



Mareeba
SHIRE COUNCIL

2020/2021

ANNUAL REPORT

A growing, confident and sustainable Shire

SUMMARY

Mareeba Shire Council's Annual Report for 2020/21 describes Council's achievements in delivering services to the Mareeba Shire and shows Council's progress in delivering the objectives from the Corporate Plan 2018-2022 and Operational Plan 2020/21.

The annual report is one of the ways Council connects with the community and includes:

- Council's commitment to achieving its vision for the Shire
- The results of actioning the Corporate and Operational plans
- Transparency and accountability of Council
- Annual Legislative Disclosure requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*

Cover Photo: Chillagoe

Photo right: Mareeba East/Amaroo

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SECTION 1: INTRODUCTION

FOREWORD TO THE ANNUAL REPORT



Mayor Angela Toppin



Chief Executive Officer Peter Franks

The 2020/21 financial year has been an extraordinary year and the impacts of COVID-19 have been felt by everyone. The extent of these impacts has varied considerably, but the resilience of this community is amazing. The tourist industry was the hardest hit with the cessation of international tourism however enterprises across all sectors have felt the impacts, especially with the shortage of staff.

That said, the economy of Mareeba Shire has continued to grow, and we have seen the doubling of residential building approvals. A positive sign that our Shire continues to be a place where people choose to want to move to.

Council staff have continued to deliver services to the community throughout the year. The disruption to service delivery due to COVID-19 resulted in alternative methods of delivery being offered to reduce the impact to the residents. The click and collect book service our libraries developed being one such example.

The stimulus money that the State and Federal Governments provided were a welcome economic injection and have resulted in Council being able to deliver a range of additional capital works projects across the Shire. This enabled us to deliver numerous projects across the Shire ensuring that the smaller communities were also serviced. Some of the larger projects include the construction of a new Animal Management Facility (Pound, Boarding Kennels and Animal Refuge), the completion of the Cedric Davies Community Hub which includes the relocation of the Mareeba Library, the construction of a new water reservoir, bore and pipeline to service Chillagoe.

Council has also purchased a parcel of land in Kuranda which will allow for the development of a new cemetery adjacent to the existing one, which is almost at capacity. This project is currently being developed and will provide a facility to the community of Kuranda for many years to come.

A detailed review of Council's drinking water schemes was undertaken in 2020/21 to ensure that the entire network could continue to deliver a compliant service into the future. Large portions of the network, which if laid out would reach from Mareeba to Ingham, is over 60 years old and much of this will need to be replaced in the coming years. Likewise, the treatment plants are ageing and are going to require refurbishment in the near future. Council is very cognisant of the community's ability to pay and as such will continue to maintain rate increases at the lowest possible level while ensuring financial sustainability is maintained.

Financial sustainability remains one of this Council's priorities and it is pleasing to see that all our financial indicators show we are meeting the targets that show we are financially stable. We wish to reassure our community that this will be an ongoing commitment.

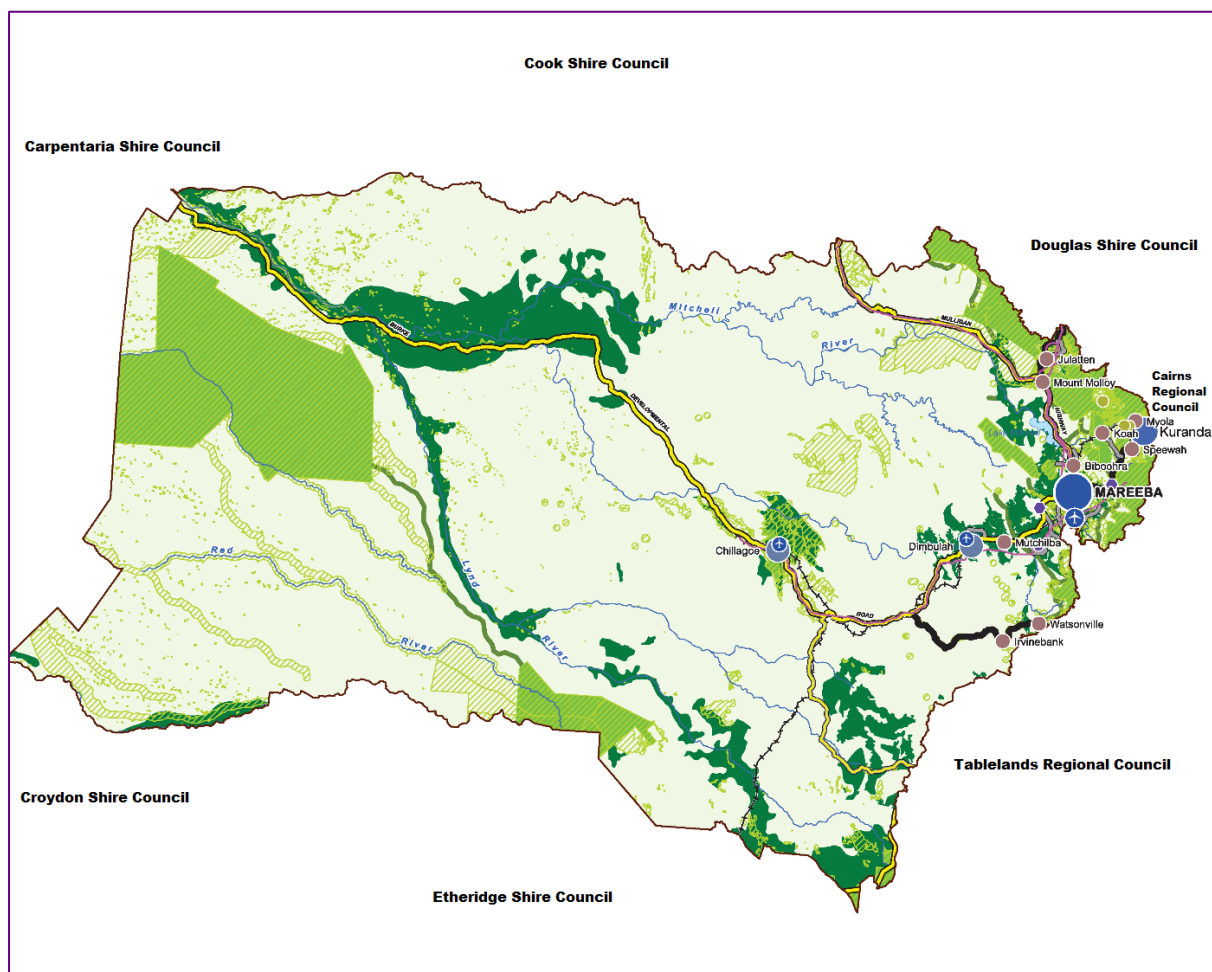
The impacts of the pandemic will continue to be felt for years to come; however, this Council is committed to deliver on its' vision "A growing, confident and sustainable Shire" in continuing to deliver quality, affordable services to this community.

We would like to acknowledge the tireless efforts of the Councillors and Staff in delivering for the community in these challenging times to maintain Mareeba Shire Council's reputation as one of Queensland's high performing Councils.

SHIRE PROFILE

Mareeba Shire is in proximity to two World Heritage Areas and is less than an hour's drive to Cairns International Airport. Mareeba, the main population centre, lies 64 km south-west of Cairns and has a special role in providing services to the Cape York Peninsula and the Gulf areas.

Mareeba Shire has been recording a consistent trend in population growth faster than most rural areas of Australia, and the prospects for continuing growth are excellent. Mareeba is positioning itself as an industrial hub in Far North Queensland. The newly completed expansion of the Mareeba Industrial Park will bolster Mareeba's position as the largest industrial hub in northern Australia. The upgrade of the Mareeba Airport will also help fuel sustained economic growth into the future.



Population estimate*



23,116

Total land area*

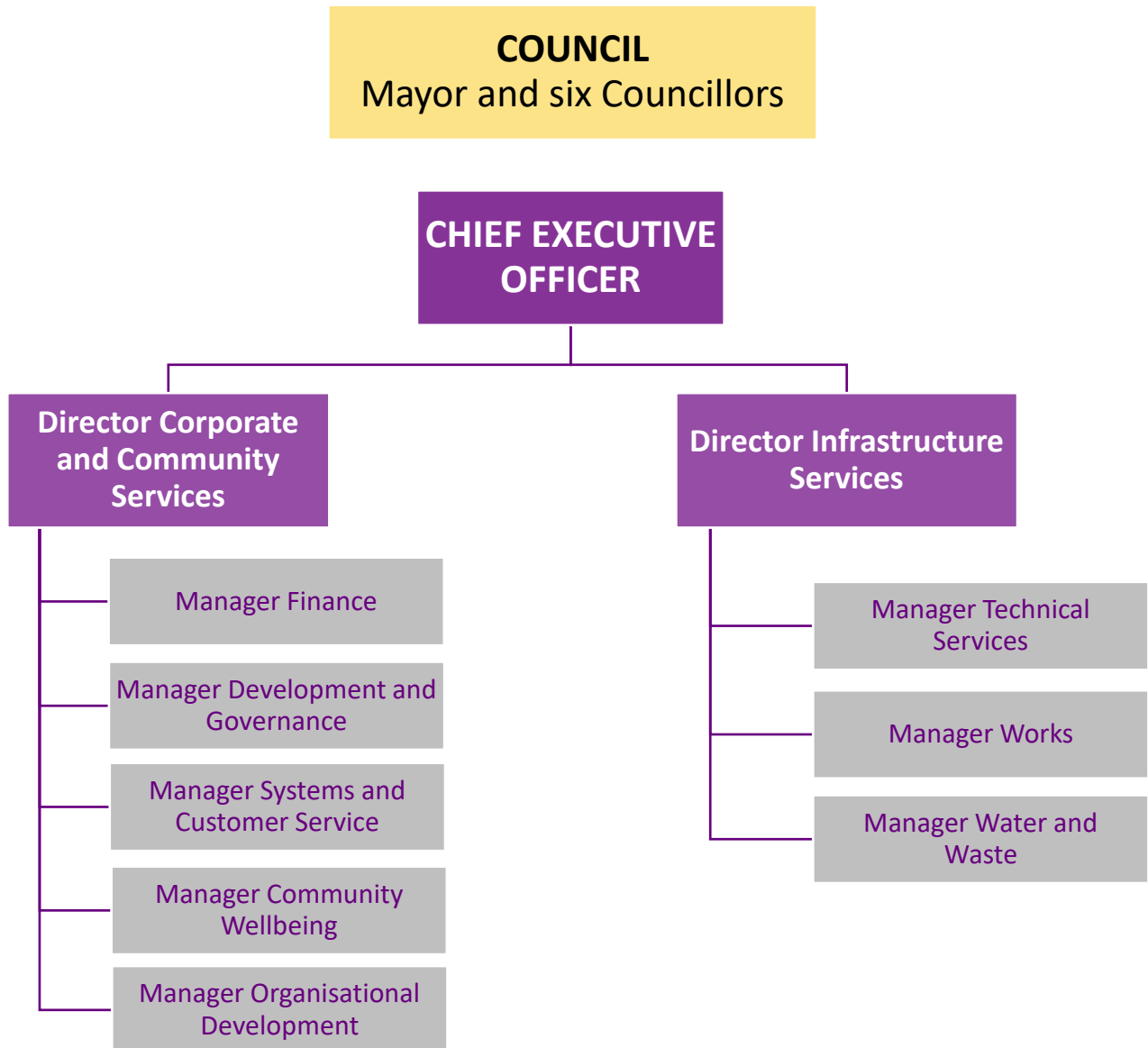


53,502km²

*As at 30 June 2020. Source: Queensland Government Statistician's Office, Queensland Treasury, Queensland Regional Profiles: Resident Profile for Mareeba (S) Local Government Area

ORGANISATIONAL STRUCTURE

During 2020/21, Mareeba Shire Council had a total of 227 staff members or 199.22 full-time equivalent positions.



Jennifer McCarthy
Director Corporate and
Community Services



Glenda Kirk
Director Infrastructure
Services

ELECTED REPRESENTATIVES

Councillor Angela Toppin - Mayor



Committees:

- Far North Queensland Regional Organisation of Councils FNQROC (Deputy Chair)
- FNQROC Regional Strategic Waste and Materials Recovery Framework Advisory Group (Chair)
- Kuranda Infrastructure Advisory Committee (Chair)
- Local Disaster Management Group (Chair)
- Mareeba Chamber of Commerce Tourism Taskforce
- Mareeba District Disaster Management Group
- Regional Arts Development Fund (Chair)

Councillor Kevin Davies - Deputy Mayor



Committees:

- Audit Committee
- Chillagoe Alliance
- Crime Stoppers
- Far North Queensland Regional Organisation of Councils (Proxy)
- Far North Queensland Regional Roads Group
- Great Wheelbarrow Race Organising Committee (Proxy)
- Irvinebank Progress Association
- Local Disaster Management Group (Deputy Chair)
- Mareeba Chamber of Commerce Community CBD Safety Initiatives
- Mareeba Chamber of Commerce Main Street Committee
- Traffic Advisory Committee (Chair)



Councillor Lachlan (Locky) Bensted



Committees:

- Barron River Catchment Care - Central Zone Forum (Proxy)
- FNQROC Pest Advisory (Proxy)
- Great Wheelbarrow Race Organising Committee (Chair)
- Julatten and Mt Molloy Association of Residents and Ratepayers (Proxy)
- Local Authority Waste Management Advisory Committee LAWMAC (Proxy)
- Local Disaster Management Group - Environment/Infrastructure
- Mareeba Fire Committee
- Mareeba Sporting Precinct Committee (Proxy)
- Pest Advisory Committee
- Speewah Residents Group SRG (Proxy)

Councillor Mario Mlikota



Committees:

- Chillagoe Alliance (Proxy)
- Collaborating for Inclusive Outcomes in Mareeba
- Irvinebank Progress Association (Proxy)
- Kuranda Infrastructure Advisory Committee
- Kuranda Interagency Network
- Local Authority Waste Management Advisory Cttee LAWMAC (Proxy)
- Local Disaster Management Group - Health and Env Sub-Group (Proxy)
- Mareeba Chamber of Commerce Community CBD Safety Initiatives (Proxy)
- Mareeba Heritage Centre Management Committee
- Mareeba Liquor Industry Action Group (Proxy)
- Mareeba Sporting Precinct Committee

Councillor Lenore Wyatt



Committees:

- Barron River Catchment Care - Central Zone Forum
- FlexiChoice (Proxy)
- Julatten and Mt Molloy Association of Residents and Ratepayers
- Local Authority Waste Management Advisory Committee LAWMAC
- Local Disaster Management Group - Health and Environment Sub-Group
- Local Disaster Management Group (Deputy Chair)
- Reef Guardian
- Regional Arts Development Fund
- Traffic Advisory Committee

Councillor Daniel (Danny) Bird



Committees:

- Barron Catchment Care
- Far North Queensland Regional Roads Group (Proxy)
- FNQROC Pest Advisory
- Local Disaster Management Group - Community Support Sub-Group
- Mareeba Fire Committee
- Mareeba Multicultural Festival Committee (Proxy)
- Northern Gulf Resource Management Group
- Pest Advisory Committee
- Speewah Residents Group SRG

Councillor Mary Graham



Committees:

- Audit Committee
- Collaborating for inclusive outcomes in Mareeba
- FlexiChoice
- Local Disaster Management Group - Economic Sub-Group
- Mareeba Chamber of Commerce Main Street Committee (Proxy)
- Mareeba Chamber of Commerce Tourism Taskforce (Proxy)
- Mareeba Liquor Industry Action Group
- Mareeba Multicultural Festival Committee
- Tablelands Relay for Life Committee



COUNCIL SERVICE KEY STATISTICS



WATER

Water mains maintained: **520km**
Water connections: **5,909**



WASTE-WATER

Sewer mains maintained: **276km**
Household connections: **4,170**



WASTE

Waste disposed of at Mareeba landfill: **55,660t**
Recyclable materials collected: **23,720t**



REGULATORY SERVICES

Dogs registered: **4,147**
EHO Inspections: **203**



DEVELOPMENT APPROVALS

Dwellings approved: **209**
Planning Development Applications: **54**



ROADS

Total Shire Roads: **2,302km**
Unsealed Roads: **1,639km**



BUILDING

Value of residential approvals
\$49,102,843
Value of non-residential approvals
\$15,461,294
Total of building approvals
429



COMMUNITY

Grants Received
\$20,361,463
Regional Arts Development Funds Contribution
\$44,670
Community Partnerships Program
\$198,307
Aged/ Community Housing managed
108



LAND PROTECTION

Roadside treatment:
5,800km
Weed treatment area:
3,900ha
Properties treated for vertebrate pests: **150**



FACILITIES

Swimming Pool admissions: **42,881**
Public halls usage: **735**
Caravan Park site rentals: **39,352**



LIBRARIES

Membership: **6,009**
Visitors: **27,368**
Volunteer hours: **600**



CUSTOMER SERVICE

Council website visits (sessions): **110,250**
Call centre calls received: **16,286**
Customer requests created: **11,786**



ECONOMY

Land Sales at Mareeba Industrial Park
\$261,579



OPEN SPACES

Parks/Open Spaces maintained: **250**
Parks/gardens/open spaces maintained: **247ha**



VISITOR INFORMATION CENTRES

Visitors: **90,120**
Volunteer hours: **3,315**

SECTION 2: CORPORATE AND OPERATIONAL PLANS

CORPORATE PLAN, VISION AND GUIDING PRINCIPLES

CHIEF EXECUTIVE OFFICER'S REVIEW

On 18 April 2018 Council adopted the Corporate Plan 2018 – 2022. This document provided strategic direction of all activities to be undertaken by Council over the next five years.

The 2020/21 year was one of great accomplishments on a number of fronts. A collaborative effort between the two (2) departments of Council (Corporate and Community Services and Infrastructure Services) has ensured the Council's vision: '**a growing, confident and sustainable Shire**' continued to be the focus for the organisation and through the five strategic priorities this vision has been delivered.

The focus for 2021/22 will now turn to the strategic priorities within the Corporate Plan 2021 - 2025 adopted by Council on 20 December 2020, as well as facilitating significant technological change and advocacy for what is likely to be another challenging yet rewarding year.

Peter Franks
Chief Executive Officer



CORPORATE PLAN 2018 - 2022

MAREEBA SHIRE COUNCIL

OUR VISION

A growing, confident and sustainable Shire.

OUR MISSION

Provide cost-effective services, foster collaborative partnerships and maintain accountable governance to promote the prosperity and liveability of the Shire.

OUR VALUES

Sustainable

United Team

Customer Focused

Community Partnerships

Ethical Conduct

Striving to be better

Skilled Workforce



Mareeba
SHIRE COUNCIL

OUR STRATEGIC PRIORITIES

FINANCIAL SUSTAINABILITY



- Long Term Financial Plan that supports effective and sustainable financial management
- Effective and sustainable financial management
- Effective business management
- A skilled and sustainable workforce

COMMUNITY



- An engaged community
- An active, safe and healthy community
- A community being prepared and resilient to emergencies and disasters

TRANSPORT AND COUNCIL INFRASTRUCTURE



- Sustainable Infrastructure for the future
- Safe and effective transport network
- Securing and managing water resources
- Public spaces and facilities

ECONOMY AND ENVIRONMENT



- Environmentally responsible and efficient waste and wastewater management
- A Sustainable Planning Scheme
- Support and encourage industrial and commercial growth and development
- Our region's environmental assets are best managed while promoting economic well-being

GOVERNANCE



- Ethical, accountable and transparent decision making
- Strong focus on compliance and enterprise risk
- Effective advocacy and strategic partnerships

FINANCIAL SUSTAINABILITY

A Council that continuously looks for savings and opportunities while managing Council's assets and reserves to ensure a sustainable future in a cost-effective manner.

Strategic Priorities

- Long Term Financial Plan that supports effective and sustainable financial management
- Effective and sustainable financial management
- Effective business management
- A skilled and sustainable workforce

Major Achievements

- Solar (Renewable Energy) installed on nine (9) council facilities
- QAO Audit outcomes and positive sustainability results
- Completion of two (2) internal audit projects
- ICT Strategy and Action Plan review

The financial year 2020/21 has been a year for progressing and strengthening the community's resilience through maintaining a strong financial hold and providing a sustainable future.

Financial sustainability remains at the forefront of all decisions and is the first of five (5) pillars of strategic importance recognised in the Mareeba Shire Council Corporate Plan and in Council's vision - "A growing, confident and sustainable shire."

Asset Management and Long Term Financial Planning are the two underpinning concepts to achieve sustainability. Maturing these two plans and proactively deliberating the balance between raising revenues and delivering projects is extremely important. Council is very proud to remain in a strong position in regards to financial sustainability as evidenced in the Queensland Audit Office report to Parliament. Of particular note is the relative risk assessment, with Mareeba Shire Council being given a rating of 'lower'. This means that there is a lower risk of concerns about financial sustainability based on current income, expenses, asset investment, and debt financing policies.

Local Government entities: 2019–20 results of financial audits (Report 17: 2020–21).

Rural/Regional councils	Avg. grant funding percentage ¹	Current operating surplus ratio %	Avg. operating surplus ratio %	Avg. operating surplus ratio trend ²	Net financial liabilities ratio %	Net financial liabilities ratio trend	Current asset sustainability ratio %	Avg. asset sustainability ratio %	Avg. asset sustainability ratio trend ²	Relative risk assessment			
Rural/Regional councils													
Goondiwindi Regional Council	32%	2.04%	3.96%	●	-	-77.18%	●	↓	103.08%	108.14%	●	↓	Lower
Lockyer Valley Regional Council	22%	1.35%	3.02%	●	↑	61.78%	●	↓	113.67%	85.56%	●	↓	Moderate
Mareeba Shire Council	40%	11.60%	14.00%	●	-	-79.00%	●	↑	129.10%	183.00%	●	↑	Lower
North Burnett Regional Council	55%	-15.23%	-11.34%	●	↓	-32.10%	●	↓	72.43%	117.75%	●	↓	Higher
Scenic Rim Regional Council	31%	-4.00%	5.27%	●	↑	11.00%	●	↓	301.00%	183.60%	●	↓	Lower
Somerset Regional Council	27%	-3.00%	2.55%	●	↑	-162.00%	●	↓	115.00%	117.19%	●	↓	Lower
South Burnett Regional Council	25%	-3.70%	1.26%	●	↓	13.70%	●	-	55.90%	98.46%	●	↓	Lower
Southern Downs Regional Council	25%	0.22%	7.83%	●	-	-17.33%	●	↓	179.22%	118.37%	●	↑	Lower
Tablelands Regional Council	31%	-6.40%	2.07%	●	↓	-41.82%	●	↓	140.07%	97.21%	●	↓	Lower
Rural/Regional average	32%	-1.90%	3.18%			-48.09%			134.39%	123.25%			
Rural/Regional—combined risk assessment			Lower			Lower				Lower			Lower

Legend: ↑ An improving trend — No substantial change ↓ A deteriorating trend.
 ● Target Met ● Partial ● Not Met

Source: QAO Report to Parliament - Local Government Entities: 2019-20 results of financial audits (Report 17: 2020-21)

Business efficiencies focussed heavily on renewable energy for 2020/21. This resulted in nine (9) council facilities being fitted out with solar panels. These projects were entirely grant funded and will attribute energy savings for many years to come.

Council is very grateful to the State and Federal governments for providing much needed grants and subsidies for the delivery of \$10.6m in projects during 2020/21, including \$1m in solar installation.

COMMUNITY

An engaged community which supports and encourages effective partnerships to enhance the liveability of the Shire and the wellbeing of residents in communities which are resilient and prepared for unforeseen events.

Strategic Priorities

- An engaged community
- An active, safe and healthy community
- A community being prepared and resilient to emergencies and disasters

Major Achievements

- Parks and Open Spaces survey undertaken
- Contributed \$198,307 towards Community Partnerships Program
- Approved community projects (totalling \$44,670) through the Regional Arts Development Fund
- E-newsletter, grant alerts, social media and website updates provided regularly

Mareeba Shire Council has a great deal of pride in the community and proudly boasts a vast array of active community partners and volunteers who make this Shire a better place to live. Council provided \$198,307 to community groups in 2020/21 through the Community Partnerships Program as well as \$44,670 in community arts projects through the Regional Arts Development Fund.

In a year of managing pandemics and bushfires, Council had a particularly active year in regards to disaster management. Council contributed \$52,000 to the State Emergency Service as well as providing support to the various local Rural Fire Brigades. Council provided 96kms of fire breaks and 22 hectares of controlled burns to protect local property and lives.

In late 2020 council invited community thoughts around parks and open spaces across the Shire. The purpose for this engagement was to inform the new strategy and devise an asset management plan and service level for this class of assets. Council has committed \$4m in 2021/22 to enhance a number of sporting and recreational reserves, local facilities, halls and pools.

The Cedric Davies Community Hub project was effectively complete by financial year end, and is now home to the town library, bowls club and function centre. A vast improvement in space, technological advances, separate spaces and broader resources, this project will be a proud and well used community asset for many years to come.



Cedric Davies Community Hub



Speewah District Residents Association received a 2020/21 MSC RADF Community Grant to engage local artist Annie Fitzpatrick to create a new mural inspired by the Speewah Valley

TRANSPORT AND INFRASTRUCTURE

The provision of quality services and infrastructure for our growing community that is planned and managed using sound asset management principles.

Strategic Priorities

- Sustainable infrastructure for the future
- A safe and effective transport network
- Securing and managing water resources
- Public spaces and facilities

Major Achievements

- Capital investment of \$26 million
- Byrnes Street beautification including Railway Avenue parking
- Bicentennial Lakes solar lighting
- Arnold Park toilet renewal
- Mareeba Leagues Club roof replacement
- Kuranda Cemetery land purchase

Advancing and maturing asset management was a focus in 2020/21. Strategic focus on water security has resulted in some difficult and heavily deliberated outcomes for Council. While the ten year forecast for capital expenditure far exceeds funding availability, the annual increase of \$196 per property demonstrates a progressive and forward thinking option to secure a safe and efficient water supply well into the future.

Capital renewals and upgrades were the focus of spending within the annual capital works program with allocations of \$6.9m for roads, \$4m for water, \$5.1m for wastewater and \$4m for community assets and facilities.

The Kuranda Infrastructure fund has delivered \$2.8m in 2020/21 to the Kuranda township to reinvigorate the tourism trade and renew tiring assets succumbed to high visitor numbers in Kuranda. Construction is now complete on the Barron Falls Walking Trails and Jum Rum and Jungle Walk refurbishments for tourists and locals to enjoy.

A number of projects attributed to the beautification of Byrnes Street in Mareeba were undertaken in later 2020/21 to improve vibrance and refresh the main town for liveability and tourism attraction. This will continue in 2021/22 with a focus on efficiencies, aesthetics and functionality.



Mareeba Shire and Tablelands Regional Councillors, staff and the Hon Scott Buchholz MP, Assistant Minister for Road Safety and Freight Transport on Ootann Road.



Chillagoe Water Reservoir replacement project

ECONOMY AND ENVIRONMENT

A resilient economy that promotes and supports the Shire's natural assets and local industry and encourages investment while preserving and future proofing for generations to come.

Strategic Priorities

- Environmentally responsible and efficient waste and wastewater management
- A Sustainable Planning Scheme
- Support and encourage industrial and commercial growth and development
- The region's environmental assets are best managed while promoting economic wellbeing

Major Achievements

- Land and pest protection investment of \$545,000
- Climate Change Resilience Policy adopted
- Biosecurity Plan adopted
- Secured destination marketing contracts for Kuranda and Mareeba
- Barron Falls Walking Trails completed

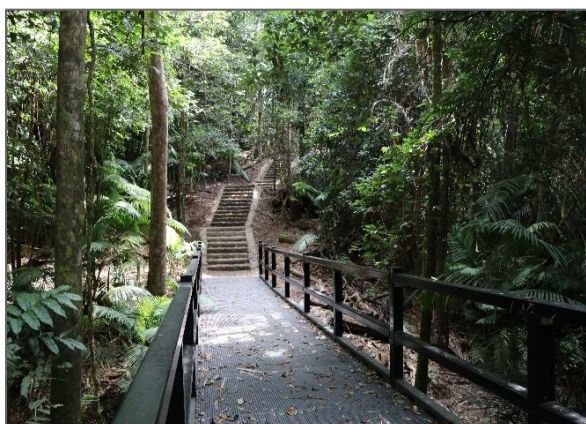
A strong sign of confidence in the Shire is gauged by the value of building approvals within the Shire. The total value of both residential and non-residential reached \$64.5m this year, while planning development applications have shown no signs of slowing, with a total of 54 applications processed in 2020/21.

With agriculture being the largest employer in our Shire, closely followed by government and tourism, our Council remains at the forefront of growth for regional areas in Queensland. Following the impacts of COVID-19 on the tourism sectors, Council secured two short-term destination marketing contracts, one for Kuranda and one for Mareeba. The reach and response to these initiatives has been positive thus far.

Adoption of a Climate Change Resilience Policy and Biosecurity Plan demonstrates Council's strategic approach to environmental protection. A contribution of \$545,000 was made towards land and pest management during 2020/21 to protect our natural assets through weed eradication and wild dog management as well as numerous initiatives such as Reef Guardian actions.

Water security measures such as reticulation renewals and treatment plant refurbishments will be delivered across the shire as part of the Water Strategy. Funding has been secured through various State and Federal Government grant programs, which will help manage future increases.

Council has five (5) Indigenous Land Use Agreements (ILUAs) in place across the Shire and these agreements support Native Title and Cultural Heritage.



Barron Falls Walking Trail Kuranda



Supporting Healthy Waterways and Thriving Rainforests

GOVERNANCE

Sound decision making based on effective frameworks and clear strategic direction to achieve regulatory compliance and affordable levels of service delivered to the community.

Strategic Priorities

- Ethical, accountable and transparent decision making
- Strong focus on compliance and enterprise risk
- Effective advocacy and strategic partnerships

Major Achievements

- Award for Integrated Enterprise Risk Management Framework
- New Corporate Plan 2021 - 2025
- Active completion of compliance review across six of the 11 local government sections
- Active participation in various advocacy-related matters through FNQROC, IQRAP, Mareeba Chamber of Commerce Taskforces

CORPORATE PLAN

2021 - 2025



OUR VISION

A growing, confident and sustainable Shire.

OUR MISSION

Provide cost-effective services, foster collaborative partnerships and maintain accountable governance to promote the prosperity and liveability of the Shire.

OUR VALUES

- Sustainable
- United Team
- Customer Focused
- Community Partnerships
- Ethical Conduct
- Striving to be better
- Skilled Workforce

OUR STRATEGIC PRIORITIES



Financial Sustainability
A Council that continuously operates in a cost-effective manner while managing council's assets and reserves to ensure a sustainable future.



Community
An informed and engaged community which supports and encourages effective partnerships to enhance the liveability of the Shire.



Transport and Council Infrastructure
The provision of quality services and infrastructure for our growing community that is planned and managed using sound asset management principles.



Economy and Environment
A resilient economy that promotes and supports the Shire's natural assets and local industry and encourages investment while preserving and future proofing for generations to come.



Governance
Sound decision making based on effective frameworks and clear strategic direction to achieve regulatory compliance while delivering affordable levels of identified services within the Shire.



Enterprise Risk Management significantly underpins council operations and services. The integration of risk management processes includes policy development, council reports, internal audit plans, risk treatment plans and audit committee reporting. This way of thinking ensures councillors are adequately briefed on potential risks across the seven (7) identified categories to guide them when deciding on the Corporate Plan, Operational Plan and Budget. This progressive thinking has earned Mareeba Shire Council recognition across the Queensland Local Government Industry by being selected as the winner for the North Queensland region in the quarterly LGMS Risk Excellence Awards for 2020/21. This award is in recognition of Council's "Integrated Enterprise Risk Management Framework".

Further to this integrated risk approach, Council is progressively undertaking holistic compliance reviews. By 30 June 2021 six (6) out of the 11 local government sections had been completely reviewed with the remaining sections to be looked at in the coming year.

Councillor advocacy, memberships and local representation have continued under the new council configuration with Mayor Angela Toppin at the lead. Council continued to actively pursue priority issues such as regional connectivity, water security, waste strategy, funding and a range of community issues such as youth crime, continue to highlight the needs and priorities with both State and Federal members of parliament.

OPERATIONAL PLAN

Based on the Corporate Plan 2018 - 2022, Council has delivered the projects listed below as presented in the annual Operational Plan for 2020/21.

FINANCIAL SUSTAINABILITY

PROJECT	OUTCOME
Long Term Financial Plan	<ul style="list-style-type: none"> Long Term Financial Plan was adopted on 16 June 2020 as part of the 2020/21 Budget.
Maintain the financial sustainability	<ul style="list-style-type: none"> Capital works progress report presented to Council each month. Finalisation of capital works report is in development. This report will provide enhanced understanding of Council's performance.
Comprehensive asset revaluations <ul style="list-style-type: none"> Footpaths Stormwater 	<ul style="list-style-type: none"> Comprehensive valuations completed for unsealed roads and footpaths. Drainage asset data has not yet been reviewed to enable a comprehensive valuation to be conducted.
Technology One enhancements	<ul style="list-style-type: none"> The Technology One Organisational Management module has been partially implemented. Work on the Companion App is complete and now in use by Water and Wastewater reticulation. Works have commenced on implementation of property leasing module.
Mareeba Industrial Estate development	<ul style="list-style-type: none"> Promotional strategy will commence in 2021/22.
Customer service standards	<ul style="list-style-type: none"> Work has commenced to improve reporting of Customer Requests.
ICT Strategy implementation <ul style="list-style-type: none"> Technology One 'Software as a Service' PABX replacement Cloud Data Protection SharePoint Online 	<ul style="list-style-type: none"> Microsoft Teams calling proof of concept scheduled to commence July 2021. Engaged with third party to deliver strategy paper on records compliance within Microsoft 365. Awaiting commencement of Microsoft Teams telephony trial.
Sustainable workforce	<ul style="list-style-type: none"> Training occurs on an ongoing basis with a focus on compliance, internal protocols and workplace safety. Support for local employment continues through apprentice and trainee programs. Planned safety management reviews are in place. Increased transparency for organisational policy and procedure review.

COMMUNITY

PROJECT	OUTCOME
Arts connection to tourism	<ul style="list-style-type: none"> Regional Arts Development Fund grants were funded in March totaling \$44,670 with half having cultural tourism outcomes. Draft Public Art Policy has commenced to facilitate the development of public art for cultural tourism outcomes to attract visitors to the Shire.
Open Space, Parks, Footpaths and Trails Strategy	<ul style="list-style-type: none"> Draft strategy in progress. Survey conducted December 2020 to 1 Feb 2021. Survey results have informed the draft strategy. Public survey outcomes report will be completed end July 2021.
Accommodation and support services for seniors	<ul style="list-style-type: none"> Discussions held with state government regarding study findings.



2021 Australia Day Award Recipients



Mayor's Christmas Appeal 2020



Citizenship Ceremony

TRANSPORT AND INFRASTRUCTURE

PROJECT	OUTCOME
Asset Management Sub-Plan <ul style="list-style-type: none"> • Aerodromes • Footpaths • Waste • Wastewater 	<ul style="list-style-type: none"> • Aerodromes, Footpaths and Waste sub-plans to be completed in 2021/22.
Asset Management Sub-Plans <ul style="list-style-type: none"> • Facilities • Swimming Pools • Drainage • Parks & Open 	<ul style="list-style-type: none"> • Drainage assets verification still yet be undertaken. • Parks & Open spaces to be completed in 2021/22.
Kuranda Cemetery	<ul style="list-style-type: none"> • Land acquired. • Development of implementation plan commenced.
Mareeba Cemetery	<ul style="list-style-type: none"> • Investigations into long term options to be undertaken in 2021/22.
Kuranda Infrastructure Program	<ul style="list-style-type: none"> • Construction of Barron Falls Walk Trail is complete • Jum Rum & Jungle Walk refurbishment projects are complete. <p>Kuranda Wayfinding Signage Project will be completed in 2021/22.</p>
Developer Built assets review	<ul style="list-style-type: none"> • Work to commence later in 2021.



Pin Road Mutchilba



Bushy Creek, Julatten Bridge upgrade



Railway Avenue Mareeba



Wolfram Road Dimbulah Reseal

ECONOMY AND ENVIRONMENT

PROJECT	OUTCOME
Waste Management Services Strategy	<ul style="list-style-type: none"> Works progressing as per Waste Strategy Actions, including review of waste fees. Waste optimisation report workshopped with Council. Further technical and financial modelling required to determine long term viability of Mareeba Waste Facility site.
Economic Tourism development	<ul style="list-style-type: none"> 12-month digital destination marketing plan for Kuranda continues to progress well. New digital destination marketing plan for Mareeba Shire was awarded to Bang Media (March 2021) and digital promotion has commenced. Industry engagement in Kuranda, Mareeba, Chillagoe and Irvinebank destination marketing has been conducted. Kuranda Visitor Information Centre continues to pivot operations to maintain services amid COVID. restrictions and changes to visitor demand.
Land, Pest and Fire Management Review	<ul style="list-style-type: none"> Biosecurity Plan adopted in October 2020.
Illegal Dumping Management	<ul style="list-style-type: none"> Project completed.
Temporary Local Planning Instrument (TLPI)	<ul style="list-style-type: none"> Council has adopted the draft changes to the planning scheme and has progressed to consultation stage with the State.



Illegal Dumping prevention program



Reef Guardian Council Commitment



Kuranda Visitor Information Centre (KVIC) Tourism and Presentation Award Winners



Official opening of Mareeba Community Centre new premises

BIOSECURITY PLAN 2020 - 2025



OVERVIEW:

The aim of the Biosecurity Plan is to unite efforts across all sectors of the community to eradicate invasive plants and animals in the Mareeba Local Government Area.



Implementing the Biosecurity Plan will assist in

-  Protecting agriculture lands
-  Protecting grazing lands
-  Protecting our inland waters and environmentally sensitive areas
-  Protecting community, residential cultural and tourism values
-  Engaging with stakeholders

“We **all** have a **responsibility** for **biosecurity**”

Our Vision:

A **community** unified in managing **biosecurity** risks to the **Mareeba** Local Government Area



GOVERNANCE

PROJECT	OUTCOME
Compliance Review	<ul style="list-style-type: none"> Compliance review completed for six (6) of 11 Qld Local Government sections. To be completed in 2021/22. A Governance, Risk and Compliance portal selection is underway, to be finalised by August 2021. Council has awarded a vendor to provide an efficient and effective mechanism for Council to manage its vast compliance obligations. The project will extend into 2020/21 in order to implement and monitor.
Advocacy Policy	<ul style="list-style-type: none"> Now titled "Growing Mareeba", which is a presentation folder identifying key strategic priorities to advocate for in Shire. To be completed in July 2021.



Councillors Western Road Trip



Previous Mayor Tom Gilmore, Governor De Jersey and Mayor Toppin conducting the official sod turning where the Mission Aviation Fellowship (MAF) Precinct will be built



Solar Project



Recognition of staff for years of service

SECTION 3: ANNUAL LEGISLATIVE DISCLOSURES

CORPORATE GOVERNANCE

Mareeba Shire Council continues to be a responsible local government, operating in accordance with legislation and focusing on the ethical business activities and relationships between Councillors, senior management, employees, the community, government departments, business clients and other key stakeholders.

Council has a governance framework outlined below, that enhances organisational performance, whilst monitoring and maintaining compliance with legislative and other controls.

- Building awareness of organisational responsibilities and accountabilities;
- Strong financial stewardship and fiscal responsibility;
- Monitoring and maintaining compliance with legislation, policy, standards and controls;
- Integral practices, procedures and ethical decision-making with continuous improvement activities and transparent reporting; and
- Involving the community as a key stakeholder in decision-making and consultation opportunities.

RISK MANAGEMENT

Risk management is the identification, assessment and prioritisation of risks. It also includes the steps taken to minimise such risks. Council has an Enterprise Risk Management Policy, Framework, and Process, which guides Council to identifying risks in all aspects of Council operations. Council risk management is integrated into other governance instruments of Council to ensure identification, mitigation, and monitoring. All identified risks are annually reviewed, monitored and reported to the Audit Committee and Council.

Council will be reviewing its Enterprise Risk Management framework to ensure compliance with Risk Management Standard ISO 31000. The review will focus on "top management" leadership to ensure that risk management is further integrated into all organisational areas. Furthermore, greater emphasis will be placed on the iterative nature of risk management, drawing on recent experiences and knowledge for the revision of process elements, actions and controls at each stage of the process. Finally, Council is always looking for ways to streamline the risk management process, focusing on sustaining an open systems model that fits Council's multiple needs and contexts.

This review will fit nicely with Council's plan for a Governance, Risk and Compliance portal, which will provide an efficient and effective instrument for Council to manage its risk, vast compliance obligations, general governance, and employee delegations.

COUNCILLOR REMUNERATION AND EXPENSES REIMBURSEMENT

COUNCILLOR REMUNERATION

The amount of remuneration paid to Local Government Councillors for the time and effort spent on Council business is determined by the Local Government Remuneration and Discipline Tribunal ('The Tribunal').

The Tribunal has determined that the Mareeba Shire Council is a Category 2 Council and the following annual remuneration amounts applied to Category 2 Councils during the period 1 July 2020 to 30 June 2021.

As per Council resolution on the 15 April 2020, Councillors did not receive the 2% wage increase as determined by the Remuneration Tribunal rating, effective 1 July 2020.

MAYOR	DEPUTY MAYOR	COUNCILLORS
\$124,869	\$74,923	\$62,435

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

COUNCILLOR	REMUNERATION PAID	SUPERANNUATION PAID
Cr Lachlan Bensted	\$61,211	\$7,345
Cr Daniel Bird	\$61,211	\$7,345
Cr Kevin Davies (Deputy Mayor)	\$73,454	\$8,815
Cr Mary Graham	\$61,211	\$7,345
Cr Mario Mlikota	\$61,211	\$7,345
Cr Angela Toppin (Mayor)	\$122,421	\$14,691
Cr Lenore Wyatt	\$61,211	\$7,345

COUNCILLOR EXPENSES REIMBURSEMENT

In addition to remuneration for time spent on Council business, Local Government Councillors are also entitled to receive reimbursement of all approved expenses incurred in undertaking their role as a Councillor. Council has adopted the Councillor Remuneration, Expenses Reimbursement and Resources policy as required by section 250 of the Local Government Regulation 2012 on 15 April 2020.

In accordance with the policy, Councillors are provided with reimbursements of expenditure for their vehicles, as well as incidental costs such as mobile phone costs and other costs related to Council business.

The total amount of expenses reimbursed to each Councillor during the period 1 July 2020 to 30 June 2021 is as follows:

COUNCILLOR	AMOUNT
Cr Lachlan Bensted	\$3,300
Cr Daniel Bird	\$3,814
Cr Kevin Davies	\$3,448
Cr Mary Graham	\$3,300
Cr Mario Mlikota	\$3,300
Cr Angela Toppin	\$5,576
Cr Lenore Wyatt	\$3,360

In accordance with policy provisions, Councillors were also provided with the facilities and resources necessary to effectively undertake the requirements of their position.

These facilities and resources include:

- Administrative and secretarial support
- Office space and Council meeting rooms
- Access to computers
- Use of Council landline telephone and internet access
- Access to fax, photocopier, scanner, printer and stationery
- Council owned vehicles available for business use by all Councillors
- Insurance cover under relevant Council policies (Public Liability, Councillors' Liability, Personal Accident, Workers Compensation)
- Provision of meals (lunches/morning teas) when attending Council meetings and workshops
- Attendance at approved work-related conferences and workshops
- Travel and accommodation to attend Council related business

OVERSEAS TRAVEL

No overseas travel was undertaken during the 2020/21 financial year.

REMUNERATION PAYABLE TO SENIOR MANAGEMENT

The below table shows the range of remuneration (excluding superannuation) for the 12 month period from 1 July 2020 to 30 June 2021 provided to Council's senior management staff.

The total remuneration payable (excluding superannuation) in 2020/21 to senior management was \$824,890.

PACKAGE RANGE	NUMBER
\$300,000 - \$399,000	1
\$200,000 - \$299,000	2

COUNCILLOR MEETING ATTENDANCE

The below list outlines Councillor attendance at Council meetings held between 1 July 2020 and 30 June 2021. Leave was granted for all unattended meetings by Councillors.

COUNCILLOR	NUMBER	MEETINGS HELD	NUMBER
Cr Lachlan Bensted	14	Ordinary Meetings	12
Cr Daniel Bird	13	Special Meetings (Budget)	1
Cr Kevin Davies	14	Special Meetings	1
Cr Mary Graham	14		
Cr Mario Mlikota	14		
Cr Angela Toppin	14		
Cr Lenore Wyatt	13		

COUNCILLOR CONDUCT

The table below reflects complaints dealt with during the financial year in accordance with the Councillor conduct framework provided for under Chapter 5A of the *Local Government Act 2009*.

DESCRIPTION	NUMBER
Orders made under section 150I(2) of the Act	Nil
Orders made under section 150AH(1) of the Act (see note 1)	1
Orders made under section 150AR(1) of the Act	Nil
Complaints referred to the Independent Assessor under section 150P(2)(a) of the Act	Nil
Notifications made to the Crime and Corruption Commission under section 150P(3) of the Act	Nil
Notifications made to the Independent Assessor under section 150R(2) of the Act	Nil
Notifications made to the Independent Assessor under section 150S(2)(a) of the Act	Nil
Decisions made under sections 150W(1)(a), (b) and (d) of the Act during the period 1 July 2019 to 31 August 2019	Nil
Decisions made under sections 150W(1)(a), (b) and (e) of the Act during the period 1 September 2019 to 30 June 2020	Nil
Referrals received from the Independent Assessor under section 150AC(3)(a) of the Act	Nil
Information provided to the Independent Assessor under section 150AF(4)(a) of the Act	Nil
Number of occasions Council requested another entity to investigate Councillor conduct under Chapter 5A, Part 3, Division 5 of the Act	1
Complaints referred to the Independent Assessor for which no further action was taken under section 150Y of the Act	Nil
Complaints referred back to Council by the Independent Assessor under section 150W(b) for investigation under section 150AF of the Act	1
Applications heard by the Councillor Conduct Tribunal	Nil

Note 1 - Councillor Graham engaged in inappropriate conduct, when she shared a Facebook post containing racist material. Determination made that the action of sharing a third party's Facebook post from the Councillor's private Facebook page which denigrated the Muslim community, was inappropriate conduct as that term is defined under s150K(1) of the LGR. Council resolution: 'Cr Graham to make a public admission that she engaged in inappropriate conduct by writing a formal apology, which the Mayor will forward to the Complainant; and attend the next Councillor Training session that includes social media training'.

PUBLIC SECTOR ETHICS ACT

The *Public-Sector Ethics Act 1994* requires that the Annual Report of each public-sector entity (which includes a Local Government) must include an implementation statement giving details of the action taken during the reporting period to comply with those sections of the Act relating to the preparation of codes of conduct and access to, and education and training in, the ethics principles and public-sector ethics.

The four (4) ethics principles are:

- Integrity and impartiality;
- Promoting the public good;
- Commitment to the system of government; and
- Accountability and transparency.

Council's Employee Code of Conduct is compliant with current legislation, in particular, the ethics principles outlined above. Education and training in relation to the ethics principles and the Code of Conduct are included as part of the induction process for all new employees and refresher training is provided to all employees.

Topics covered by this training include:

- The operation of the *Public-Sector Ethics Act 1994*
- The application of ethics principles and obligations
- The contents of the Code of Conduct
- The rights and obligations of employees in relation to a contravention of the Code of Conduct

Education and training have been provided to new employees, contractors, volunteers and students on work experience.

Copies of the ethics principles and Code of Conduct are provided at each workplace for access by Council staff. Any person, other than Council staff, can obtain access to, or purchase a copy of, the Code of Conduct at any of the Council's administration offices.

The administrative procedures and management practices of the Council have regard to the ethics obligations of public officials and the Council's Code of Conduct and all employees are required to act in ways which give a commitment to a high standard of ethics and which ensure the highest standards of public administration.

ADMINISTRATIVE ACTION COMPLAINTS

Council is committed to dealing fairly with administrative action complaints. All complaints are processed in accordance with the provisions of the Council's adopted Administrative Action Complaints Management Policy. The objectives of the policy are to ensure that the Council has an organised process for responding to, recording, reporting and using complaints to improve service to the community.

The Complaints Management System governed by the policy aims to:

- Be fair and objective. All complaints are considered on their merits and the principles of natural justice are observed.
- Support continuous improvement. Where applicable, the outcomes from a complaints management process are applied to improve business operations, policies and procedures.
- Be open and accountable. The decisions and outcomes regarding a complaint are made available to the affected person, subject to statutory provisions.
- Be accessible and simple to understand. The process facilitates feedback from the community in a form that encourages participation.

The table below reflects Council's performance in resolving complaints during the financial year. The number of complaints outstanding at the end of the financial year was four (4) compared with a carry-over of 11 as of 30 June 2020, representing a fifty-four per cent decrease. Complaints not resolved at the close of the financial year decreased by sixty-three per cent along with an eighteen per cent decrease in total complaints lodged compared with the previous financial year. Of the four (4) complaints not resolved as at 30 June 2020, one is a carry-over due to the complexity of the matters raised and the significant and protracted involvement of the external review oversight agency.

DESCRIPTION	NUMBER
Administrative action complaints carried over from the previous financial year	4
Administrative action complaints lodged during 2020/21	63
Administrative action complaints resolved during 2020/21	60
Administrative action complaints not resolved at close of the financial year	7
Administrative action complaints not resolved at close of the financial year 2019/20 which were lodged during the previous financial year 2019/20	0

CHANGES TO TENDERS

There were two (2) occasions during the year where persons who submitted a tender were invited to change their tender to take account of a change in the tender specification prior to Council making a decision under section 228(7) of the *Local Government Regulation 2012*.

GRANTS TO COMMUNITY ORGANISATIONS

The following grants/donations were provided to community groups and sporting clubs during the period 1 July 2020 to 30 June 2021 in accordance with Council's Community Partnerships Program (CPP) Policy and the Rate Rebate and Remission Policy:

GRANTS TO COMMUNITY ORGANISATIONS	AMOUNT
Cash	\$21,950
Remittance of Rates and Charges (including water consumption)	\$167,350
In-Kind Assistance	\$9,007
TOTAL	\$198,307

Grants provided to community organisations through the Regional Arts Development Fund for arts and cultural projects are separate to the amounts listed above and totalled \$44,670 for the 2020/21 financial year.

Councillors of the Mareeba Shire Council are not provided with discretionary funds to allocate as they see fit. Funding was not therefore provided to community organisations from this source.

LIST OF COUNCIL REGISTERS

- Register of Members Interests
- Register of Councillor Conduct
- Register of Delegations by Council
- Register of Roads
- Register of Assets
- Register of Cost Recovery Fees
- Register of Delegations by the Chief Executive Officer
- Register of Local Laws and Subordinate Local Laws
- Register of Lands
- Register of Policies
- Cemetery Register
- Impounding Register
- Gifts and Benefits Register
- Register of On-site Sewerage Facilities

CONDUCT OF BUSINESS ACTIVITIES

Application of Code of Competitive Conduct

The following business activities were conducted by Council during the 2020/21 financial year:

- Water Supply
- Sewerage
- Waste Management
- Soil Laboratory
- Building Certification

The *Local Government Act 2009* (s 45 (b)) requires that a Council's Annual Report must identify the business activities that are a significant business activity. Significant business activity does not include a roads activity, or an activity related to the provision of library services. All significant business activities have had the Competitive Neutrality Principles applied. The *Local Government Regulation 2012* (s19) identifies the following expenditure thresholds for significant business activities:

- 10,000 or more premises being connected to water service for the provision of combined water and sewerage services
- \$9.7 million for another business activity

The Regulation also provides that a Local Government must use the financial information for the previous financial year that was presented to the Local Government's budget meeting to identify each new significant business activity for the financial year. None of the Council's business activities exceeded the threshold for a significant business activity for the 2020/21 financial year. The business activities listed above were also conducted by Council in the previous financial year (2019/20), and there were no new business activities commenced in 2020/21.

COMPETITIVE NEUTRALITY COMPLAINTS

During the 2020/21 financial year Council was not in receipt of any competitive neutrality complaints. During the same period, Council was not in receipt of any Queensland Productivity Commission notices of investigations, nor any Queensland Productivity Commission recommendations on any competitive neutrality complaints.

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). It has previously been determined that the threshold for capitalisation of asset classes other than land is \$5,000. These details form part of Note 13 to the Financial Statements.

SPECIAL RATES/CHARGES LEVIED

Council did not, during the year, take any action in relation to, or expend funds on, a service, facility or activity, under section 190(d) of the *Local Government Regulation 2012*:

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

RATE REBATE AND REMISSION POLICY

The Rate Rebate and Remission Policy sets out Council policy, as per annual budget resolution, in relation to the granting of rebates and remissions on rates and charges.

The *Local Government Regulation 2012* - Chapter 4, Part 10 Concessions, gives local governments the power to grant concessions for rates and charges.

A concession may only be of the following types:

- (a) a rebate of all or part of the rates or charges
- (b) an agreement to defer payment of the rates or charges
- (c) an agreement to accept a transfer of unencumbered land in full or part payment of the rates or charges

A concession may only be granted by resolution of the Council and for the Mareeba Shire Council; this is done as part of the annual budget adoption process and also noted in the adopted Revenue Statement.

DEBT POLICY

The Debt Policy details the principles upon which Council bases its decisions when considering the type of expenditure to be funded by borrowings for the financial years 2020/21 to 2029/30, the total current and projected borrowings and the ranges of periods over which they will be repaid.

REVENUE POLICY

The Revenue Policy (adopted annually at the budget meeting) governs the principles used by Council for making and levying rates and utility charges, exercising powers to grant rebates and concessions, for recovering unpaid amounts of rates and charges and the setting of miscellaneous fees and charges.

AUDIT COMMITTEE

Although Council is not required under legislation to have an Audit Committee, Council has elected to appoint an Audit Committee. The Committee comprises an independent member as chairperson (Ruth Faulkner) and two Councillors (Cr Davies and Cr Graham). The independent chairperson is also responsible for probity audits.

Three meetings of the Audit Committee were held during the financial year; 11 August 2020, 21 September 2020, and 9 March 2021.

Items considered by the Committee throughout the 2020/21 year were:

- Financial statements for the year ended 30 June 2020
- Audit strategy for the 2020/21 financial year
- Internal audit plan and status
- Enterprise Risk Management
- External audit results and recommendations
- Probity audit reviews and status

INTERNAL AUDIT

The function of an internal audit is to provide stakeholders with a level of assurance that business processes are operating appropriately and effectively in accordance with organisational and legislative requirements. Pacifica Chartered Accountants provide internal audit services for Mareeba Shire Council.

Pacifica Chartered Accountants have been appointed as Council's Internal Auditors since 23 April 2015. In March 2021 a further renewal of agreement was signed for the period 1 July 2021 to 30 June 2024.

Based on Council's budget for Internal Audit services; risk management frameworks; governance maturity and procedure documents; external audit findings and key areas of interest/concern for the Executive Management Team, an annual Internal Audit Plan for the three years spanning 2019 to 2021 has been endorsed by the Audit Committee.

Internal Audit activities undertaken include:

Current 2020/21 Annual Internal Audit Plan

NO.	PROJECT	DEPARTMENT
1	Fixed Asset Register Integrity	Organisation wide
2	Project and Contract Management	Organisation-wide

Previous 2019/20 Annual Internal Audit Plan

NO.	PROJECT	DEPARTMENT
1	Property and Leasing Management	Corporate and Community Services
2	Plant Management Practices	Organisation-wide

SECTION 4: FINANCIAL INFORMATION

COMMUNITY FINANCIAL REPORT

The Community Financial Report is produced to enable members of the community to gain a better understanding of our financial performance and position over the last financial year.

The report uses plain language and pictorial aids such as graphs and tables to give all interested readers and stakeholders an easy to follow summary of the financial statements.

The Community Financial Report is prepared in accordance with Section 179 of the *Local Government Regulation 2012* and focuses on:

Statement of
Comprehensive
Income

Statement of
Financial
Position

Statement of
Changes in
Equity

Statement of Cash Flows

Measures of Financial
Sustainability
Performance

Performance highlights:

During the 2020/21 financial year, Council has:

- Continued to achieve a sound financial position resulting in an operating surplus of \$7.5 million, which continues to lay the foundation of Council's promising long-term financial sustainability.
- Continued to sustain relatively low debt of \$7.7 million at year-end.
- Council continues to enhance and implement its Asset Management Plan in order to facilitate sound strategic asset management decisions



STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income (often referred to as the Profit and Loss Statement) shows the details of Council's operating and capital income and expenses for a specified reporting period. Income minus expenses result in either a profit or loss amount known as the net result.

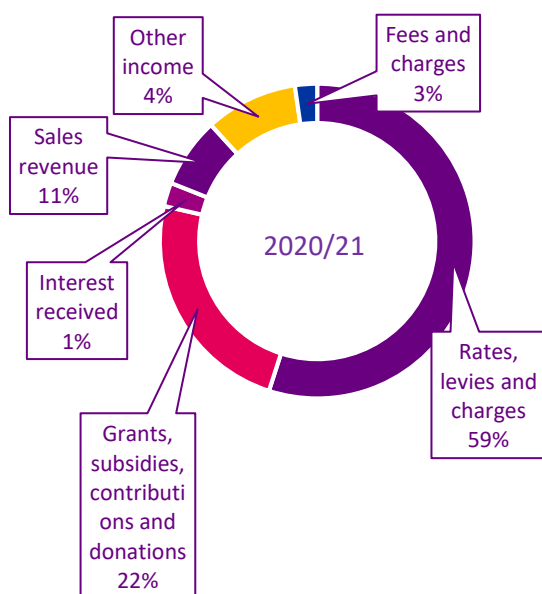
A Summarised Statement of Comprehensive Income for the year ended 30 June 2021 is shown in the table below:

SUMMARY OF STATEMENT OF COMPREHENSIVE INCOME	2020-21 AMOUNT \$(000)	2019-20 AMOUNT \$(000)
Operating Revenue	\$54,620	\$56,509
Less: Operating Expenses	(\$47,111)	(\$49,953)
Operating Position	\$7,509	\$6,556
Plus: Capital Income	\$11,519	\$9,917
Less: Capital Expenses	(\$454)	(\$3,287)
Net Result*	\$18,574	\$13,186

* The Net Result does not represent surplus cash funds available as a substantial portion of income items are restricted to specific use and are not available for general use - for example, Benefited Area income and legislative provisions. In addition, capital grants are allocated as funding to maintain or expand Council's infrastructure and cannot be used for operational purposes.

OPERATING REVENUE

Where Council's money comes from



Operating revenue includes rates and utility charges, fees and charges, operating grants and subsidies, sales revenue, interest and other income.

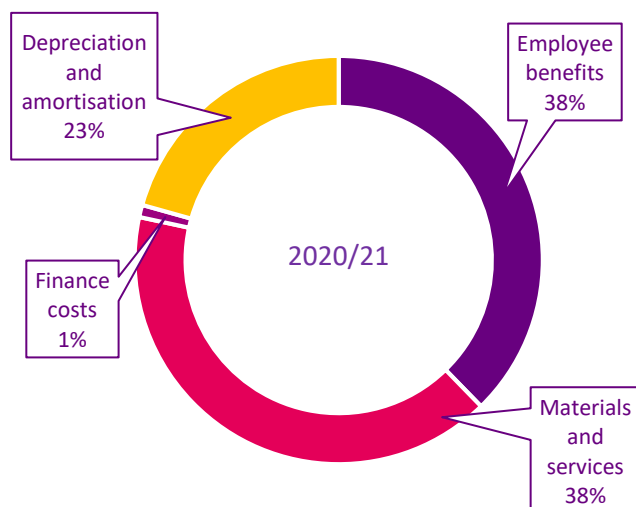
Council received \$54.6 million in operating revenue during the financial year. Rates and utility charges of \$32.4 million were the largest contributor to revenue, which is 59% of the total revenue for the year. Other sources are shown in the graph below.

Capital revenues refer to income from grants, subsidies and contributions. This revenue is used to pay for fixed assets. Total capital revenue during the 2020/21 financial year was \$11.5 million.

OPERATING REVENUE SOURCES	2020/21 AMOUNT \$(000)	2019/20 AMOUNT \$(000)
Rates & Utility Charges (Net of discount and remissions)	\$32,400	\$31,529
Fees & Charges	\$1,608	\$1,385
Operating Grants, Subsidies & Contributions	\$12,030	\$14,344
Sales Revenue	\$6,052	\$4,343
Interest - Investment & Rates	\$525	\$985
Other Revenue	\$2,005	\$3,923
TOTAL OPERATING REVENUE	\$54,620	\$56,509

OPERATING EXPENDITURE

What expenses did Council have to meet?



During the 2020/21 financial year, Council focused on continuing its commitment to long term financial sustainability.

Total operational expenses of \$47.1 million were incurred during the year 1 July 2020 to 30 June 2021. Materials and services and employee benefits make up 76% of the total expenditure for Council.

OPERATING EXPENDITURE	2020/21 AMOUNT \$(000)	2019/20 AMOUNT \$(000)
Employee benefits	\$17,765	\$18,218
Materials and services	\$17,951	\$21,084
Finance costs	\$312	\$538
Depreciation and amortisation	\$11,083	\$10,113
TOTAL EXPENDITURE	\$47,111	\$49,953

STATEMENT OF FINANCIAL POSITION

The Statement of Financial Position (more commonly known as the Balance Sheet) displays a 'snapshot' of assets and liabilities at a specified reporting date. The statement measures what Council owns (assets) and what Council owes (liabilities). The difference between these two components is the net wealth (equity) of Council and our community, referred to as Community Equity.

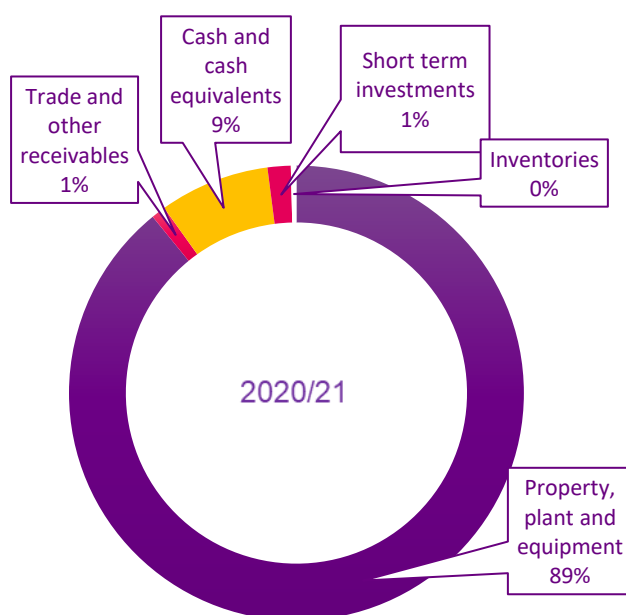
Each heading in the Statement of Financial Position is separated into detailed subheadings which are cross-referenced to Notes in the Financial Statements to provide further explanations.

STATEMENT OF FINANCIAL POSITION	2020/21 AMOUNT \$(000)	2019/20 AMOUNT \$(000)
Assets - What Council owns		
Cash Assets	\$58,667	\$50,074
Short Term Investments	\$5,000	\$10,500
Receivables	\$8,285	\$6,475
Inventories	\$2,471	\$2,525
Property, Plant and Equipment and Intangible Assets	\$596,873	\$569,443
TOTAL ASSETS	\$671,296	\$639,017
Less: Liabilities - What Council owes		
Trade Payables	\$11,296	\$9,914
Borrowings	\$7,724	\$8,109
Provisions	\$6,512	\$6,848
TOTAL LIABILITIES	\$25,532	\$24,871
NET COMMUNITY ASSETS - What Council is worth	\$645,764	\$614,146

WHAT DO WE OWN?

Council's major asset is property, plant and equipment. This is broken down into asset classes of land, buildings, plant and fleet, roads, drainage, bridges, water, sewerage and other infrastructure assets. Road, drainage, bridge, water and sewerage infrastructure represent 80% of the total fixed assets and provides a direct service/benefit to the community.

A total of \$26 million was spent to renew, upgrade and build new assets for the community during this financial year.



Cash and cash equivalents represent 9% of Council's total assets. Fixed-term deposits in excess of 3 months are separately classified from cash and cash equivalents.

Other assets include outstanding rates, fees and charges owing to Council at 30 June 2021. These are known as trade and other receivables.

WHAT DO WE OWE?



Council has \$7.7 million worth of loans. \$4 million of this relates to the Mareeba Sewerage Treatment Plant upgrade, which was completed in August 2017. \$3.6 million relates to the upgrade of the Mareeba Industrial Park and Mareeba Airport which was completed in 2019/20.

The other major liability for Council is the landfill rehabilitation provision. Council continues to set aside a provision which will remain for a number of years to cover the anticipated future costs relating to the closure of refuse sites, including decontamination and monitoring of historical residues and leaching at these sites. This is included in the provision account under liabilities in the Statement of Financial Position.

STATEMENT OF CHANGES IN EQUITY

The difference between assets and liabilities is the total community equity or the net wealth of the Council. The Statement of Changes in Equity shows the overall change in Council's "net wealth" over the year. As at 30 June 2021, Council's net wealth was \$646m. This community equity consists of an asset revaluation reserve and retained surpluses which increased by \$13m and \$18.5m respectively this year. The asset revaluation surplus comprises amounts representing the change in the value of Council's assets over time.

Council's retained surplus represents amounts available to be invested into assets (now or in the future) to provide services to the community. These surpluses can be used should unforeseen financial shocks or adverse changes to the business that occur in the future.

STATEMENT OF CASHFLOW

The Statement of Cashflow measures the inflow and outflow of cash during the reporting period. The statement is categorised into three groups;

- **Operating activities** - are normal day to day functions of Council. This would include receipts such as rates, fees and charges, interest received on investments and payments of employee wages, materials and services.
- **Investing activities** - including capital grants for the purchase and construction of property, plant and equipment and proceeds from the sale of assets, including term deposits.
- **Financing activities** - are repayments of loans, as well as the inflows from new loans drawn down in the year (if any).

STATEMENT OF CASHFLOW	2020/21 AMOUNT \$(000)	2019/20 AMOUNT \$(000)
Opening Balance - 1 July 2020	\$50,074	\$52,753
Plus: Cash inflow/(outflow) from operating activities	\$17,883	\$22,114
Cash inflow/(outflow) from investing activities	(\$8,904)	(\$26,952)
Cash inflow/(outflow) from financing activities	(\$386)	\$2,159
CASH AVAILABLE AT END OF YEAR	\$58,667	\$50,074

Cash at the end of the year was \$58m, which is represented as cash and cash equivalents in the Statement of Financial Position.

The difference between cash inflows from investing activities represents the movement in 2019/20 of \$10.5m relating to an increase in term deposits during that year which decreased by \$5.5m in 2020/21. These are shown in the cash flow statements as an inflow/(outflow) from investing activities. Total term deposits as at 30 June 2021 were \$5m.

The cash inflow from financing activities in 2019/20 includes a new loan of \$3.75m that Council drew down.

MEASURES OF FINANCIAL SUSTAINABILITY

(KEY FINANCIAL PERFORMANCE RATIOS)

The *Local Government Regulation 2012* requires Councils to report against the Department of Local Government, Racing and Multicultural Affairs (DLGRMA) sustainability financial ratios. This information is provided below. These ratios are designed to provide an indication of the performance of Council against key financial sustainability criteria which must be met to ensure the prudent management of financial risks.

RATIO	DESCRIPTION	ACTUAL RESULT	TARGET	TARGET MET
Operating surplus ratio	This is an indicator of the extent to which revenue raised covers operational expenses only or are available for capital funding purposes. The higher the ratio the better.	13.75%	0 - 10%	<input checked="" type="checkbox"/>
Net financial liabilities ratio	This is an indicator of the extent to which the net financial liabilities of a Council can be serviced by its operating revenues. A ratio less than zero (negative) indicates that the current assets exceed total liabilities and therefore Council appears to have the capacity to increase its loan borrowings, should it decide to do so. The lower the percentage the better.	-94%	<=60%	<input checked="" type="checkbox"/>
Asset sustainability ratio	This is an approximation of the extent to which the assets managed by Council are being replaced as these reach the end of their useful lives. Depreciation expense is compared to the renewal's expenditure (replacing assets that Council already has) and is an indicator of the extent to which the assets are being replaced. This ratio indicates whether Council is renewing or replacing existing non-financial assets at the same rate that its overall portfolio of assets is wearing out.	156.5%	>90%	<input checked="" type="checkbox"/>

FINANCIAL STATEMENTS



Mareeba
SHIRE COUNCIL

Financial Statements

For the year ended 30 June 2021

Mareeba Shire Council

Financial statements

For the year ended 30 June 2021

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Management Certificate

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

	Note	2021 \$	2020 \$
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3(a)	32,399,909	31,529,440
Fees and charges	3(b)	1,607,581	1,384,981
Sales and services revenue	4(a)	6,051,639	6,356,416
Grants, subsidies, contributions and donations	3(c)	12,030,577	14,343,854
Total recurrent revenue		52,089,706	53,614,691
Capital revenue			
Grants, subsidies, contributions and donations	3(c)	11,518,616	9,916,900
Total capital revenue		11,518,616	9,916,900
Interest received	4(b)	525,210	984,378
Other revenue	4(c)	2,004,801	1,910,177
Total income		66,138,333	66,426,146
Expenses			
Recurrent expenses			
Employee benefits	5	(17,765,092)	(18,218,002)
Materials and services	6	(17,951,467)	(21,084,158)
Finance costs	7	(311,775)	(538,422)
Depreciation and amortisation			
Property, plant and equipment	13	(10,936,418)	(9,929,768)
Intangible assets	14	(146,647)	(182,633)
		(47,111,399)	(49,952,984)
Capital expenses	8	(453,909)	(3,287,428)
Total expenses		(47,565,308)	(53,240,412)
Net result		18,573,025	13,185,734
Other comprehensive income			
Items that will not be reclassified to net result			
Increase in asset revaluation surplus	13	13,044,680	72,257,722
Total other comprehensive income		13,044,680	72,257,722
Total comprehensive income for the year		31,617,705	85,443,456

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

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

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	9	58,667,167	50,073,982
Short term investments	10	5,000,000	10,500,000
Trade and other receivables	11	8,255,969	6,435,350
Inventories	12	2,470,760	2,525,396
Total current assets		74,393,896	69,534,728
Non-current assets			
Trade and other receivables	11	28,969	39,594
Property, plant and equipment	13	596,148,819	568,787,850
Intangible assets	14	724,731	655,201
Total non-current assets		596,902,519	569,482,645
Total assets		671,296,415	639,017,373
Current liabilities			
Trade and other payables	16	8,706,838	7,576,083
Borrowings	17	406,875	393,331
Provisions	18	2,802,864	2,756,523
Total current liabilities		11,916,577	10,725,937
Non-current liabilities			
Trade and other payables	16	2,589,258	2,337,580
Borrowings	17	7,317,100	7,716,213
Provisions	18	3,709,646	4,091,514
Total non-current liabilities		13,616,004	14,145,307
Total liabilities		25,532,581	24,871,244
Net community assets		645,763,833	614,146,128
Community equity			
Retained surplus		482,263,952	463,690,927
Asset revaluation surplus	13	163,499,881	150,455,201
Total community equity		645,763,833	614,146,128

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

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

		Asset revaluation surplus	Retained surplus	Total
	Note	\$	\$	\$
Balance as at 1 July 2020		150,455,201	463,690,927	614,146,128
Net result		-	18,573,025	18,573,025
Increase in asset revaluation surplus	19	13,044,680	-	13,044,680
Total comprehensive income for the year		13,044,680	18,573,025	31,617,705
Balance as at 30 June 2021		163,499,881	482,263,952	645,763,833
Balance as at 1 July 2019		78,197,479	446,207,979	524,405,458
Adjustments on initial application of AASB 15 / AASB 1058			4,297,214	4,297,214
Restated balance at 1 July 2019		78,197,479	450,505,193	528,702,672
Net result		-	13,185,734	13,185,734
Increase in asset revaluation surplus	19	72,257,722	-	72,257,722
Total comprehensive income for the year		72,257,722	13,185,734	85,443,456
Balance as at 30 June 2020		150,455,201	463,690,927	614,146,128

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

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

	2021	2020
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	40,229,940	46,476,107
Payments to suppliers and employees	(34,596,493)	(39,157,072)
	5,633,447	7,319,035
Interest received	497,004	929,282
Recurrent grants and contributions	12,030,577	14,343,854
Borrowing costs	(278,097)	(467,838)
Other loans finance costs	-	(10,412)
Net cash inflow (outflow) from operating activities	25 17,882,932	22,113,921
Cash flows from investing activities		
Payments for property, plant and equipment	(25,629,640)	(24,374,551)
Payments for intangible assets	(216,177)	(25,506)
Proceeds from sale of property, plant and equipment	149,896	149,405
Grants, subsidies, contributions and donations	11,291,744	7,798,592
Proceeds from / (payments for) short-term investments	5,500,000	(10,500,000)
Net cash inflow (outflow) from investing activities	(8,904,177)	(26,952,060)
Cash flows from financing activities		
Proceeds from borrowings	-	3,750,000
Repayment of borrowings	(361,756)	(1,568,951)
Repayments made on other loans	(23,813)	(22,088)
Net cash inflow (outflow) from financing activities	(385,569)	2,158,962
Net increase (decrease) in cash and cash equivalent held	8,593,186	(2,679,177)
Cash and cash equivalents at the beginning of the financial year	50,073,982	52,753,159
Cash and cash equivalents at the end of the financial year	9 58,667,167	50,073,982

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

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

1 Information about these financial statements

1.A Basis of preparation

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

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

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment which are measured at fair value.

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 they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of property, plant and equipment (Note 13(a))

1.B New and revised Accounting Standards adopted during the year

Council has adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2020, none of the standards had a material impact on reported position, performance and cash flows, excluding the *IFRIC Agenda Decision Configuration or Customisation in a Cloud Computing Arrangement*.

IFRIC (the International Financial Reporting Interpretation Committee, a committee of the International Accounting Standards Board) has recently addressed an Agenda Decision how a customer should account for the costs of configuring or customising a suppliers application software in a cloud computing or Software as a Service (SaaS) arrangement. It was determined by IFRIC that sufficient guidance exists within the relevant accounting standards that no amendments to Accounting Standards was required. Council has assessed the impact on Council's intangible assets and determined that there is no impact upon Councils' financial statements as a result of this decision

1.C Standards issued by the AASB not yet effective

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

	Effective for reporting periods beginning on or after:
AASB 2020-1 <i>Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards</i>	1 January 2023
AASB 2020-3 <i>Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments</i>	1 January 2022

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

1.D Estimates and judgements

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

Revenue recognition - Note 3

Valuation and depreciation of property, plant and equipment - Note 13

Provisions - Note 18

Contingent liabilities - Note 21

Financial instruments and financial liabilities - Note 27

1.E Rounding and comparatives

The financial statements are in Australian dollars that have been rounded to the nearest \$1, unless otherwise stated. Council uses the Australian dollar as its functional currency and its presentation currency. Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

1.F Volunteer Services

Council utilises volunteers in the following services:

- Kuranda Visitor Information Centre
- Mareeba Library Service
- Advisory Committees to Council
 - Regional Arts Development Fund
 - Kuranda Infrastructure Advisory Committee
 - Multicultural Festival
 - Great Wheelbarrow Race

Council's volunteers perform a range of unpaid activities. Their contributions to Council would not have been purchased if they had not been donated, hence their contributions cannot be readily identifiable and measured at fair value as they cannot be reliably measured.

1.G Taxation

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

1.H COVID-19

Council's operations for the year ended 30 June 2021 have not been materially impacted by the COVID-19 pandemic.

Council undertook a number of key actions during the current year in response to the COVID-19 pandemic, some of which were carried forward from the 2019-2020 financial year:

- Dates to make arrangements for outstanding rates at 30 June 2020 were extended to 31 December 2020;
- Deferral of increases in aged housing rentals to 30 September 2020;
- Councillors waived a 2% wage increase as provided for by the Remuneration Tribunal for 2020-21 as well as the Management Team;
- Council provided a COVID-19 rates concession for rates notices across certain residential categories that have been issued for the first 6 months of 2020-21 of 2.5% to offset the 2.5% increase in general rates for this period;
- Council extended Environmental Health food licenses and Animal Management dog registrations at no charge until 30 September 2020;
- Council extended the commercial use of goods of footpath permits at no charge until 30 September 2020.

The impact of these measures were not material to the 2020-21 financial statements of Council, and were included in the 2020-21 Council budget.

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

2 Analysis of results by function

(a) Components of Council functions

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

Governance and corporate services

The objective of governance and corporate services is for Council to be open, accountable, transparent, and to deliver value for money on community outcomes, provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

The Mayor, Councillors and Chief Executive Officer are included in governance.

The corporate services function includes: finance, information services, record management and human resources. Roles within this function include budget support, financial accounting, customer service and information technology services.

Community services

The goal of community services is to ensure Council is a healthy, vibrant, contemporary and connected community. Community services provide well managed and maintained community facilities, and ensure the effective delivery of cultural, health, welfare, environmental, recreational services and the promotion of tourism.

This function includes:

- Libraries
- Environmental licences and approvals.

Planning and development

This function facilitates the Shire's growth and prosperity through well planned and quality development. The objective of planning and development is to ensure the Mareeba Shire Council is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes activities and services related to neighbourhood and regional planning, and management of development approval processes.

Works infrastructure

The objective of the works infrastructure program is to ensure the community is serviced by a quality and effective road network. This function provides and maintains transport infrastructure, including the maintenance and provision of the drainage network and provides maintenance for all parks and gardens.

Waste management

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse. This function provides refuse collection and disposal services.

Water infrastructure

The goal of this program is to support a healthy, safe community through sustainable water services. This function includes all activities relating to water.

Sewerage infrastructure

This function protects and supports the health of our community by sustainably managing sewerage infrastructure.

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

2 Analysis of results by function

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

Year ended 30 June 2021

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$		\$	\$	\$
Governance and corporate services	8,633,831	16,952,431	2,299	-	25,588,561	(5,243,572)	-	(5,243,572)	20,342,690	20,344,989	186,835,243
Community services	698,664	2,313,167	-	-	3,011,831	(6,964,423)	(27,046)	(6,991,469)	(3,952,592)	(3,979,638)	-
Planning and development	-	578,623	-	-	578,623	(1,429,669)	-	(1,429,669)	(851,046)	(851,046)	-
Works infrastructure	2,672,868	4,343,566	7,863,279	1,106,322	15,986,035	(20,253,181)	(162,957)	(20,416,138)	(13,236,747)	(4,430,103)	357,499,120
Waste management	25,215	6,196,735	-	42,853	6,264,803	(5,133,283)	-	(5,133,283)	1,088,667	1,131,520	4,628,134
Water infrastructure	-	6,770,710	1,101,363	395,854	8,267,927	(4,684,371)	(135,121)	(4,819,492)	2,086,339	3,448,435	57,442,682
Sewerage infrastructure	-	5,433,908	665,178	341,468	6,440,554	(3,402,901)	(128,785)	(3,531,686)	2,031,007	2,908,868	64,891,236
Total Council	12,030,578	42,589,140	9,632,119	1,886,497	66,138,333	(47,111,400)	(453,909)	(47,565,309)	7,508,318	18,573,025	671,296,415

Year ended 30 June 2020

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
	\$	\$	\$	\$		\$	\$		\$	\$	\$
Governance and corporate services	7,879,176	16,849,445	-	-	24,728,621	(5,618,164)	(3,090,120)	(8,708,284)	19,110,457	16,020,337	176,190,460
Community services	1,623,822	2,844,138	-	-	4,467,960	(6,375,516)	(22,026)	(6,397,542)	(1,907,556)	(1,929,582)	-
Planning and development	-	358,058	-	-	358,058	(1,429,770)	(1,014)	(1,430,784)	(1,071,712)	(1,072,726)	-
Works infrastructure	4,735,801	4,812,881	7,080,522	2,325,726	18,954,930	(22,594,850)	(18,693)	(22,613,543)	(13,046,168)	(3,658,613)	337,775,067
Waste management	100,055	5,730,798	54,314	32,254	5,917,421	(5,589,834)	18,182	(5,571,652)	241,019	345,769	4,601,632
Water infrastructure	5,000	6,310,974	51,752	85,540	6,453,266	(4,713,630)	(96,086)	(4,809,716)	1,602,344	1,643,550	56,769,164
Sewerage infrastructure	-	5,259,098	235,561	51,230	5,545,889	(3,631,220)	(77,671)	(3,708,891)	1,627,878	1,836,999	63,681,047
Total Council	14,343,854	42,165,392	7,422,149	2,494,750	66,426,146	(49,952,984)	(3,287,428)	(53,240,412)	6,556,262	13,185,734	639,017,373

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

3 Revenue

(a) Rates, levies and charges

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

	2021	2020
	\$	\$
General rates	18,473,927	17,887,606
Separate rates	394,711	636,238
Water	3,911,393	3,662,608
Water consumption, rental and sundries	2,646,282	2,431,939
Sewerage	5,276,741	4,999,071
Waste management	3,990,015	3,837,240
Total rates and utility charge revenue	34,693,069	33,454,702
Less: COVID-19 Rebate	(290,634)	-
Less: Discounts	(1,606,516)	(1,536,784)
Less: Pensioner remissions	(396,010)	(388,478)
	32,399,909	31,529,440

(b) Fees and charges

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

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

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

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

Applications	225,771	114,083
Cemetery services	303,462	229,695
Building/plumbing domestic applications	291,800	173,025
Building/plumbing commercial applications	11,758	15,579
Fines, penalties and infringements	78,737	108,345
Permits, licences and registrations	261,701	263,088
Other fees and charges	434,352	481,166
	1,607,581	1,384,981

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

(c) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

The performance obligations vary in each agreement. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where Council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

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

Cash contributions

Developers also pay infrastructure charges for trunk infrastructure to construct assets such as roads and footpaths and to connect new property developments to water and sewerage networks in the local government area. These infrastructure charges are generally within the scope of AASB 1058 since there is no enforceable performance obligation associated with them and therefore the infrastructure charges are recognised as revenue when received.

Developers may also make cash contributions towards the cost of constructing existing and proposed water supply and sewerage headworks in accordance with Council's planning scheme policies, (headworks include pumping stations, treatment works, mains and sewers). These cash contributions are recognised as income when received.

Non-Cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue under AASB 1058 and an addition to non-current assets. Those below the thresholds are recorded as 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 the development becomes "on maintenance" (i.e. Council obtains control of the assets and becomes liable for any ongoing maintenance) and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. All non-cash contributions are recognised at the fair value of the contribution received on the date of acquisition.

(i) Operating

State government subsidies, grants and contributions
Commonwealth government subsidies and grants

2021	2020
\$	\$
3,572,806	6,549,209
8,457,771	7,794,645
<u>12,030,577</u>	<u>14,343,854</u>

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

(ii) **Capital**

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

	2021	2020
	\$	\$
State government subsidies and grants	3,004,634	3,047,294
Commonwealth government subsidies and grants	6,627,485	4,374,855
Contributions	1,659,625	376,443
Donated assets	226,872	2,118,308
	<u>11,518,616</u>	<u>9,916,900</u>

(iii) **Timing of revenue recognition for grants, subsidies, contributions and donations**

Revenue

Revenue recognised at a point in time

Grants	11,504,957	10,023,493
Donated assets	226,872	2,118,308
Contributions	2,153,125	1,499,729
	<u>13,884,954</u>	<u>13,641,530</u>

Revenue recognised over time

Grants	9,664,239	10,619,224
Donated assets	-	-
Contributions	-	-
	<u>9,664,239</u>	<u>10,619,224</u>

Total revenue

	<u>23,549,193</u>	<u>24,260,754</u>
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4 Other Revenue

(a) **Sales and services revenue**

Revenue from the sale of goods and materials is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Proceeds from the sale of land held for development, less the cost of the land sold are recognised in revenue on the signing of a valid unconditional contract of sale (note 12).

Council generates revenues from contract and recoverable works, which generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed. Waste management revenue is recognised based on the services provided at the reporting date pursuant to the relevant agreement. Revenue generated from the sale of land held for development is recognised at the time of the sale and is offset by the cost of sales associated with the parcel of land sold.

Contract and recoverable works	3,816,971	4,343,186
Waste management	1,738,972	1,383,487
Sale of scrap / surplus plant	213,373	120,299
Sale of goods / materials	29,343	43,304
Net revenue from sales of land held for development	252,980	466,140
Total sales and services revenue	<u>6,051,639</u>	<u>6,356,416</u>

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

	2021	2020
	\$	\$
(b) Interest received		
Interest received from bank and term deposits is accrued over the term of the investment		
Interest received from Queensland Treasury Corporation	325,835	594,104
Interest received from term deposits	61,787	226,052
Interest from overdue rates and utility charges	137,588	164,222
	<u>525,210</u>	<u>984,378</u>

(c) Other revenue

Council's main sources of 'other revenue' are lease income and other various income sources. Lease income is recognised on a periodic basis over the lease term and the other various income sources are recognised at a point in time.

Animal impounding	19,465	18,511
Leases and rental income	1,642,623	1,552,651
Legal recoveries	81,525	85,018
Fuel rebates	74,357	82,049
Brochure contributions	-	30,506
Other revenue	186,831	141,442
	<u>2,004,801</u>	<u>1,910,177</u>

Timing and recognition of sales and services revenue

Revenue recognised at a point in time

Contract and recoverable works	1,085,494	2,257,286
Waste management	1,738,972	1,338,487
Sale of scrap / surplus plant	213,373	120,299
Sale of goods / materials	29,343	43,304
Net revenue from sales of land held for development	252,980	466,140
Other revenue	362,177	402,526
	<u>3,682,339</u>	<u>4,628,042</u>

Revenue recognised over time

Contract and recoverable works	2,731,478	2,085,900
Leases and rental income	1,642,623	1,552,651
	<u>4,374,101</u>	<u>3,638,551</u>

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

5 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

	Note	2021 \$	2020 \$
Staff wages and salaries		13,599,697	13,846,369
Councillors' remuneration		503,860	505,791
Termination benefits		173,499	161,500
Annual, sick and long service leave entitlements		2,887,751	2,959,306
Superannuation	22	1,871,941	1,880,582
		<u>19,036,748</u>	<u>19,353,548</u>
Other employee related expenses		112,608	128,012
		<u>19,149,356</u>	<u>19,481,560</u>
Less: Capitalised employee expenses		(1,384,264)	(1,263,558)
		<u><u>17,765,092</u></u>	<u><u>18,218,002</u></u>

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

	2021 No.	2020 No.
Total Council employees at the reporting date:		
Elected members	7	7
Administration staff	99	97
Depot and outdoors staff	111	110
Total full time equivalent employees	<u>217</u>	<u>214</u>

6 Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services.

	2021 \$	2020 \$
All contractors excluding hire of plant	7,744,712	9,673,730
Audit of annual financial statements by the Auditor-General of Queensland*	119,713	199,156
Bulk water purchase	635,323	625,502
Electricity	1,046,237	1,155,984
Fuels and oils	522,523	670,645
Goods, materials and services	958,615	1,143,164
Hire of plant	2,865,428	2,945,544
Insurance	734,524	616,970
Legal	461,015	284,002
Licences, fees, subscriptions and memberships	1,250,984	1,129,180
Professional/consultancy services	500,735	416,266
Rent, rates and leasing expenses	506,410	464,837
Road materials used for maintenance	410,009	385,408
Total Waste levy payment	151,099	135,240
Waste levy refund	(151,099)	(135,240)
Write off of bad debts	52,202	165,117
Other materials and services	143,037	1,208,654
	<u><u>17,951,467</u></u>	<u><u>21,084,158</u></u>

*Total audit fees quoted by the Queensland Audit Office relating to the 2020-21 financial statements are \$119,000 (2020: \$119,600)

7 Finance costs

Finance costs charged by the Queensland Treasury Corporation	204,589	410,361
Unwinding of discount on provision for restoration	33,678	60,172
Bank charges	73,508	67,889
	<u><u>311,775</u></u>	<u><u>538,422</u></u>

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

8 Capital expenses

Gain / loss on disposal of non-current assets	2021	2020
	\$	\$
Proceeds from sale of property, plant and equipment	(149,896)	(149,405)
less: carrying value of disposed property, plant and equipment	13,964	37,783
	<u>(135,932)</u>	<u>(111,622)</u>
Loss on write-off of non-current assets		
Write-off of buildings	21,456	11,670
Impairment - Land	-	2,102,188
Write-off of roads and bridges	301,621	99,935
Write-off of sewerage	130,376	77,670
Write-off of water	135,120	105,268
Write-off of other infrastructure	1,268	1,002,319
Total capital expenses	<u>453,909</u>	<u>3,287,428</u>

9 Cash and cash equivalents

Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques receipted but not banked at the year end and deposits held at call with financial institutions.

Cash float	2,200	2,230
Petty cash	1,200	1,200
Cash at bank	2,535,857	2,282,742
Deposits at call	56,127,910	47,787,810
Balance as per Statement of Financial Position	<u>58,667,167</u>	<u>50,073,982</u>
Less bank overdraft	-	-
Balance per Statement of Cash Flows	<u>58,667,167</u>	<u>50,073,982</u>

Council is exposed to credit risk through its investments in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Cash and cash equivalents	58,667,167	50,073,982
Less: Externally imposed restrictions on cash	<u>(1,078,053)</u>	<u>(974,376)</u>
Unrestricted cash	<u>57,589,114</u>	<u>49,099,606</u>

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

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:

Unspent government grants and subsidies	1,078,053	974,376
Total externally imposed restrictions on cash assets	<u>1,078,053</u>	<u>974,376</u>

(ii) Internal allocations of cash at the reporting date:

Internal allocation of cash may be lifted by Council with a resolution.

Constrained works	9,326,450	8,580,139
Future capital works	10,723,736	15,459,168
Future non-capital works	218,652	395,618
Total internally allocated cash	<u>21,346,891</u>	<u>25,409,301</u>

Cash and deposits at call are held in various financial institutions in normal term deposits and business cheque accounts. These financial institutions have a short term credit rating of between A1+ to A3.

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

10 Short term investments

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

	2021	2020
	\$	\$
Current short term deposits	5,000,000	10,500,000
Total short term deposits	5,000,000	10,500,000

11 Trade and other receivables

Receivables, loans and advances are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price / contract price. Settlement of receivables 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. All known bad debts were written off at 30 June. If an amount is received in a subsequent period, it is recognised as revenue.

Rates and Charges: Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property. Council does not impair any rates receivables.

Contract assets: represent the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. The income in contract assets from the previous year reflects the timing of receipts of government grants for work performed by Council.

Other Debtors: Council identifies other debtors as receivables that are not rates and charges or government receivable or community organisation loans.

Government Receivables: Federal and State government organisations that are a receivable to Council, these monies are guaranteed, payments are made to Council in the required timeframes. Historical data has shown no history of defaults by government agencies and therefore no material risk in default.

Loans to community organisations are recognised at their face value. Terms are for a maximum of 10 years with no interest charged. Security is not normally obtained.

Current

Rateable revenue and utility charges	2,095,528	2,883,022
Other debtors	1,340,752	1,115,547
Contract assets	3,410,124	1,204,485
GST recoverable	584,509	458,491
Loans and advances to community organisations	9,125	14,775
Prepayments	815,931	759,030
	8,255,969	6,435,350

Non-current

Loans and advances to community organisations	28,969	39,594
	28,969	39,594

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

The impairment of receivables is not material.

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

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable. The contract assets have arisen on adoption of AASB 15 and AASB 1058.

12 Inventories

Stores and raw materials

Stores and raw materials 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 except for land where the cost are allocated to the relevant parcel.

Inventories held for distribution are:

- goods to be supplied at no or nominal charge, and
- goods to be used for the provision of services at no or nominal charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Land held for resale

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 are recognised as sales revenue on the signing of a valid unconditional contract of sale.

	2021 \$	2020 \$
Inventories held for sale		
Miscellaneous saleable items	3,385	2,945
	3,385	2,945
Inventories held for distribution		
Plant and equipment stores	920,763	925,112
	920,763	925,112
Land purchased for development and sale	1,546,612	1,597,339
Total inventories	2,470,760	2,525,396

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

13 Property, plant and equipment

30 June 2021

Basis of measurement

Fair value category

Asset values

Opening gross value as at 1 July 2020

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

* Transfers between classes

Closing gross value as at 30 June 2021

Note	Land	Buildings	Plant and fleet	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2 & 3	3	3	3	3	3	3	3	3	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
	13,250,219	65,306,843	5,911,341	385,112,832	67,401,421	72,348,404	36,829,737	19,883,135	666,043,934
	-	-	-	107,678	36,932	82,240	-	25,845,838	26,072,688
	-	(84,800)	(144,532)	(523,973)	(196,039)	(154,341)	(10,909)	-	(1,114,594)
	-	-	-	48,574,313	-	-	-	-	48,574,313
	-	1,849,921	374,432	11,987,547	2,087,254	2,776,847	551,269	(19,843,447)	(216,177)
	13,250,219	67,071,964	6,141,241	445,258,397	69,329,568	75,053,150	37,370,097	25,885,526	739,360,164

Accumulated depreciation and impairment

Opening balance as at 1 July 2020

Depreciation expense

Depreciation on disposals

Depreciation adjustments

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2021

-	16,848,692	3,472,141	47,337,762	10,632,257	8,667,356	10,297,876	-	97,256,084
-	1,270,117	537,087	5,114,235	1,318,876	1,515,195	1,180,908	-	10,936,418
-	(55,412)	(138,499)	(222,352)	(64,247)	(20,636)	(9,641)	-	(510,787)
-	-	-	-	-	-	-	-	-
-	-	-	35,529,630	-	-	-	-	35,529,630
-	18,063,397	3,870,729	87,759,275	11,886,886	10,161,915	11,469,143	-	143,211,345

Total written down value as at 30 June 2021

Range of estimated useful life in years

13,250,219	49,008,567	2,270,512	357,499,122	57,442,682	64,891,235	25,900,954	25,885,526	596,148,819
Land: Not depreciated	11-185	1 - 16	10 - 130	5 - 150	7 - 200	5-120	WIP: Not depreciated	

Additions comprise:

Renewals

Intangible additions

Other additions

Total additions

\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	16,758,892	16,758,892
-	-	-	-	-	-	-	216,177	216,177
-	-	-	107,678	36,932	82,240	-	8,870,769	9,097,619
-	-	-	107,678	36,932	82,240	-	25,845,838	26,072,688

* The Transfer between classes does not net out to zero as the amount of \$216,177 is the transfer to intangibles, refer Note 14

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

13 Property, plant and equipment

30 June 2020

Basis of measurement
Fair value category

Asset values

Opening gross value as at 1 July 2019

Additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers between classes

Closing gross value as at 30 June 2020

Accumulated depreciation and impairment

Opening balance as at 1 July 2019

Depreciation expense

Depreciation on disposals

Depreciation adjustments

Revaluation adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2020

Total written down value as at 30 June 2020

Range of estimated useful life in years

Additions comprise:

Renewals

Intangible additions

Other additions

Total additions

Note	Land	Buildings	Plant and fleet	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
	Fair Value	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
2 & 3	3	3		3	3	3	3		
\$	\$	\$		\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2019	13,857,704	63,458,069	5,693,314	278,343,875	63,205,002	71,312,370	22,453,561	33,102,382	551,426,278
Additions	-	1,008,419	-	783,941	226,930	99,017	-	24,374,552	26,492,859
Disposals	(26,014)	(18,610)	(88,391)	(126,711)	(141,854)	(105,315)	(1,509,726)	-	(2,016,623)
Revaluation adjustment to asset revaluation surplus	(2,489,206)	-	-	92,630,625	-	-	-	-	90,141,419
Transfers between classes	1,907,735	858,965	306,418	13,481,102	4,111,343	1,042,332	15,885,904	(37,593,799)	-
Closing gross value as at 30 June 2020	13,250,219	65,306,843	5,911,341	385,112,832	67,401,421	72,348,404	36,829,737	19,883,135	666,043,934
Accumulated depreciation and impairment									
Opening balance as at 1 July 2019	-	15,477,251	2,974,795	23,122,250	9,360,401	7,204,210	9,883,502	-	68,022,409
Depreciation expense	-	1,232,434	573,967	4,256,403	1,308,442	1,490,791	1,067,731	-	9,929,768
Depreciation on disposals	-	(6,940)	(76,621)	(26,776)	(36,586)	(27,645)	(507,410)	-	(681,978)
Depreciation adjustments	-	145,947	-	-	-	-	(145,947)	-	-
Revaluation adjustment to asset revaluation surplus	-	-	-	19,985,885	-	-	-	-	19,985,885
Accumulated depreciation as at 30 June 2020	-	16,848,692	3,472,141	47,337,762	10,632,257	8,667,356	10,297,876	-	97,256,084
Total written down value as at 30 June 2020	13,250,219	48,458,151	2,439,200	337,775,071	56,769,164	63,681,048	26,531,861	19,883,135	568,787,850
Range of estimated useful life in years	Land: Not depreciated	15 - 185	1 - 16	10 - 130	5 - 150	7 - 200	20 - 120	WIP: Not depreciated	
Additions comprise:									
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Renewals	-	-	-	-	-	-	-	12,060,202	12,060,202
Intangible additions	-	-	-	-	-	-	-	-	-
Other additions	-	1,008,419	-	783,941	226,930	99,017	-	12,314,350	14,432,657
Total additions	-	-	-	783,941	226,930	99,017	-	24,374,552	26,492,859

Mareeba Shire Council

Notes to the financial statements

For the year ended 30 June 2021

13 Property, plant and equipment

(a) Recognition

Each class of property, plant and equipment is stated at amortised cost or fair value. 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.

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 rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure.

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.

Land under roads and reserve land under the *Land Act 1994* or the *Land Title Act 1994* is controlled by Queensland State Government and not recognised in Councils financial statements.

(b) Measurement

Property plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value (as shown in the table above) less, where applicable, any accumulated depreciation and accumulated impairment loss.

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.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are also included in their cost.

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.

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.

(c) Depreciation

Land is not depreciated as it has an unlimited useful life. Depreciation on other property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to 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, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

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 Council.

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

Mareeba Shire Council

Notes to the financial statements

For the year ended 30 June 2021

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, 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 12.

(d) Impairment

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

(e) Valuation

Land, buildings, road, drainage, bridge, water, sewerage and other infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant and Equipment*. Plant and fleet, and work in progress are measured at cost.

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

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

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.

Both water and sewerage asset classes are classified for valuation purposes into above ground and below ground asset groups. Above ground assets have a different methodology for valuations to below ground assets. A comprehensive revaluation will be completed for both these groups at least once every 5 years but not necessarily in the same reporting period.

Details of valuers and methods of valuations are disclosed in Note 13(f).

Fair values are classified into three levels as follows:

- Level 1 - fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Fair value based on inputs that are directly or indirectly observable, such as prices for similar assets for the asset or liability
- Level 3 - Fair value based from data unobservable in the market

There were no transfers between levels during the year.

13 (f) Valuation techniques to derive at fair values

Asset Class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied	Other Interim revaluation adjustment
Land and improvements (level 2 and level 3)	Market approach by direct comparison	01-Jan-20	Jones Lang Lasalle (JLL)	Current Zoning Sales transactions of other properties (price per square metre of land area) within the region adjusted for differences between key attributes of the properties	Consumer Price Index (CPI)	Nil
Buildings (level 3)	Current replacement cost	30-Jun-19	APV Valuers & Asset Management	Actual construction or purchase prices for recent projects paid by Council Appropriate APV database where we record details of actual cost from recent projects that are sourced directly from clients Rawlinson's Construction Guide or similar (such as Cordells) Benchmarking against other valuations	Asset Revaluation Index: Non-Residential Construction, Queensland	Nil
Roads, drainage and bridges (level 3)	Current replacement cost	30-Jun-20 30-Jun-21	Australis Advisory Group	Characterisation of assets Unit rates were established from listed data sources and verified and recent projects where possible Cost guide unit rates were based on the Brisbane Metro area and factors applied to adjust for regional location where primary local project data was not available	Producer Price Index (PPI): Road & Bridge Construction, Queensland	Nil
Water and sewerage assets (level 3)	Current replacement cost	30-Jun-17	Australis Advisory Group	Rates assume an incremental Greensfields approach and exclude Brownfield cost components Council engineering team involved when developing replacement costs and relied on combination of sources, cost guides, historical costs, contractor rates, future works and regional information Location factor applied to unit rates	Asset Revaluation Index: Engineering Construction, Queensland	Nil
Other infrastructure assets (level 3)	Current replacement cost	30-Jun-19	APV Valuers & Asset Management	Actual construction or purchase prices for recent projects paid by Council Appropriate APV database where we record details of actual cost from recent projects that are sourced directly from clients Rawlinson's Construction Guide or similar (such as Cordells) Benchmarking against other valuations	Asset Revaluation Index: Non-Residential Construction, Queensland	Nil

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14 Intangible assets

Intangible assets with a cost or other value exceeding \$5,000 are recognised as intangible assets in the financial statements, items with a lesser value are expensed.

Amortisation methods, estimated useful lives and residual values are reviewed at the end of each reporting period and adjusted where appropriate.

	2021 \$	2020 \$
Software and other intangibles		
Gross carrying value at 1 July	2,505,328	2,479,822
Additions	216,177	25,506
Closing gross carrying value	2,721,505	2,505,328
Accumulated amortisation		
Opening balance	1,850,127	1,667,494
Amortisation in the period	146,647	182,633
Closing balance	1,996,774	1,850,127
Net carrying value at 30 June	724,731	655,201

The software has a finite life estimated at 10 years.

Straight line amortisation has been used with no residual value.

15 Leases

Council as a lessee

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

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

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

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Council has made an assessment that no right of use assets and associated lease liabilities have been identified in the leases where Council is a lessee.

Exceptions to lease accounting

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

Council has reviewed commitments for expenditure as previously reported and has not identified any commitments required to be recognised under AASB 16 Leases. Refer to Note 20 for commitments for expenditure.

Mareeba Shire Council
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For the year ended 30 June 2021

Leases at significantly below market value - Concessionary / peppercorn leases

Council has a number of leases at significantly below market value for land and buildings which are used for:

- Visitor Centre
- Community Halls

The leases can range between 10 to 30 year terms and require payments of \$1 per annum if demanded. The use of right of use assets is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council has elected to measure the right of use asset arising from concessionary leases at cost which is based on the associated liability at initial recognition. Council does not believe that these leases are individually material.

Council as a lessor

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

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

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

16 Payables

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

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.

Superannuation

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

	Notes	2021 \$	2020 \$
(a) Current			
Creditors		3,854,875	3,860,020
Accrued wages and salaries		567,257	496,237
Accrued expenses		2,849,007	2,887,242
Contract liabilities	16(b)	1,328,516	220,445
Other creditors		107,183	112,139
		<u>8,706,838</u>	<u>7,576,083</u>
Non-current			
Security deposit (capping of landfill) - SUEZ		2,589,258	2,337,580
		<u>2,589,258</u>	<u>2,337,580</u>

The Second Waste Disposal Agreement with SUEZ, dated 19 June 2017 provides for Council to charge a security deposit per tonnage. Under that contract, the security deposit is accessible by Council in the event that SUEZ fails to fulfil their landfill capping obligations. The security deposit is to be refunded when SUEZ completes the final capping works in accordance with the contract.

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(b) Contract liabilities

Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	2021 \$	2020 \$
Funds received upfront to construct Council controlled assets	1,135,168	171,399
Non-capital performance obligations not yet satisfied	193,348	49,046
	<u>1,328,516</u>	<u>220,445</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

Funds to construct Council's controlled assets	171,399
Non-capital performance obligations	49,046
	<u>220,445</u>

(c) Significant changes in contract balances

There were no significant changes in contract balances in the 2020-2021 financial year.

17 Borrowings

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, they are measured at amortised cost. Principal and interest repayments are made quarterly in arrears.

Council adopts an annual debt policy that sets out Council's planned borrowings for the next ten 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 (QTC) 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.

Current

Loans - QTC	381,245	369,518
Loans - Other	25,630	23,813
	<u>406,875</u>	<u>393,331</u>

Non-current

Loans - QTC	7,238,710	7,612,193
Loans - Other	78,390	104,020
	<u>7,317,100</u>	<u>7,716,213</u>

Loans - Other

Balance on 1 July	127,833	149,921
Principal repayments	(23,813)	(22,088)
Book value at 30 June	<u>104,020</u>	<u>127,833</u>

Loans - QTC

Balance on 1 July	7,981,711	5,800,662
Loans raised	-	3,750,000
Principal repayments	(361,756)	(1,568,951)
Book value at 30 June	<u>7,619,955</u>	<u>7,981,711</u>

The QTC loan market value at the reporting date was \$7,856,227. 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 Council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2020 or 2021 financial years.

All borrowings are in \$A denominated amounts and carried at amortised cost, interest being expensed as it accrues. No interest has been capitalised during the current period. Expected final repayment dates vary from 15 March 2024 to 15 June 2040. There have been no defaults or breaches of the loan agreement during the period.

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

18 Provisions

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

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 include related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense.

As Council does not have an unconditional right to defer settlement of the annual leave beyond 12 months after the reporting date, annual leave is classified as a current liability.

Refuse Restoration

A provision is made for the cost of restoring refuse dumps where it is probable the council will have an obligation to rehabilitate the site when the use of the facilities is complete.

The calculation of the provisions use assumptions including 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. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites

As refuse dumps are on state reserves which the Council does not control, the provision for restoration is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

The provision recognised for refuse sites is reviewed at least annually and updated based on the facts and circumstances available at the time. The provision is for four sites; Almaden, Chillagoe and two sites in Mareeba. One Mareeba site and the Almaden site were closed in the 2017/18 financial year and the Chillagoe site closed in the 2018/19 financial year. The second site in Mareeba will close in the 2021/22 financial year, however Council is not financially responsible for the capping costs of this site (Note 16), only the ongoing monitoring and maintenance costs.

Long Service Leave

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

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

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

	2021 \$	2020 \$
Current		
Annual leave	2,236,865	2,225,379
Refuse restoration	106,543	106,984
Long service leave	459,456	424,160
	<u>2,802,864</u>	<u>2,756,523</u>
Non-current		
Refuse restoration	1,930,501	2,230,385
Long service leave	1,779,145	1,861,129
	<u>3,709,646</u>	<u>4,091,514</u>

Details of movements in provisions:

Refuse restoration		
Balance at 1 July	2,337,369	2,240,793
Increase in provision due to unwinding of discount rate	33,678	60,172
Increase/(decrease) due to the change in estimated cost and discount rate	(236,363)	152,037
Provisions used during the year	(97,640)	(115,633)
Balance at 30 June	<u>2,037,044</u>	<u>2,337,369</u>

19 Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on, property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

20 Commitments for expenditure

Capital Commitments

Commitments for the construction of the following assets contracted for at the reporting date but not recognised as

Property, Plant and Equipment

Transport	3,057,623	4,030,754
Water	6,206,995	917,605
Wastewater	2,959,331	1,322,849
Buildings	1,503,777	2,712,249
Plant and Fleet	563,931	538,345
Waste and Other Infrastructure	2,170,330	1,706,875
	<u>16,461,988</u>	<u>11,228,677</u>

These expenditures are payable as follows:

Within one year	5,857,231	5,861,029
One to five years	10,604,757	5,367,649
Later than five years	-	-
	<u>16,461,988</u>	<u>11,228,677</u>

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

Waste contracts	9,114,525	10,625,473
Cleaning contractors	254,512	202,858
	<u>9,369,037</u>	<u>10,828,331</u>

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Notes to the financial statements
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21 Contingent liabilities

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

Local Government Mutual

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

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

Local Government Workcare

Council is a member of the Queensland local government worker's compensation self-insurance scheme, Local Government Workcare. Under this scheme 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 worker's compensation authority may call on any part of the guarantee should the above circumstances arise. The indemnity amount provided by Council as at 30 June 2021 in relation to the Local Government Workcare Bank Guarantee is \$315,076.

22 Superannuation

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

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

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

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

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

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

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

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

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

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

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The next actuarial investigation will be conducted as at 1 July 2021.

		2021 \$	2020 \$
	Note		
Superannuation contributions made to Regional Defined Benefits Fund		120,728	118,406
Other superannuation contributions for employees		1,751,213	1,762,176
Total superannuation contributions paid by Council for employees:	5	1,871,941	1,880,582

23 Operating lease income

Council has leased facilities to independent operators. The minimum lease receipts are as follows:

Not later than one year	530,821	539,149
One to five years	1,624,689	1,628,337
Later than five years	3,112,611	2,532,061
	5,268,121	4,699,547

24 Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account 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). 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 since Council has no control over the assets.

	2021 \$	2020 \$
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	663,856	628,338
	663,856	628,338

25 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

Net result	18,573,025	13,185,734
Non-cash items:		
Depreciation and amortisation	11,083,065	10,112,401
Finance costs	33,678	60,172
Bad and doubtful debts expense	52,202	165,117
Finance income	(28,206)	(55,096)
	11,140,739	10,282,594
Investing and development activities (non-cash):		
Net loss on disposal of non-current assets	453,909	3,287,428
Capital grants and contributions	(11,291,744)	(7,798,592)
Donated assets	(226,872)	(2,118,308)
	(11,064,707)	(6,629,472)
Changes in operating assets and liabilities:		
(Increase) / decrease in receivables	(1,833,990)	5,295,093
(Increase) / decrease in inventory	54,636	118,177
Increase / (decrease) in payables	(842,946)	(216,707)
Increase / (decrease) in provisions	1,856,174	78,502
	(766,126)	5,275,065
Net cash inflow from operating activities	17,882,932	22,113,921

Mareeba Shire Council
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26 Reconciliation of liabilities arising from finance activities

	Note	As at 30 June 2020	Change in Accounting Policy	Cash flows	Non-cash changes	As at 30 June 2021
		\$	\$	\$	\$	\$
Loans		7,981,711	-	(361,756)	-	7,619,955
Loans - Other		127,833	-	(23,813)	-	104,020
	17	8,109,544	-	(385,569)	-	7,723,975

27 Financial instruments and financial risk management

Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

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

Financial risk management framework

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

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

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

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

Council does not enter into derivatives.

Credit risk

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

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

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

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council, refer to Notes 9, 10 and 11.

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

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

	2021	2020
	\$	\$
Property charges	2,095,528	2,883,022
GST recoverable	584,509	458,490
Community organisations	38,094	54,369
Other	4,750,876	2,320,033
Total	7,469,007	5,715,914

Refer to Note 11 for further details

A summary of the Council's exposure to credit risk for trade receivables is below. This represents the ageing of trade and other sundry receivables, excluding rates credits, prepayments and the amount of any impairment.

	2021	2020
	\$	\$
Not past due	5,397,770	2,461,176
Past due 31-60 days	23,497	38,949
Past due 61-90 days	31,847	68,720
More than 90 days	2,015,893	3,147,069
Impaired	-	-
Total gross carrying amount	7,469,007	5,715,914

Refer to Note 11 for further details

Expected credit loss assessment for the reporting period ended 30 June 2021:

	Closing Balance	Historical	Loss given	Lifetime
	2021	probability of	default	Expected
	\$	default		Credit Loss
				\$
Rates and Charges	2,095,528	0%	0%	-
Government Receivables	400,176	0%	0%	-
Community Organisations	38,094	0%	100%	-
Other Debtors	4,935,209	0%	100%	-
Total	7,469,007	0%		-

Historical probability of default percentages are based on Council's review of credit losses experienced over the past four years.

Liquidity risk

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

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

Council is exposed to liquidity risk through its normal course of business and through its borrowings with the Queensland Treasury Corporation.

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

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2021					
Trade and other payables	7,378,322	-	-	7,378,322	7,378,322
Loans - QTC	560,375	2,241,502	6,507,445	9,309,322	7,619,955
Loans - Other	25,630	78,390	-	104,020	104,020
	<u>7,964,327</u>	<u>2,319,892</u>	<u>6,507,445</u>	<u>16,791,664</u>	<u>15,102,297</u>
	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2020					
Trade and other payables	7,404,684	-	-	7,404,684	7,404,684
Loans - QTC	557,658	2,241,502	7,067,820	9,866,980	7,981,711
Loans - Other	23,813	104,020	-	127,833	127,833
	<u>7,986,155</u>	<u>2,345,522</u>	<u>7,067,820</u>	<u>17,399,497</u>	<u>15,514,228</u>

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

Market risk

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

Interest rate risk

Council is exposed to interest rate risk through investments and borrowings with QTC and other financial institutions.

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

The impact of a reasonably priced change in interest rates (assumed to be 1%) would not be expected to have a material impact on Council's future profits or equity.

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

Fair value

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

The fair value of borrowings with QTC is based on the market value of debt outstanding. The market value of a debt obligation is the discounted value of future cash flows based on prevailing market rates and represents the amount required to be repaid if this was to occur at balance date. The market value of debt is provided by QTC and is disclosed in Note 17.

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

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28 National Competition Policy

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

Water services
Sewerage services
Waste management
Laboratory services
Building services

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

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

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

	Water services	Sewerage services	Waste management	Laboratory services	Building services
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Revenue for services provided to Council	300	53	-	60	-
Revenue for services provided to external clients	6,771	5,436	5,993	120	-
Community service obligations	-	-	-	-	-
	7,071	5,489	5,993	180	-
Less: Expenditure	4,983	3,456	4,869	344	18
Surplus/(deficit)	2,088	2,033	1,124	(164)	(18)

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

29 Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP are those persons having authority and responsibility for planning, directing and controlling the activities or indirectly, including any director (whether executive or otherwise) at Council. KMP include the Mayor, Councillors, Council's Chief Executive Officer and some executive management.

Remuneration category	2021 \$	2020 \$
Short-term employee benefits	1,348,093	1,315,944
Post-employment benefits	27,637	27,635
Long-term benefits	1,827	5,401
Termination benefits	-	-
Total KMP remuneration	1,377,557	1,348,980

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

Details of transactions between Council and other related parties include:

Transaction type	Additional information	2021 \$	2020 \$
Purchase of materials and services from entities controlled by KMP	29(b)(i)	94,588	356,213
Employee expenses for close family members of KMP	29(b)(ii)	212,621	142,746
Total		307,209	498,959

(i) Council purchased the following material and services from entities that are controlled by members of KMP. All materials and services purchased from entities controlled by KMP were at arm's length and were in the normal course of Council's operations.

	2021 \$	2020 \$
Waste contract services	-	303,263
Plant hire	-	2,684
Slashing Services	90,530	46,530
Minor purchases (magazines and newspapers)	4,058	3,736
	94,588	356,213

(ii) Council employs 217 full time equivalent employees of which 3 are close family members of KMP. All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.

(c) Outstanding balances

Council did not have any outstanding balances with other related parties at the end of the reporting period.

(d) Loans and guarantees to/from related parties

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

(e) Commitments to/from other related parties

There were no commitments in the 2020-21 financial year.

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

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

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

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

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

30 Events after the reporting period

There were no material adjusting events after the balance date.

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

Management Certificate
For the year ended 30 June 2021

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 34, present a true and fair view, in accordance with Australian Accounting Standards, of Council's transactions for the financial period and financial position at the end of the year.



Mayor
Angela Toppin

Date: 5 / 10 / 2021



Chief Executive Officer
Peter Franks

Date: 5 / 10 / 2021

INDEPENDENT AUDITOR'S REPORT

To the councillors of Mareeba Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Mareeba Shire Council.

In my opinion, the financial report:

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

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

Basis for opinion

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

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

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

Other information

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

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

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

Prescribed requirements scope

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



Lisa Fraser
as delegate of the Auditor-General

5 October 2021

Queensland Audit Office
Brisbane

Mareeba Shire Council
Current Year Financial Sustainability Statement
For the year ended 30 June 2021

Measures of Financial Sustainability

Council's performance at 30 June 2021 against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	14%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	161%	Greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-89%	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 Council's audited general purpose financial statements for the year ended 30 June 2021.

Certificate of Accuracy

For the year ended 30 June 2021

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

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



Mayor
Angela Toppin

Date: 5 / 10 / 2021



Chief Executive Officer
Peter Franks

Date: 5 / 10 / 2021

INDEPENDENT AUDITOR'S REPORT

To the councillors of Mareeba Shire Council

Report on the current-year financial sustainability statement

Opinion

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

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

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

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

The councillors are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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



Lisa Fraser
as delegate of the Auditor-General

5 October 2021


Queensland Audit Office
Brisbane

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

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2021	Projected for the years ended								
				30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	13.75%	12.28%	12.28%	12.49%	12.54%	12.48%	12.65%	12.62%	12.98%	13.53%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	Greater than 90%	161.2%	154.28%	148.84%	137.57%	182.42%	144.93%	158.22%	117.63%	112.81%	138.76%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	Not greater than 60%	-89.46%	-101.70%	-88.07%	-89.55%	-80.31%	-80.13%	-77.29%	-84.20%	-91.62%	-93.26%

Mareeba Shire Council's Financial Management Strategy

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

Certificate of Accuracy For the long-term financial sustainability statement prepared as at 30 June 2021	
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the <i>Local Government Regulation 2012</i> (the regulation).	
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.	
 <hr/> Mayor Angela Toppin	 <hr/> Chief Executive Officer Peter Franks
Date: 5 / 10 / 2021	Date: 5 / 10 / 2021