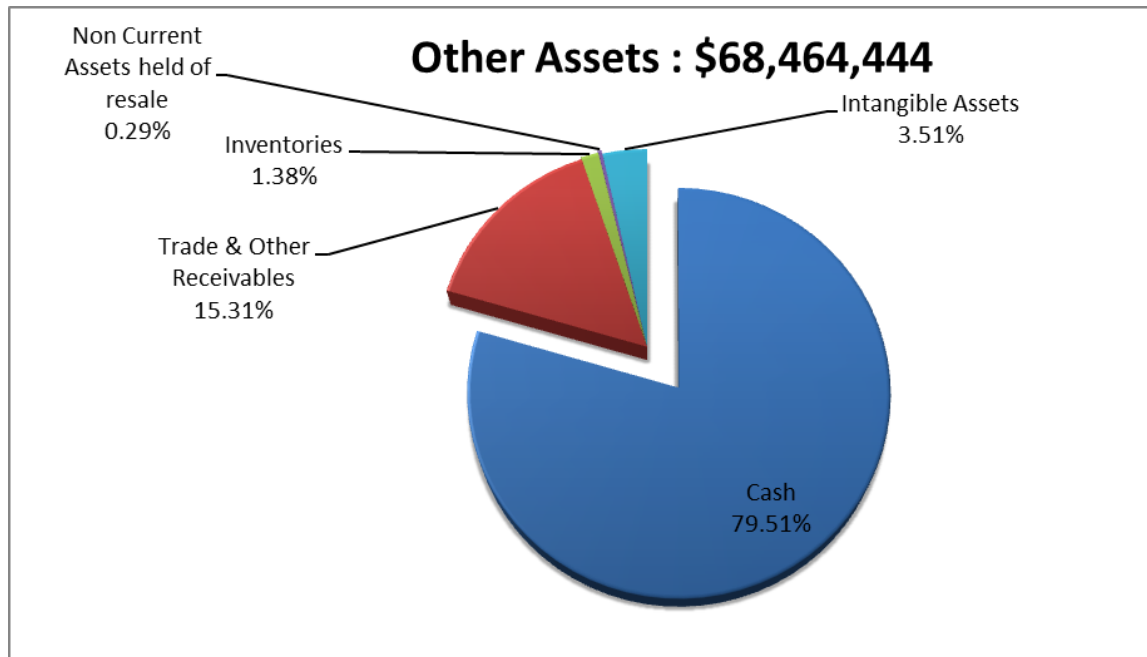
Assets	Total Asset Value (Fair Value) as at 30 June 2015	Depreciation / Amortisation for 2014/15	Written Down Value as at 30 June 2015
Land	\$23,156,152	\$0	\$23,156,152
Site Improvements	\$931,426	\$33,676	\$749,846
Buildings	\$120,080,326	\$3,109,092	\$70,012,081
Plant and equipment	\$13,913,380	\$1,182,425	\$8,355,137
Road, Bridges & Footpath network	\$882,767,675	\$7,755,119	\$630,210,611
Stormwater Network	\$53,981,808	\$731,476	\$28,912,768
Water	\$267,925,505	\$4,656,110	\$136,127,932
Sewerage	\$202,745,707	\$3,537,760	\$130,155,663
Other Infrastructure assets	\$52,999,375	\$1,336,414	\$38,607,594
Intangibles	\$3,365,384	\$314,372	\$2,405,154
TOTAL	\$1,621,866,738	\$22,656,444	\$1,068,692,938

Financial Position

The below graphs represent Council's financial position, with assets totalling \$1,149,696,890. Council's cash increased in the 2014/15 year from \$49.883 million to \$54.433 million. Property, plant and equipment are Council's largest investments in assets and represent 94.24% of the total.

Liabilities or amounts owed by Council have decreased in 2014/15 from \$41.69 million to \$39.37million.





LIABILITIES

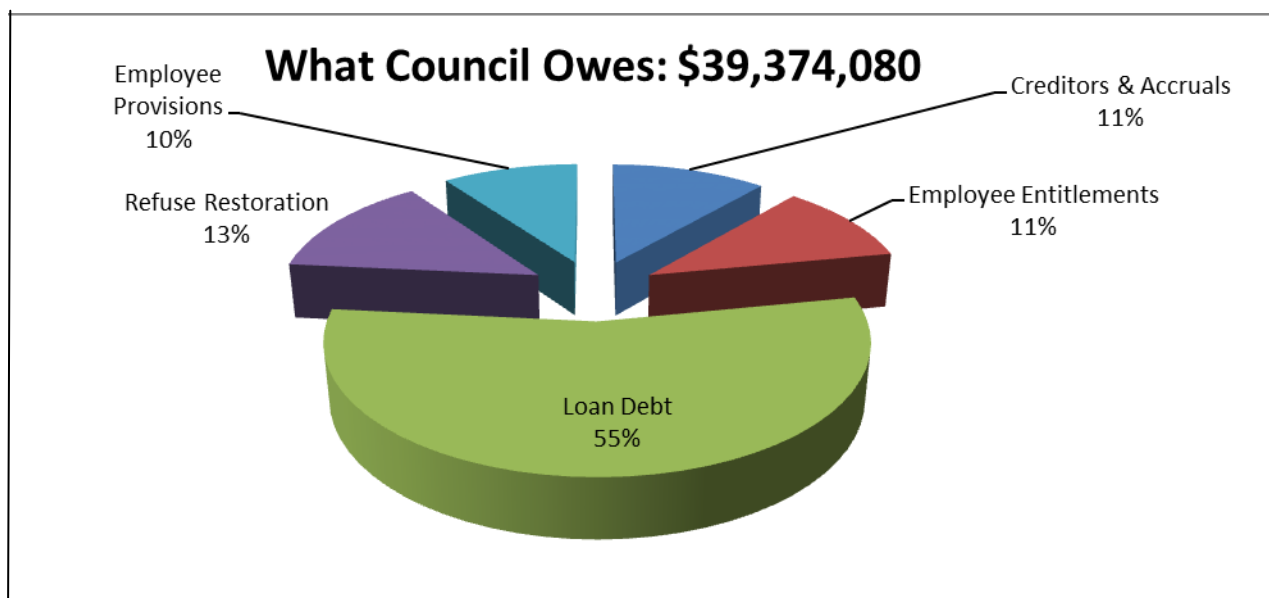
What Council Owes

Liabilities, or amounts owed by Council, decreased in 2014/15 from \$41.69 million to \$39.37 million.

The largest debt owed at 30 June 2015 was to Queensland Treasury Corporation (QTC). QTC is the State Government -owned lending agency from which most local governments and state authorities borrow to finance large-scale infrastructure projects. At the end of the financial year, Council owed QTC a total of \$21.48 million, a reduction of \$1.2 million from the previous year.

Money that Council owes includes payment of goods received and services rendered that remain unpaid at 30 June 2015 and provisions for future expenditure such as landfill restoration costs.

Council manages its debt in accordance with its Debt Policy. The policy states that Council does not use long-term debt to finance operating activities or recurrent expenditure and will endeavour to fund all capital renewal projects from operating cash flows and borrow only for new or upgrade capital projects. This financial year Council undertook new borrowings of \$1.65 million for the construction of the new regional library in Innisfail. Council will continue to manage cash flows and capital investment in the long term according to community needs.



Cassowary Coast Regional Council
Financial statements
For the year ended 30 June 2015
AUDITED

Cassowary Coast Regional Council

Financial statements

For the year ended 30 June 2015

Table of contents

	Page
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
1 Significant accounting policies	5 - 10
2 Analysis of results by function	11-12
3 Revenue analysis	13
4 Grants, subsidies, contributions and donations	13
5 Employee benefits	14
6 Materials and services	14
7 Finance costs	15
8 Depreciation and amortisation	15
9 Capital expenses	15
10 Cash and cash equivalents	16
11 Trade and other receivables	16
12 Inventories	16
13 Property, plant and equipment	17-18
14 Fair value measurements	19-23
15 Intangible assets	24
16 Trade and other payables	24
17 Borrowings	24
18 Provisions	25
19 Asset revaluation surplus analysis	25
20 Contractual commitments	25
21 Contingent liabilities	26
22 Superannuation	26
23 Trust funds	27
24 Reconciliation of net result for the year to net cash inflow /(outflow) from operating activities	27
25 Events after the reporting period	27
Management Certificate	
Independent Auditor's Report	
Financial Sustainability	
Current Year Financial Sustainability Statement	
Independent Auditor's Report	
Long-term Financial Sustainability Statement	

**Cassowary Coast Regional Council
Statement of Comprehensive Income
For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	58,550,212	55,686,644
Fees and charges		2,655,868	2,506,667
Rental income		598,080	720,796
Interest received	3(b)	2,519,846	2,612,462
Sales revenue	3(c)	1,011,219	2,438,288
Other income		1,476,378	1,514,046
Grants, subsidies, contributions and donations	4(a)	7,248,878	12,479,164
		<u>74,060,481</u>	<u>77,958,067</u>
Capital revenue			
Grants, subsidies, contributions and donations	4(b)	13,884,878	49,014,036
Total revenue		<u>87,945,359</u>	<u>126,972,103</u>
Capital income		-	70,000
Total income		<u>87,945,359</u>	<u>127,042,103</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(23,428,367)	(23,271,791)
Materials and services	6	(24,788,109)	(33,102,609)
Finance costs	7	(1,737,563)	(1,776,962)
Depreciation and amortisation	8	(22,656,444)	(22,491,013)
		<u>(72,610,483)</u>	<u>(80,642,375)</u>
Capital expenses	9	(6,225,183)	(8,040,407)
Total expenses		<u>(78,835,666)</u>	<u>(88,682,782)</u>
Net result		<u>9,109,693</u>	<u>38,359,321</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus		43,618,118	123,180,116
Total other comprehensive income for the year		<u>43,618,118</u>	<u>123,180,116</u>
Total comprehensive income for the year		<u>52,727,811</u>	<u>161,539,437</u>

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

**Cassowary Coast Regional Council
Statement of Financial Position
as at 30 June 2015**

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	10	54,433,772	49,883,991
Trade and other receivables	11	10,484,481	11,773,684
Inventories	12	942,353	819,958
		<u>65,860,606</u>	<u>62,477,633</u>
Non current assets held for resale		198,684	181,197
Total current assets		<u>66,059,290</u>	<u>62,658,830</u>
Non-current assets			
Property, plant and equipment	13	1,081,232,446	1,033,975,358
Intangible assets	15	2,405,154	2,651,213
Total non-current assets		<u>1,083,637,600</u>	<u>1,036,626,571</u>
Total assets		<u>1,149,696,890</u>	<u>1,099,285,401</u>
Current liabilities			
Trade and other payables	16	8,649,912	10,396,675
Borrowings	17	1,374,213	2,852,658
Provisions	18	3,709,525	3,020,539
Total current liabilities		<u>13,733,650</u>	<u>16,269,872</u>
Non-current liabilities			
Borrowings	17	20,107,873	19,836,910
Provisions	18	5,532,557	5,583,620
Total non-current liabilities		<u>25,640,430</u>	<u>25,420,530</u>
Total liabilities		<u>39,374,080</u>	<u>41,690,402</u>
Net Community Assets		<u>1,110,322,810</u>	<u>1,057,594,999</u>
Community equity			
Asset revaluation surplus	19	444,127,276	400,509,159
Retained surplus/(deficiency)		666,195,534	657,085,840
Total community equity		<u>1,110,322,810</u>	<u>1,057,594,999</u>

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

Cassowary Coast Regional Council
Statement of Changes in Equity
For the year ended 30 June 2015

	Asset revaluation surplus 19 \$	Retained Surplus \$	Total \$
Balance as at 1 July 2014	400,509,159	657,085,840	1,057,594,999
Net Result	-	9,109,693	9,109,693
Other comprehensive income for the year			
Increase in asset revaluation surplus	43,618,118		43,618,118
Total comprehensive income for the year	43,618,118	9,109,693	52,727,811
 Balance as at 30 June 2015	 444,127,277	 666,195,533	 1,110,322,810
 Balance as at 1 July 2013	 277,329,043	 618,726,519	 896,055,562
Net Result	-	38,359,321	38,359,321
Other comprehensive income for the year			
Increase in asset revaluation surplus	123,180,116	-	123,180,116
Total comprehensive income for the year	123,180,116	38,359,321	161,539,437
 Balance as at 30 June 2014	 400,509,159	 657,085,840	 1,057,594,999

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

Cassowary Coast Regional Council
Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers		65,085,073	62,145,645
Payments to suppliers and employees		(50,019,871)	(72,359,321)
		<u>15,065,202</u>	<u>(10,213,676)</u>
Interest received		2,519,846	2,612,462
Rental income		598,080	720,796
Non capital grants and contributions		7,248,878	12,479,164
Borrowing costs		(1,356,470)	(1,495,306)
Net cash inflow from operating activities	24	<u>24,075,536</u>	<u>4,103,440</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(32,628,764)	(56,529,770)
Payments for intangible assets		(68,313)	(487,276)
Proceeds from sale of property plant and equipment		493,927	968,886
Grants, subsidies, contributions and donations		13,884,878	49,014,037
Net cash outflow from investing activities		<u>(18,318,272)</u>	<u>(7,034,123)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,650,000	-
Repayment of borrowings		(2,857,482)	(2,753,014)
Net cash outflow from financing activities		<u>(1,207,482)</u>	<u>(2,753,014)</u>
Net increase (decrease) in cash and cash equivalent held		<u>4,549,782</u>	<u>(5,683,697)</u>
Cash and cash equivalents at the beginning of the financial year		49,883,990	55,567,687
Cash and cash equivalents at end of the financial year	10	<u>54,433,772</u>	<u>49,883,990</u>

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

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2014 to 30 June 2015 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 revaluation of certain non-current assets and assets held for resale.

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

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

The financial statements have been rounded to the nearest \$1. Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

Recurrent/Capital Classification

Revenue and expenditure are presented as 'recurrent' or 'capital' in the Statement of comprehensive Income on the following basis:

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

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether the net result is an accounting gain or loss.

- Disposal of non-current assets
- Discount rate adjustments to restoration provisions
- Revaluations of property, plant and equipment

All other revenue and expenses have been classified as "recurrent."

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 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.

Cassowary Coast Regional Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. Council applies standards and interpretations in accordance with their respective commencement dates.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories; fair value and amortised cost and financial assets will only be able to be measured at amortised costs where very specific conditions are met.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* is not expected to have a material impact on council's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council. This means that council will disclose more information about related parties and transactions with those related parties. Council is currently preparing for this change by identifying related parties. Related parties will include the Mayor, councillors and some council staff. In addition the close family members of these people and any organisations that they control or are associated with will be classified as related parties.

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards with future commencement dates are not likely to have a material impact on the financial statements.

**Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015**

1.D 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:

Valuation & Impairment of Property, Plant and Equipment - Notes 1.J and 13 and 15
Depreciation and Amortisation - Notes 1.J, 13 and 15
Employee Benefits and Restoration Provisions - Notes 1.N, 1.P and 18
Contractual Commitments - Note 20
Contingent Liabilities - Note 21

1.E Revenue

Rates and levies

Where rate 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 the rating period.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them.

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, water and wastewater infrastructure and park equipment are recognised as revenue when an economic benefit is obtained from the asset. All non-cash contributions are recognised at the fair value of the contribution received on the date economic benefit commences.

Cash Contributions

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

Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

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.

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. Cassowary Coast Regional Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

Cash and cash equivalents (Note 1.G)
Receivables - measured at amortised cost (Note 1.H)

Financial liabilities

Payables - measured at amortised cost (Note 1.M)
Borrowings - measured at amortised cost (Note 1.O)

1.G Cash and cash equivalents

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

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

QAO
certified statements

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

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

1.I Inventories

Stores and raw materials held for resale are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Land acquired by Council with the intention of reselling it (with or without further development) is classified as inventory. This land is valued at the lower of cost or net realisable value. As an inventory item, this land held for resale is treated as a current asset. Proceeds from the sale of this land will be recognised as sales revenue on the signing of a valid unconditional contract of sale.

1.J Property, plant and equipment

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$5,000 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 the Council are:

Land	Infrastructure
Site improvements	Road, bridges and footpath network
Buildings	Stormwater network
Plant and equipment	Water
	Sewerage
	Other Infrastructure assets
	Work in progress

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.

Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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.

Expenditure incurred in accordance with Natural Disaster Relief and Recovery Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Valuation

Land and improvements, buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. 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 land and buildings at least once every 3 years. This process involves the valuer physically

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

sighting a sample of Council assets within those classes and making their own assessments of the condition of the assets at the date of inspection. Infrastructure assets are assessed for condition and reported at fair value by revaluation as required by qualified staff within Council's engineering department.

All asset classes are monitored by the Council's engineering department on an ongoing basis for indications of material movements in value drivers. Observation of any such movements will result in a revaluation of the asset class. In intervening years asset values may be indexed where movement in cost drivers are significant.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound.

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

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

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 14.

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 and road formation 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.

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. Details of the range of estimated useful lives for each class of asset are shown in Note 13.

1.K Intangible assets

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council. Intangible assets with a total value of less than \$5,000 are treated as an expense in the year of acquisition.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate. Details of the estimated useful lives assigned to each class of intangible assets are shown in Note 15.

1.L Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually.

1.M Payables

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

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

QAO
certified statements

1.N Liabilities - employee benefits

Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 16 as a payable.

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 and is reported in Note 16 as a payable.

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

Sick leave

Council has an obligation to pay sick leave on termination to certain employees and therefore a liability has been recognised for this obligation. 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 and is reported in Note 16 as a payable.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 22.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in 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. This liability is reported in Note 18 as a provision.

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.

Other entitlements

Liabilities for time in lieu and accumulated rostered days off are calculated at current pay rates and are reported as an accrued expense at Note 16.

Employee provision

Due to the change of government following the 2015 State Government election negotiations for Council's EBA agreement had to be suspended prior to an employee vote being undertaken on the draft agreement. A provision has been made at the end of the financial year to accommodate the estimated value of the proposed back-pay associated with the draft agreement given that negotiations for a new EBA agreement will not recommence until November 2015 after the review of the single award has been completed by the Industrial Relations Commission.

1.O Borrowings and borrowing costs

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the *Local Government Regulation 2012* council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.P Restoration provision

A provision is made for the cost of restoration in respect of refuse dumps where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the QTC borrowing rates on debt pool securities corresponding to the anticipated date of the restoration.

Refuse dump restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. 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 dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. The provision for restoration relates to 3 dump sites with various cells and management estimates that the costs of restoration will be incurred in 2025 (\$3,648,220), 2030 (\$129,940) and 2039 (\$1,549,892). The present value calculations in the 14/15 financial year resulted in a reduction in the provision held. It has been decided not to reduce the provision by the discount factors to guard against future volatility.

1.Q Asset revaluation surplus

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

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

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

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

1.R Retained surplus

This represents the amount of Council's funds set aside to meet specific future needs and discretionary expenditure.

1.S National competition policy

The Council has not elected to apply the Code of Competitive Conduct to its business activities in this reporting period.

1.T Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 23.

1.U 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.

The Council pays payroll tax to the Queensland Government on certain activities.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

2. Analysis of Results by Function

2(a) Components of council functions

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

General Management and Corporate Services

The objective of this function is to co-ordinate council activities across a range of programs, including internal and external services essential for effective council operations.

This function includes Mayoral, Councillor, Council and CEO support services, media and internal communications, human resource management, corporate governance, provision of information services, financial management and reporting, rates and customer service, disaster management and purchasing and supply.

Community Services

The objective of this function is focused on providing facilities, delivering services and developing relationships that enhance the liveability of the Cassowary Coast region and enrich the lifestyle of its residents.

This is a diverse department which has within its portfolio the management of the region's natural environment and protection of its biodiversity; social planning and community development programs aimed at improving the social wellbeing of the region's residents; and economic development aimed at strengthening and diversifying the region's economic activity.

This function includes community facilities such as housing, Council buildings & sports grounds, parks and gardens and natural environment management, community services such as tourism and child care, libraries and a community development program.

Planning and Environmental Services

The objective of this function is to provide quality management, information and advice to Council and the public, and effective regulatory and policy development services while promoting sustainable development within the Cassowary Coast Regional Council area.

This function includes strategic planning and compliance services for the development of the shire, waste management program, environmental health such as animal control and local law enforcement and environmental protection.

Transport

The objective of this function is to deliver and maintain high quality services and infrastructure for the community including strategic asset management planning, service level management, priority infrastructure growth planning and geographic information system management; provide engineering-related support services (coordination, supervision, liaison, planning advice and information) for the effective operation, maintenance and delivery of Council's infrastructure; to manage the operation and maintenance of Council's Works depots, fleet and plant in a safe and reliable manner; to manage the maintenance and construction of Council's roads, bridges, footpaths, cycleways, drainage and marine infrastructure in a safe and sustainable manner.

Waste

The objective of this function is to protect and support the community and natural environment by sustainably managing refuse.

This function includes waste collection, processing & disposal, waste transfer stations, recycling and waste education programs, management of landfill sites and waste contracts.

Water

The objective of this function is to provide a continuous, reliable and long-term water supply service to a range of residential and commercial customers within the region.

This function includes water supply distribution, water pumping station, reticulation mains, water treatment and the provision of property services and water meters.

Sewerage

The objective of this function is to provide a continuous, reliable and long-term sewerage and trade waste disposal service to a range of residential, commercial and industrial customers within the region.

This function includes trade waste, sewerage treatment and effluent disposal, mains, manholes, pump stations and the provision of property connections.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

- 2 Analysis of results by function
(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2015

Functions	Gross program income								Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets			
	Recurrent		Capital				Recurrent	Capital		2015	2015							
	Grants	Other	Grants	Other	2015	2015												
															2015	2015	2015	2015
	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015	2015			
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
General Management and Corporate Services	2,228,491	37,994,324	-	-	40,222,815	(9,447,109)	(1,793,861)	(11,240,970)	30,775,706	28,981,845	92,075,025							
Community Services	741,510	1,201,111	1,149,771	-	3,092,392	(15,724,663)	(227,226)	(15,951,889)	(13,782,042)	(12,859,497)	88,929,105							
Planning & Environmental Services	-	913,556	-	-	913,556	(2,402,321)	-	(2,402,321)	(1,488,765)	(1,488,765)	412,011							
Transport	4,278,877	3,175,356	12,369,673	-	19,823,906	(22,680,338)	(2,003,879)	(24,684,217)	(15,226,105)	(4,860,311)	696,463,599							
Waste	-	5,247,837	-	-	5,247,837	(4,501,851)	-	(4,501,851)	745,986	745,986	3,194,992							
Water	-	9,811,480	220,838	-	10,032,318	(8,822,683)	(2,138,165)	(10,960,848)	988,797	(928,530)	137,054,868							
Sewerage	-	8,467,939	144,596	-	8,612,535	(9,031,518)	(62,052)	(9,093,570)	(563,579)	(481,035)	131,567,290							
Total Council	7,248,878	66,811,603	13,884,878	-	87,945,359	(72,610,483)	(6,225,183)	(78,835,666)	1,449,998	9,109,693	1,149,696,890							

Year ended 30 June 2014

Functions	Gross program income						Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets			
	Recurring			Capital				Recurring	Capital				2014	2014		
	Grants	Other	Grants	Other												
					2014	2014									2014	2014
General Management and Corporate Services	1,100,107	35,953,319	240,573	-	37,293,999	(7,265,688)	(111,850)	(7,377,538)	29,787,738	29,916,461	89,972,108					
Community Services	593,616	1,294,294	266,870	70,000	2,224,780	(15,483,699)	(704,189)	(16,187,888)	(13,595,789)	(13,963,108)	86,305,150					
Planning & Environmental Services	-	796,804	-	-	796,804	(3,511,283)	-	(3,511,283)	(2,714,479)	(2,714,479)	431,877					
Transport	10,655,941	4,583,749	47,294,783	-	62,534,473	(34,640,882)	(4,868,185)	(39,509,067)	(19,401,192)	23,025,406	689,234,698					
Waste	1,000	4,902,193	-	-	4,903,193	(4,538,506)	(1,947,244)	(6,485,750)	364,687	(1,582,557)	3,413,813					
Water	128,500	9,713,820	1,112,076	-	10,954,396	(7,454,244)	(389,061)	(7,843,305)	2,388,076	3,111,091	118,915,043					
Sewerage	-	8,234,724	99,734	-	8,334,458	(7,748,073)	(19,878)	(7,767,951)	486,651	566,507	111,012,712					
Total Council	12,479,164	65,478,903	49,014,036	70,000	127,042,103	(80,642,375)	(8,040,407)	(88,682,782)	(2,684,308)	38,359,321	1,099,285,401					

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
3 Revenue analysis		
(a) Rates, levies and charges		
General rates	36,809,516	35,880,974
Separate charge -Roads	1,790,318	1,697,517
Special charge - Crossnan Road	18,000	18,000
Separate charge - Environment	2,766,628	2,376,055
Water	6,600,370	6,655,655
Water consumption / excess	3,111,132	2,456,380
Sewerage	8,176,198	7,613,518
Cleansing charges	4,698,813	4,235,493
Total rates and utility charge revenue	63,970,975	60,933,592
Less: Discounts	(4,764,897)	(4,607,296)
Less: Pensioner remissions	(655,866)	(639,652)
	<u>58,550,212</u>	<u>55,686,644</u>
(b) Interest received		
Interest received from investments	1,786,333	1,835,724
Interest from overdue rates and utility charges	733,513	776,738
	<u>2,519,846</u>	<u>2,612,462</u>
(c) Sales revenue		
Contract and recoverable works	1,011,219	2,438,288

The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

4 Grants, subsidies, contributions and donations

(a) Recurrent		
General purpose grants	3,133,070	1,507,916
State government subsidies and grants	3,553,765	10,536,671
Commonwealth government subsidies and grants	520,785	418,477
Contributions and donations	41,258	16,100
	<u>7,248,878</u>	<u>12,479,164</u>
(b) Capital		
State government subsidies and grants	12,317,396	48,023,232
Commonwealth government subsidies and grants	902,792	945,888
Contributions by developers	537,542	(21,058)
Contributions of assets at fair value	88,875	-
Contributions and donations	38,273	65,974
	<u>13,884,878</u>	<u>49,014,036</u>

Conditions over contributions

Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:

Grants for expenditure on infrastructure	429	2,188,073
Contributions for infrastructure	537,542	126,730
	<u>537,971</u>	<u>2,314,803</u>

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
5 Employee benefits			
Total staff wages and salaries		18,963,350	18,433,179
Councillors' remuneration		562,613	539,258
Annual, sick and long service leave entitlements		3,130,743	3,280,300
Superannuation	22	2,387,850	2,374,341
		<u>25,044,556</u>	<u>24,627,078</u>
Other employee related expenses		905,318	1,006,075
		<u>25,949,874</u>	<u>25,633,153</u>
Less: Capitalised employee expenses		(2,521,507)	(2,361,362)
		<u><u>23,428,367</u></u>	<u><u>23,271,791</u></u>

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

Total Council employees at the reporting date:	2015	2014
Elected members	7	7
Administration staff	120	127
Depot and outdoors staff	201	197
Total full time equivalent employees	<u>328</u>	<u>331</u>

6 Materials and services

External Auditors *	122,800	154,660
Internal Auditors	49,194	45,801
Audit Committee	9,806	5,225
Advertising & marketing	94,940	111,469
Chemicals	512,248	465,488
Consultants	718,569	454,558
Contract personnel	596,214	499,601
Contract services	2,765,416	1,136,835
Donations & contributions	738,213	643,030
Election expenses	6,545	-
Electricity	2,138,158	2,053,771
Family Day Care payments	320,872	230,466
Fleet - operating Lease	-	34,251
Fleet - maintenance	747,569	451,351
Fleet registrations	164,283	155,376
Fuel and Oil	948,532	1,090,757
Information Technology	664,029	515,995
Insurance	1,835,697	1,668,828
Legal expenses	277,800	293,464
Library Services	176,922	146,790
Other materials and services	3,576,465	6,791,279
Plant Contractors	1,256,392	759,271
Postage, freight, printing and stationery	239,023	285,120
Property Expenses	484,614	276,880
Road materials	412,381	629,443
Small plant purchases	116,401	221,854
Subscriptions and memberships	331,943	309,122
Telecommunications	391,346	396,207
Travel and Accommodation (Conferences)	59,860	56,656
Waste contract	2,886,871	2,856,692
Natural Disaster Relief & Recovery Arrangements works	2,145,006	10,362,369
	<u><u>24,788,109</u></u>	<u><u>33,102,609</u></u>

* External audit fees relate to the estimated cost of the Queensland Audit Office external audit of the financial statements of the Council for 2015 of \$135,000 (2014 actual: \$137,050).

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

	2015	2014
Note	\$	\$
7 Finance costs		
Finance costs charged by the Queensland Treasury Corporation	1,356,470	1,495,306
Bank charges	143,676	148,482
Impairment of debts	83,088	22,392
Refuse restoration	154,329	110,782
	<u>1,737,563</u>	<u>1,776,962</u>
8 Depreciation and amortisation		
Depreciation of non-current assets		
Site Improvements	33,676	68,546
Buildings	3,109,092	3,267,621
Other plant and equipment	1,182,425	1,254,125
Road, bridge and footpath network	7,755,119	8,578,487
Stormwater	731,476	986,172
Water	4,656,110	4,167,925
Sewerage	3,537,760	3,004,349
Other infrastructure assets	1,336,414	1,036,696
13	<u>22,342,072</u>	<u>22,363,921</u>
Amortisation of intangible assets		
Software	314,372	127,092
15	<u>314,372</u>	<u>127,092</u>
Total depreciation and amortisation	<u>22,656,444</u>	<u>22,491,013</u>
9 Capital expenses		
Gain/loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	(391,408)	(968,886)
Property, plant and equipment	4,835,728	8,864,679
Total gain/loss on disposal of non-current assets	<u>4,444,320</u>	<u>7,895,793</u>
Proceeds from the sale of land and improvements	(102,519)	-
Less: Book value of land sold	145,881	-
Total gain/loss on disposal of land and improvements	<u>43,362</u>	<u>-</u>
Provision for restoration of land		
Discount rate adjustment to refuse restoration provision	18	78,998
The discount rate adjustment to the refuse restoration provision was adjusted against expenses as there was an insufficient asset revaluation surplus in the relevant asset class.		
Revaluation decrement		
Revaluation down of land	1,737,501	65,616
Total capital expenses	<u>6,225,183</u>	<u>8,040,407</u>

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note	2015 \$	2014 \$
10 Cash and cash equivalents		
Cash at bank and on hand	765,166	557,379
Deposits at call	37,668,606	46,279,544
Term deposits	16,000,000	3,047,068
Balance per Statement of Cash Flows	<u>54,433,772</u>	<u>49,883,991</u>

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

Unspent grants and subsidies	65,305	2,440,110
Unspent developer contributions	8,126,802	7,589,260
Reserves for specific purposes	23,613,066	23,449,349
Other current items	13,733,650	16,269,872
Total restricted cash balance	<u>45,538,823</u>	<u>49,748,591</u>

Comparative figures have been amended to reflect restricted cash balances calculated for the 13.14 year. Accurate calculations were not available at the time of the auditing of the prior year statements.

Council's sensitivity to an expected 1% maximum fluctuation in interest rates if all other variables were held constant is \$329,517 (2014: \$271,944)

11 Trade and other receivables

Current

Rateable revenue and utility charges	6,330,196	6,854,855
Water charges not yet levied	1,923,889	1,664,032
Other debtors	1,110,878	2,078,961
Less impairment	(76,741)	(81,084)
GST recoverable	640,073	600,311
Prepayments	556,186	656,609
	<u>10,484,481</u>	<u>11,773,684</u>

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

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July	(81,084)	(73,105)
Impairment Debts written off during the year	87,431	14,413
Additional impairments recognised	(83,088)	(22,392)
Closing Balance at 30 June	<u>(76,741)</u>	<u>(81,084)</u>

Ageing of past due receivables and the amount of any impairment is as follows:

Not past due	3,804,591	5,291,340
Past due 31-60 days	21,153	31,976
Past due 61-90 days	185,242	136,279
More than 90 days	5,994,049	5,349,882
Impaired	(76,741)	(81,084)
Total	<u>9,928,294</u>	<u>10,728,393</u>

12 Inventories

Inventories held for sale	5,346	16,121
Inventories held for distribution	937,007	803,837
	<u>942,353</u>	<u>819,958</u>

**Cassowary Coast Regional Council
Notes to the Financial Statements
For the year ended 30 June 2015**

**13 Property, plant and equipment
30-Jun-15**

Note

Basis of measurement

Asset values

Opening gross value as at 1 July 2014
Capital expenditure additions to Capital
WIP during the year.

Transfer of completed projects from
Capital WIP during the year.

Contributions of assets

Additions

Disposals

Revaluation adjustment to asset
revaluation surplus

Revaluation adjustment to expense
Assets classified as held for sale

Transfers between classes

19

**Closing gross value
as at 30 June 2015**

**Accumulated depreciation and
Impairment**

Opening balance as at 1 July 2014
Depreciation provided in period

Depreciation on disposals

Revaluation adjustment to asset
revaluation surplus

Transfers between classes

**Accumulated depreciation
as at 30 June 2015**

Total written down value

as at 30 June 2015

Range of estimated useful life in years

Additions Comprise

Renewals

Other Additions

Total Additions

Land	Site improvements	Buildings	Plant and equipment	Road, bridges and footpath network	Stormwater network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
24,891,500	931,426	118,227,948	14,409,332	867,970,821	53,676,481	264,722,514	157,586,785	53,411,649	10,116,794	1,565,945,250
-	-	-	-	-	-	-	-	-	31,503,675	31,503,675
-	-	1,328,142	-	18,269,468	310,089	3,880,833	2,015,457	871,817	(26,675,806)	-
-	-	83,502	-	-	-	-	-	5,373	-	88,875
165,521	-	-	959,569	-	-	-	-	-	-	1,125,090
(145,881)	-	(573,396)	(2,082,385)	(2,453,484)	(15,262)	(5,122,892)	(118,614)	(657,100)	-	(11,169,014)
-	-	-	-	-	-	4,445,050	43,262,079	-	-	47,707,129
(1,737,501)	-	-	-	-	-	-	-	-	-	(1,737,501)
(17,487)	-	-	-	(1,019,130)	10,500	-	-	(632,364)	-	(17,487)
-	-	1,014,130	626,864	-	-	-	-	-	-	-
23,156,152	931,426	120,080,326	13,913,380	882,767,675	53,981,808	267,925,505	202,745,707	52,999,375	14,944,663	1,633,446,016

-	147,904	46,958,402	5,329,246	246,057,704	24,340,460	147,064,184	48,117,837	13,954,155	-	531,969,892
-	33,676	3,109,092	1,182,425	7,755,119	731,476	4,656,110	3,537,760	1,336,414	-	22,342,072
-	-	(370,923)	(1,237,491)	(885,131)	(9,196)	(3,014,073)	(61,415)	(609,175)	-	(6,187,404)
-	-	-	-	-	-	(16,906,851)	20,995,862	-	-	4,089,011
-	-	371,674	284,063	(370,628)	6,300	(1,796)	-	(289,613)	-	-
-	181,580	50,068,245	5,558,243	252,557,064	25,069,040	131,797,574	72,590,044	14,391,781	-	552,213,571

23,156,152	749,846	70,012,081	8,355,137	630,210,611	28,912,768	136,127,932	130,155,663	38,607,594	14,944,663	1,081,232,445
N/A	15-30	10-70	2-30	8 - 150	30-100	7-150	7-150	4-150	-	-

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	596,770	818,176	13,955,358	158,164	2,208,119	1,878,730	636,386	-	20,251,703
165,521	-	731,372	141,393	4,314,110	151,925	1,672,714	136,727	235,431	-	7,549,193
165,521	-	1,328,142	959,569	18,269,468	310,089	3,880,833	2,015,457	871,817	-	27,800,896

QAO
certified statements

Cassowary Coast Regional Council
Notes to the Financial Statements
For the year ended 30 June 2015

30-Jun-14

Note

Basis of measurement

Asset values

Opening gross value as at 1 July 2013
Capital expenditure additions to Capital
WIP during the year.

Transfer of completed projects from
Capital WIP to property plant and
equipment during the year.

Additions

Disposals

Disposals of impaired assets

Revaluation adjustment to asset

revaluation surplus

Revaluation adjustment to expense

Assets classified as held for sale

Transfers between classes

Closing gross value

as at 30 June 2014

19

**Accumulated depreciation and
Impairment**

Opening balance as at 1 July 2013

Depreciation provided in period

Depreciation on disposals

Depreciation on impaired assets

Revaluation adjustment to asset

revaluation surplus

Assets classified as held for sale

Transfers between classes

Accumulated depreciation

as at 30 June 2014

19

Total written down value

as at 30 June 2014

Range of estimated useful life in years

*

Additions Comprise

Renewals

Other Additions

Total Additions

* range of estimated useful lives has been updated

Land	Site improvements	Buildings	Plant and equipment	Road, bridges and footpath network	Stormwater network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
Fair Value	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
28,386,540	4,962,189	120,029,263	13,803,239	616,968,971	66,794,308	238,567,593	147,459,150	37,119,924	36,458,902	1,309,550,079
-	-	-	-	-	-	-	-	-	56,529,770	56,529,770
-	-	-	-	-	-	-	-	-	(81,871,878)	(81,871,878)
110,303	-	315,952	1,823,462	41,413,858	5,948,438	13,290,738	1,390,817	17,578,310	-	81,871,878
-	(4,030,763)	(312,618)	(939,447)	(4,360,023)	(1,202,938)	(3,554,189)	(106,624)	(962,263)	-	(15,468,865)
-	-	(1,411,626)	(277,922)	(18,514)	(140,606)	(32,339)	(39,755)	(372,603)	-	(2,293,365)
(3,426,946)	-	-	-	191,866,613	4,511,076	16,344,261	10,103,258	-	-	219,388,262
(65,616)	-	-	-	-	-	-	-	-	-	(65,616)
(80,175)	-	(393,023)	-	-	-	-	-	-	-	(473,198)
(32,606)	-	-	-	22,099,916	(22,233,797)	106,450	(1,220,061)	48,281	-	(1,231,817)
24,891,500	931,426	118,227,948	14,409,332	867,970,821	53,676,481	264,722,514	157,586,785	53,411,649	10,116,794	1,565,945,250

-	149,671	44,757,528	4,663,309	150,799,806	29,751,049	136,619,129	42,380,547	13,650,539	-	422,771,578
-	68,546	3,267,621	1,254,125	8,578,487	986,172	4,167,925	3,004,349	1,036,696	-	22,363,921
-	(70,313)	(316,372)	(345,794)	(2,469,984)	(747,091)	(3,182,279)	(106,624)	(383,482)	-	(7,621,919)
-	-	(458,374)	(242,394)	(6,254)	(129,558)	(15,870)	(19,878)	(351,115)	-	(1,223,443)
-	-	-	-	85,286,140	(1,648,577)	9,474,988	3,105,586	-	-	96,218,147
-	-	(292,001)	-	-	-	-	-	-	-	(292,001)
-	-	-	-	3,869,509	(3,871,535)	281	(246,144)	1,497	-	(246,392)
-	147,904	46,958,402	5,329,246	246,057,704	24,340,460	147,064,184	48,117,837	13,954,155	-	531,969,892

24,891,500	783,522	71,269,546	9,080,086	621,943,117	29,336,021	117,658,331	109,468,948	39,457,494	10,116,794	1,033,975,358
N/A	15-30	10 - 70	3 - 45	8 - 150	30-100	10 - 100	10 - 100	4-150	-	-

\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	244,200	1,644,881	39,277,720	4,186,330	1,626,009	1,504,378	683,986	-	49,167,504
110,303	-	349,064	120,243	3,945,279	20,859	1,723,143	218,116	705,259	-	7,192,266
110,303	-	593,264	1,935,124	43,222,999	4,207,189	3,349,152	1,722,494	1,389,245	-	56,529,770

14 Fair Value Measurements

(i) Recognised fair value measurements

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

- Land
- Site Improvement
- Buildings
- Road, bridges and footpath network
- Stormwater
- Water Infrastructure
- Sewerage Infrastructure
- 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 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 17 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

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:

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

The following table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

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 presents the Council's assets and liabilities measured and recognised at fair value at 30 June 2015.

As at 30 June 2015

	Note	Level 2 (Significant other observable inputs)	Level 3 (Significant unobservable inputs)	Total
		\$	\$	\$
Recurring fair value measurements				
Land	13	23,156,152	-	23,156,152
Site Improvements	13	-	749,846	749,846
Buildings	13	-	-	-
- Residential Buildings		5,832,821	-	5,832,821
- Other		-	64,179,260	64,179,260
Road, drainage and bridge network	13	-	-	-
- Roads		-	549,632,463	549,632,464
- Bridges		-	68,059,178	68,059,178
- Footpaths		-	12,518,969	12,518,969
Stormwater	13	-	28,912,768	28,912,768
Water		-	136,127,932	136,127,932
Sewerage	13	-	130,155,663	130,155,663
Other infrastructure assets	13	-	38,607,594	38,607,594

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

QAO
certified statements

As at 30 June 2014

	Note	Level 2 (Significant other observable inputs)	Level 3 (Significant unobservable inputs)	Total
Recurring fair value measurements		\$	\$	\$
Land		24,971,675	-	24,971,675
Site Improvements		-	703,347	703,347
Buildings	13			
- Residential Buildings		6,009,683	-	6,009,683
- Other		-	65,259,863	65,259,863
Road, bridges & footpaths network	13			
- Roads		-	543,410,813	543,410,813
- Bridges		-	65,913,653	65,913,653
- Footpaths		-	12,588,651	12,588,651
Stormwater network		-	29,336,021	29,336,021
Water	13	-	117,658,331	117,658,331
Sewerage	13	-	109,468,948	109,468,948
Other infrastructure assets	13	-	39,457,494	39,457,494

There were no transfers between levels 1 and 2 during the year, nor between levels 2 and 3.

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

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

When undertaking the periodic reviews of each asset class fair values, Council generally determines that if fluctuations of 5% or more have occurred, then a revaluation is required. The following sensitivity analysis depicts what effect a reasonably possible change in fair values (assumed to be 5%) would have on the revaluation reserve and comprehensive income.

		Total comprehensive income		Revaluation reserve	
	Net Value	5% increase	5% decrease	5% increase	5% decrease
Land	23,156,152	1,157,808	(1,157,808)	1,157,808	(1,157,808)
Site improvements	749,846	37,492	(37,492)	37,492	(37,492)
Residential Buildings	5,832,821	291,641	(291,641)	291,641	(291,641)
Other Buildings	64,179,260	3,208,963	(3,208,963)	3,208,963	(3,208,963)
Roads	549,632,464	27,481,623	(27,481,623)	27,481,623	(27,481,623)
Bridges	68,059,178	3,402,959	(3,402,959)	3,402,959	(3,402,959)
Footpaths	12,518,969	625,948	(625,948)	625,948	(625,948)
Stormwater network	28,912,768	1,445,638	(1,445,638)	1,445,638	(1,445,638)
Water	136,127,932	6,806,397	(6,806,397)	6,806,397	(6,806,397)
Sewerage	130,155,663	6,507,783	(6,507,783)	6,507,783	(6,507,783)
Other infrastructure assets	38,607,594	1,930,380	(1,930,380)	1,930,380	(1,930,380)

Land (level 2)

Land fair values were determined by independent valuer, Neil V Teves, Asset Advance Valuers and Property Consultants (Registered Valuer No. 382) effective 30 June 2011. In 2014 an assessment was undertaken by the same valuer which resulted in a decrease value of 12.27%. An assessment was undertaken by the same valuer as at 30 June 2015 which resulted in a decreased value of 5% for northern sector land and 10% for southern sector land. Fair value was derived by reference to Level 2 market based evidence including observable historical sales data for properties of similar nature and specification within the Cassowary Coast Regional Council and surrounding areas.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Site Improvements -Restoration assets (Level 3)

Current replacement cost

Restoration asset values were determined by independent valuer, Neil V Teves, Asset Advance Valuers and Property Consultants (Registered Valuer No. 382) effective 30 June 2011. Fair value was derived by reference to Level 2 market based evidence including observable historical sales data for properties of similar nature and specification within the Cassowary Coast Regional Council and surrounding areas. A review was undertaken by Asset Advance Valuers and Property Consultants as at 30 June 2015 and there was considered to be no material change during the financial year which would affect these assumptions or valuation.

The reporting of useful lives have changed from a standard 30 years to reflect a range from 15 to 30 years representing the range of individual assets. The impact on current year depreciation is not material and it is currently impracticable to calculate the effect on future year depreciation.

Accumulated depreciation

Accumulated depreciation was determined through assessment of useful lives.

Buildings (level 2 and 3)

The last valuation was undertaken by Neil V Teves, Asset Advance Valuers and Property Consultants (Registered Valuer No. 382) as at 30 June 2012. The fair value of buildings as at 30 June 2015 were again determined by independent valuers, Asset Advance Valuers & Property Consultants. These values were derived on sale prices of comparable properties, price movements, cost guides and other relevant publications. A review was undertaken by Asset Advance Valuers and Property Consultants as at 30 June 2015 and there was considered to be no material change in CRC during the financial year which would affect these assumptions or valuation.

A review of the useful lives was undertaken and the impact of current year depreciation is not material and it is currently impracticable to calculate the effect on future years depreciation. Changes to the range of useful lives are disclosed in Note 13.

Market approach (direct comparison approach) - level 2 valuation inputs

Level 2 inputs were used to determine the fair value of Council's residential properties. The fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. Council's rental properties fall within this category.

Cost Approach - Depreciated Replacement Cost - level 3 valuation inputs

Specialised buildings were valued using the cost approach using professionally qualified external registered valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

The main Level 3 inputs used are derived and evaluated as follows:

Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of any accumulated depreciation. Replacement cost is determined by actual construction or purchase prices for recent projects, Asset Advance database, Rawlinson's Construction Guide or similar guides, benchmarking against other valuations, development of costs using Asset Advance models for specific asset types. Adjustment for accumulated depreciation is achieved by the valuer determining an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as useful life and pattern of consumption of the future economic benefit. The consumption rating schedules were based on the past experience of the valuation firm and industry guides.

While the unit rates based on square metres can be supported by market evidence (level 2), the estimates of useful life, pattern of consumption and asset condition that are used to calculate accumulated depreciation comprise unobservable inputs (level 3). Where these other inputs are significant to the valuation the overall valuation has been classified as level 3. The valuation's sensitivity to these inputs is summarised below.

Infrastructure assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were 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.

The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

1(a) Road, bridges and footpath network - calculation of current replacement cost

Roads

Current replacement cost

The Current Replacement Cost of Council's road network was determined by Council engineers using the unit rates developed by the regional Roads and Transport Alliance as at 30 June 2014. These rates were based on average unit rates applied to the components of an asset such as formation, pavement and seal and the type of road (sealed or unsealed). Rates are determined through direct cost of inputs such as labour and raw materials, by reference to industry standards, and by using cost guides such as Rawlinson's Construction Handbook or similar. Soil, climatic and topographic factors are also considered. Determined rates are verified against recent projects, consultation with Council staff and additional council data from the region. A review was undertaken as at 30 June 2015 by independent valuers, Lemmah Pty Ltd who determined that there was no material change during the financial year which would affect these assumptions or valuation.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were disaggregated into various surfaces which exhibited different useful lives. A condition assessment is applied, which is based on factors such as the age of the asset, most recent condition assessments and maintenance data.

Bridges

Current replacement cost

A full valuation of bridges assets was undertaken effective 30 June 2014. Current replacement costs at 30 June 2014 was determined by Council engineers using unit rates developed by Lemmah Pty Ltd in conjunction with the regional Roads and Transport Alliance. Each bridge is assessed individually, with the valuation varying according to the material type used for construction, the deck area, condition and size. Construction estimates were determined on a similar basis to roads. A review was undertaken as at 30 June 2015 by independent valuers, Lemmah Pty Ltd who determined that there was no material change during the financial year which would affect these assumptions or valuation.

Bridges were categorised into 18 main groups, with different material types within these groups. The 18 main groups were further componentised as 10 sub categories.

Accumulated depreciation

Relationship between asset consumption rating scale and the level of consumed service potential - Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. Adjustment for accumulated depreciation is achieved by the valuer determining an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as useful life and pattern of consumption of the future economic benefit. The consumption rating scales are determined by the experience and understanding of the assets, together with the level of remaining service potential by Council's own engineers and asset management staff.

Footpaths

Current replacement cost

The Current Replacement Cost of Council's footpath network was determined by Council engineers using the unit rates developed by the regional Roads and Transport Alliance as at 30 June 2014 (as part of the previous road, drainage and bridge network). These rates were based on average unit rates applied to the various pathway surfaces. Rates are determined through direct cost of inputs such as labour and raw materials, by reference to industry standards, and by using cost guides such as Rawlinson's Construction Handbook or similar. Soil, climatic and topographic factors are also considered. Determined rates are verified against recent projects, consultation with Council staff and additional council data from the region. A review was undertaken as at 30 June 2015 by independent valuers, Lemmah Pty Ltd who determined that there was no material change during the financial year which would affect these assumptions or valuation.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives. A condition assessment is applied, which is based on factors such as the age of the asset, most recent condition assessments and roads maintenance data. The condition assessment directly translates to the level of depreciation applied.

2(a) Stormwater - calculation of current replacement cost

Stormwater infrastructure

Current replacement cost

The last valuation was undertaken by Council engineering, asset management and finance staff at 30 June 2012. Current replacement Cost as at 30 June 2014 was determined by Council engineers using unit rates developed in conjunction with external consultants and independent valuer Asset Advance Valuers and Investment Consultants. Assets are disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life. A review was undertaken as at 30 June 2015 by independent valuers, Lemmah Pty Ltd. who determined that there was no material change during the financial year which would affect these assumptions or valuation.

Accumulated depreciation

In determining the level of accumulated depreciation, drainage assets were disaggregated into significant components which exhibited different useful lives. Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

3(a) Water, Sewerage and Other Infrastructure – Calculation of written down current replacement cost

Water and Sewerage

Current replacement cost

Current Replacement Cost at 30 June 2015 was determined by independent valuer Aurecon Australasia Pty Ltd Consultants. Current Replacement Cost was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

Accumulated depreciation

In determining accumulated depreciation, a condition assessment is applied, which is based on factors such as the age of the asset, overall condition as noted by the valuer during inspection, economic and/or functional obsolescence. The condition assessment directly translates to the level of depreciation applied. Assets are disaggregated into significant components which exhibit different patterns of consumption (useful lives). The condition assessment is applied on a component basis.

A review of the useful lives has been undertaken and the changes to the ranges are disclosed in Note 13.

Other infrastructure

Current replacement cost

The last valuation was undertaken by Council engineering, asset management and finance staff at 30 June 2012. The values were determined by Council engineers and asset management staff using unit rates developed in conjunction with external consultants. Assets are disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life. A review was undertaken by Asset Advance Valuers and Property Consultants as at 30 June 2015 and there was considered to be no material change to CRC during the financial year which would affect these assumptions or valuation.

Accumulated depreciation

In determining the level of accumulated depreciation, other infrastructure assets were disaggregated into significant components which exhibited different useful lives. Estimates of expired service potential and remaining useful lives were determined on a straight line basis based on industry standard practices and past experience, supported by maintenance programs.

A review of the useful lives has been undertaken and the impact of current year depreciation is not material and it is currently impracticable to calculate the effect on future year depreciation. Changes to the range of useful lives are disclosed in Note 13.

4 All infrastructure - Sensitivity of valuation to unobservable inputs - (Level 3)

The method used to value Councils' infrastructure assets utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon years of experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation:

(ii) Heritage Assets

Included in the Building Assets, Water Assets and Other Assets are 3 buildings, 1 water asset and 1 other asset respectively which are listed on the State Heritage Register. These assets are reported at their fair value which reflects the best use of the assets as at 30 June 2015.

(iii) Valuation processes

Council's valuation policies and procedures for property, plant and equipment are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment is set out in note 1.J. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note	2015 \$	2014 \$
15 Intangible assets		
Software		
Opening gross carrying value	3,297,071	1,577,978
Transfer between classes	-	1,231,817
Additions	68,313	487,276
Disposals	-	-
Closing gross carrying value	<u>3,365,384</u>	<u>3,297,071</u>
Accumulated amortisation		
Opening balance	645,858	272,374
Transfer between classes	-	246,392
Amortisation in the period	<u>314,372</u>	<u>127,092</u>
Closing balance	<u>960,230</u>	<u>645,858</u>
Net carrying value at end of financial year	<u>2,405,154</u>	<u>2,651,213</u>
The software has a finite life estimated at 10 years.		
Straight line amortisation has been used with no residual value.		
Total intangible assets	<u>2,405,154</u>	<u>2,651,213</u>
16 Trade and other payables		
Current		
Creditors and accruals	4,471,154	5,828,777
Annual leave	3,335,807	3,564,436
Sick leave	637,359	610,009
Other entitlements	<u>205,592</u>	<u>393,453</u>
	<u>8,649,912</u>	<u>10,396,675</u>
17 Borrowings		
Current		
Loans - Queensland Treasury Corporation	1,374,213	2,852,658
Non-current		
Loans - Queensland Treasury Corporation	20,107,873	19,836,910
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	22,689,568	25,442,582
Loans raised	1,650,000	-
Principal repayments	<u>(2,857,482)</u>	<u>(2,753,014)</u>
Book value at end of financial year	<u>21,482,086</u>	<u>22,689,568</u>

The QTC loan market value at the reporting date was \$24,985,412. 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, however all loans are guaranteed by the Queensland Government.

Interest is expensed as it accrues. Expected final repayment dates vary from 8th February 2017 to 9th May 2035. There have been no defaults or breaches of the loan agreement during the period.

Principal and interest repayments are made quarterly in arrears.

Cassowary Coast Regional Council has an overdraft facility with a limit of \$150,000 approved with the Commonwealth Bank. This facility remained fully undrawn at 30 June 2015 and is available for use in the next reporting period.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

Note	2015 \$	2014 \$
18 Provisions		
Current		
Refuse restoration	227,460	135,000
Employee provision	429,904	-
Long service leave	3,052,161	2,885,539
	<u>3,709,525</u>	<u>3,020,539</u>
Non-current		
Refuse restoration	5,100,592	5,156,262
Long service leave	431,965	427,358
	<u>5,532,557</u>	<u>5,583,620</u>
Details of movements in provisions:		
Refuse restoration		
Balance at beginning of financial year	5,291,262	5,129,482
Increase in provision due to unwinding of discount	154,329	110,782
Increase in provision on recognition of new restoration obligation	(117,539)	(28,000)
Increase (decrease) in provision due to change in discount rate	-	78,998
Balance at end of financial year	<u>5,328,052</u>	<u>5,291,262</u>
Employee provision		
Employee provision arising	429,904	-
Balance at end of financial year	<u>429,904</u>	<u>-</u>
Long service leave		
Balance at beginning of financial year	3,312,897	3,361,074
Long service leave entitlement arising	531,541	350,863
Long Service entitlement paid	(360,312)	(399,040)
Balance at end of financial year	<u>3,484,126</u>	<u>3,312,897</u>
19 Asset revaluation surplus analysis		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Buildings	18,886,128	18,886,128
Road, bridges and footpath network	312,370,858	312,370,858
Stormwater network	7,965,745	7,965,745
Water	61,243,544	39,891,643
Sewerage	42,961,325	20,695,108
Other infrastructure assets	699,676	699,676
	<u>444,127,276</u>	<u>400,509,158</u>
Movements in asset revaluation surplus are disclosed in Note 13.		
20 Contractual commitments		
Contractual commitments at end of financial year but not recognised in the financial statements.		
Within one year	19,316,721	14,963,719
One to five years	19,681,444	14,165,083
Over five years	1,966,250	-
	<u>40,964,415</u>	<u>29,128,802</u>

Comparative figures have been adjusted to include GST. All commitments are GST inclusive.

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

21 Contingent liabilities

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

Local Government Mutual

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

The latest audited financial statements for LGM Queensland are as at 30 June 2014 and show accumulated member funds (equity) of \$26,013,447. It is not anticipated that any liability will arise.

Local Government Workcare

The Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$767,712.65 (at 30 June 2014 \$ 996,557.84).

The latest audited financial statements for Local Government Workcare are as at 30 June 2014 and show accumulated member funds (equity) of \$27,397,130.

22 Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 *Employee Benefits*.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has two elements referred to as:

The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments and the Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the *Local Government Act 2009*.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme. As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 71 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 71 councils. Cassowary Coast Regional Council has made less than 4% of the total contributions to the plan in the 2014-15 financial year. The next actuarial investigation will be conducted as at 1 July 2015.

	2015 \$	2014 \$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	2,387,850	2,374,341

Cassowary Coast Regional Council
Notes to the financial statements
For the year ended 30 June 2015

	Note	2015 \$	2014 \$
23 Trust funds			
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		24,011	32,729
Security deposits		757,001	862,265
		<u>781,012</u>	<u>894,994</u>
24 Reconciliation of net result for the year to net cash inflow /(outflow) from operating activities			
Net result		9,109,693	38,359,321
Non-cash items:			
Depreciation and amortisation		22,656,444	22,491,013
Change in future rehabilitation and restoration costs		154,329	110,782
Impairment of debts		83,088	-
		<u>22,893,861</u>	<u>22,601,795</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		6,225,183	8,040,407
Capital grants and contributions		(13,884,878)	(49,014,036)
		<u>(7,659,695)</u>	<u>(40,973,629)</u>
Changes in operating assets and liabilities:			
(Increase)/ decrease in receivables		1,206,115	(173,795)
(Increase)/decrease in inventory		(139,882)	(63,840)
Increase/(decrease) in payables		(1,818,150)	(15,532,808)
Increase/(decrease) in other provisions		483,594	(113,604)
		<u>(268,323)</u>	<u>(15,884,047)</u>
Net cash inflow from operating activities		<u>24,075,536</u>	<u>4,103,440</u>

25 Events after the reporting period

There were no material adjusting events after the balance date.

Cassowary Coast Regional Council
Financial statements
For the year ended 30 June 2015

QAO
certified statements

Management Certificate
For the year ended 30 June 2015

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 27, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Cr. Bill Shannon



Chief Executive Officer
Mr. Terry Brennan

Date: 20th October, 2015

Date: 20th October, 2015

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Cassowary Coast Regional Council

Report on the Financial Report

I have audited the accompanying financial report of Cassowary Coast Regional Council, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and statement of cash for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Cassowary Coast Regional Council for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D J BYRAM CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

FINANCIAL SUSTAINABILITY

**Cassowary Coast Regional
Current-year Financial Sustainability Statement
For the year ended 30 June 2015**

Measures of Financial Sustainability

Council's performance at 30 June 2015 against key financial ratios and targets:

	How the measure is calculated	Actual	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	2%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	91%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-36%	Not greater than 60%


Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2015.


Certificate of Accuracy
For the year ended 30 June 2015

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

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



 Mayor
 Cr. Bill Shannon



 Chief Executive Officer
 Mr. Terry Brennan

Date: 20th October 2015

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Cassowary Coast Regional Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Cassowary Coast Regional Council for the year ended 30 June 2015, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility 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 Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. 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.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Cassowary Coast Regional Council, for the year ended 30 June 2015, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn 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.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D J BYRAM CPA
as Delegate of the Auditor-General of Queensland



Queensland Audit Office
Brisbane

Cassowary Coast Regional Council
Long-Term Financial Sustainability
Prepared as at 30 June 2015

Measures of Financial Sustainability

Projected for the years ended

Measure	Target	Actuals at 30 June 2015	Projected for the years ended									
			30 June 2016	31 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024
Operating surplus ratio												
Asset sustainability ratio	Between 0% and 10%	2%	0.0%	0.3%	0.3%	0.6%	0.5%	0.6%	0.5%	2.3%	3.8%	4.1%
Net financial liabilities ratio	Greater than 90%	91%	86.7%	51.7%	51.7%	64.8%	50.3%	62.7%	68.6%	70.4%	74.5%	83.2%
	Not greater than 60%	-36%	-41.0%	-43.4%	-43.4%	-46.5%	-46.2%	-55.7%	-64.6%	-73.5%	-84.6%	-98.0%

Cassowary Coast Regional Council's Financial Management Strategy

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

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2015

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

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

Mayor
Cr. Bill Shannon

Chief Executive Officer
Mr. Terry Brennan

Date: 20th October, 2015

Date: 20th October, 2015

