

DOOMADGEE
ABORIGINAL SHIRE
COUNCIL



ANNUAL REPORT
2013-2014

DOOMADGEE ABORIGINAL SHIRE COUNCIL
2013-2014 ANNUAL REPORT

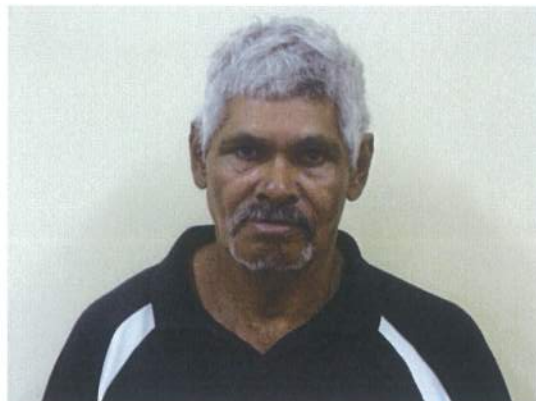
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MAYOR'S MESSAGE

I can honestly say that 2013-2014 was a challenging year on many fronts. There have been many new infrastructure projects underway that improve the quality of life in Doomadgee. These challenges have been faced with decreased Federal and State funding, however Council is in a strong financial position overall.

Council is continuing to work with the State and Federal governments towards completion of the Housing Reform agenda to bring us to our final total figure of 95 new houses in all and 228 upgrades. At the we are well on the way to having a Council works program where Council will be the main contractor in the building of further homes.



The move to 40 year leases is contributing greatly to ensuring that the community has quality housing over the coming years and to alleviate the overcrowding experienced here in Doomadgee.

Our water reticulation replacement was completed in the 2013-14 year. We now have better water quality and larger supply.

The main road resealing program is almost complete, with only twelve more kilometres to go until all the main roads in the DOGIT are sealed .

Council has commenced building of a Youth Hub and a Mens' Shed and we anticipate completion of this project in September 2014.

The rodeo on August 2013 was a great success during which time we welcomed visitors to our community from all across Australia.

Our team of Councillors have done a terrific job. I'd like to thank the Councillors, Cr Tony Douglas (Deputy Mayor), Cr Jason Ned, Cr Vernon Ned and Cr Elaine Cairns for their contributions through the year. Cr Vernon Ned was elected in a bi-election in November 2013 and has been a welcome addition to Council.

I would like to thank Rob Katter for his continued support of Doomadgee at the State political level. I would like to thank Bob Katter for his assistance on the Federal level.

I would like to thank our Chief Executive Officer Jannene Graham, for the work she has done during the 2013-2014 year.

I am confident that Council is in a strong position to face the difficult issues that we will confront in the future and I am looking forward to continuing to be part of it.

Frederick O'Keefe
Mayor
Doomadgee Aboriginal Shire Council

ELECTED MEMBERS



**Mayor
Frederick O'Keefe**
Portfolio:
Police



**Deputy-Mayor
Tony Douglas**
Portfolios:
Justice, Police, Youth



**Councillor
Elaine Cairns**
Portfolios:
Education, Women's Group

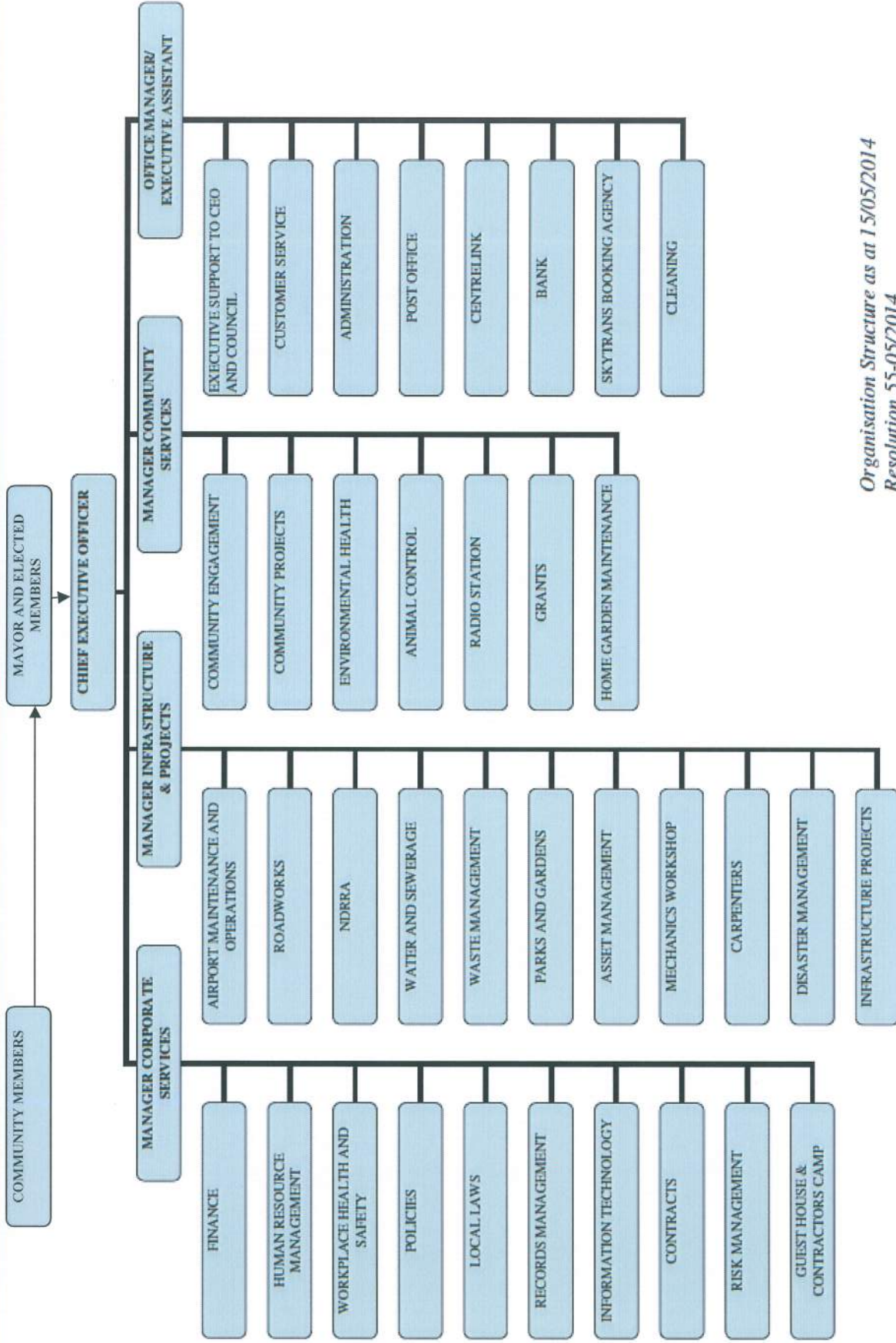


**Councillor
Vernon Ned**
Portfolios:
Police, Men's Group



**Councillor
Jason Ned**
Portfolios:
Health, Main Roads

ORGANISATION STRUCTURE



Organisation Structure as at 15/05/2014
Resolution 55-05/2014

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The 2013-2014 year has been a one for Council as we continue to work towards achieving the goals of our Corporate Plan. Our continued good governance has enabled us to meet each new challenge with strength, and the dedication of Council staff has once again enabled us to have a successful year. We have continued to meet community service expectations and Government compliance.

Continued decreases in funding from State and Federal Governments has affected the revenue stream that the Council has. Council has managed to continue to perform efficiently and gain new avenues of revenue in order to offset these losses. Council adopted a fiscally sound budget that enabled us to achieve our goals for the community and leave the Shire in a sound financial position at the end of the reporting period. This ensures that we can continue to move forward confidently. Staff across all Council areas have actively engaged in achieving cost savings and increasing revenue streams while at the same time increasing service levels to the community.

In order to achieve our goals we work closely with Federal and State government departments and I thank these tiers of government for the ongoing support shown to the Doomadgee Aboriginal Shire Council. Working cooperatively with them has been made easier for Doomadgee through the exceptional quality of the Ministers and staff of government departments with whom we consult.

Council is informed in its priorities by the Doomadgee community and engage with community on a daily basis, through Councillors, projects and programs, services, and formal community engagement processes. I take this opportunity to reaffirm the Doomadgee Aboriginal Shire Council's commitment to the community of Doomadgee and the good governance of the Local Government area.

I thank all the Doomadgee Aboriginal Shire Council team – Mayor, Councillors, Senior Management and Staff - for their continued dedication in ensuring that high quality services are delivered to the Doomadgee community, for the support they have shown to each other throughout the year, and for the unfailing support that they have shown me in my role.

Jannene Graham
Chief Executive Officer

PERFORMANCE AGAINST PLAN

The goals in the current Corporate Plan reflect the vision for the community outlined in the Community Plan. Its goals highlight the future directions of Council and the community. Each strategic goal provides a measure to review Council's performance. An operational plan was prepared in 2013 for the 2013-2014 reporting period. These documents are all available for public viewing at Council Offices, and copies are available.

Goal 1 – Achieve maximum community benefit from available resources

2013-2014 Outcomes

- Review of all leasing arrangements continues.
- Annual review of all services and charges fees was completed
- Accurate and timely financial reporting.
- Telecommunications upgrade complete
- CCTV – Council office, airport, post office and workshop – complete

Goal 2 - To provide timely, quality services, to customers through effective and efficient administration of the affairs of Council.

2013-2014 Outcomes

- Quarterly newsletter to inform of Council processes and projects continued.
- Review of Council policies and procedures, undertaken and ongoing.
- Review of local laws commenced. To be completed 2014-2015.

Goal 3 – Maximise Council's human resource potential

2013-2014 Outcomes

- Council organisation structure endorsed 15/5/2014
- Councillors attended training with Department of Local Government.
- Appointment of new apprentice on carpenter team, 2 motor mechanic apprentices.
- Council boardroom refitted
- Training available for all staff with many undertaking opportunities.
- 2 motor mechanic apprentices and 1 carpenter apprentice
- Ergonomic chairs made available for all staff.
- Councillors received new laptops

Goal 4 - To create opportunities through art and culture to enhance individual's skills, bolster community pride and its quality of life:

2013-2014 Outcomes

- Support of community involvement in NAIDOC Week, Clean Up Australia Day, Doomadgee Rodeo

Goal 5 - To limit the impact of natural and man-made disasters:

2013-2014 Outcomes

- Disaster Management Plan updated.
- Community clean up of hard materials prior to cyclone season.
- UHF Base and hand held radios purchased
- Upgrade to airport lighting
- Emergency board established in Middle park

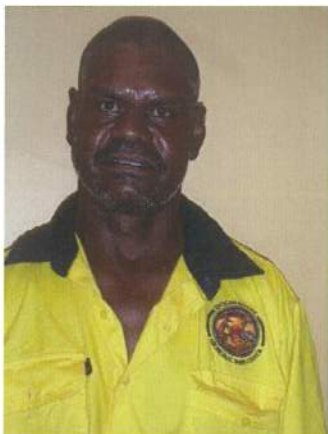
Goal 6: To increase the overall strength and diversity of the Shires economic base, create jobs and actively promote the Shire's tourism potential

2013-2014 Outcomes

- Worked with MMG, RJCP and Programs Office to provide training opportunities for

| |
|--|
| <p>local people.</p> <ul style="list-style-type: none"> • RJCP contract in partnership with My Pathways |
| <p><i>Goal 7: To conserve and enhance the natural and built environments to achieve ecologically sustainable development:</i></p> <p>2013-2014 Outcomes</p> <ul style="list-style-type: none"> • Pest Identification and Management Plan awaiting State review. |
| <p><i>Goal 8: Effective Waste Management Collection and Disposal Service</i></p> <p>2013-2014 Outcomes</p> <ul style="list-style-type: none"> • General Gang cleaned streets, cut back overhanging trees across and cut grass • Vector control in March • Rat baits and traps set around town • Ensure dump complies with regulations |
| <p><i>Goal 9: To maintain and upgrade essential infrastructure to maximise the utility of existing assets and provide for their long term improvement and/or replacement.</i></p> <p>2013-2014 Outcomes</p> <ul style="list-style-type: none"> • All legislative requirements met at water plant • Motor mechanic workshop and carpenter team have ensured efficient maintenance of Shire infrastructure • Airport maintained in a safe manner • Purchase of tractor slasher, Hino truck, Backhoe, front end loader • Updated water intake pumps at the airport pumping station • Veterinary surgery fencing completed • Renewal of Old Doomadgee Road • Repairs and upgrades to carpenters sheds • Insulation in motor mechanic workshop to meet OH&S requirements • Oil/water separator in motor mechanic workshop to meet legislative requirements • Upgrade to water reticulation system completed by State • 15 Sharpe Street – insurance work complete on fence and building |
| <p><i>Goal 10: To encourage and participate in the continuing development of community services to foster a safe, harmonious community with a strong community spirit.</i></p> <p>2013-2014 Outcomes</p> <ul style="list-style-type: none"> • BRACS upgrade completed. • Book exchange established in Council Office with support of Queensland Library • In partnership with Education Department and DATSIMA have pool open for school holidays |
| <p><i>Goal 11: To create and foster a dynamic ongoing relationship with all relevant health policy departments and health service providers to ensure that operational programs are coordinated, focused and effective in contributing to, and enhancing, the health and well-being of the whole community.</i></p> <ul style="list-style-type: none"> • Environmental health Officer position developed |
| <p><i>Goal 12: To develop and implement planning controls that ensure and encourage balanced and sustainable development and to promote the Shire as a desirable place to live, work, invest and to visit</i></p> <p>2013-2014 Outcomes</p> <ul style="list-style-type: none"> • Open Spaces Strategy commenced with development of Middle Park. Top park commenced |

Celebration of Long Serving Employee



This year Doomadgee Aboriginal Shire Council is very proud to acknowledge the completion of 20 years' service by Mr Stewart Karkadoo. Mr Karkadoo commenced work with what was then the Doomadgee Community Council when he completed school and has been with Council since. Stewart is a very respected and valuable member of our Council team. Mayor Cr Frederick O'Keefe publicly congratulated Stewart, acknowledging him as a positive role model to all younger people in the community. The Council presented Stewart with a plaque and watch in honour of the long period of valuable service he has given to the people of Doomadgee.

Apprenticeships



Preston Johnny joined the Council workforce as an Apprentice working towards his Certificate III in Carpentry.

Preston has worked on the completion of the Veterinary Clinic, upgrades to Council buildings and the installation of the new park equipment.



Murray Walden joined the Council workforce as an Apprentice working towards his Certificate III in Carpentry.

Murray has spent time working on upgrades to Council buildings, the re-roofing of the Veterinary Clinic.



Noel Diamond is an MMG employee hosted by Council while working towards his Certificate in Diesel Fitting.

This partnership between MMG and Doomadgee Aboriginal Shire Council is a rewarding one, especially for the apprentices and trainees involved.



Plant Operation Training commenced for those Council workers who were interested in furthering or updating their skills in plant operation. Those who complete the course will hold a Certificate III in Civil Construction – Plant Operation



Tradesmen



*Congratulations this year to **Clayton (Bart) Taylor** who completed his motor mechanic apprenticeship - Certificate III in Automotive Mechanical Technology - with Council. Bart now continues his employment with the Council as a qualified tradesman.*

Town Cleanliness



The town received a boost to its cleanliness through the year with the appointment of the new Community Crew – Open Spaces. The crew kept all the open spaces in the community looking clean, looking after parks, riverfrontage, nature strips and laneways.

The importance of the work that the team does to health and safety in the town cannot be underestimated, as well as making a difference in the way that the town looks.

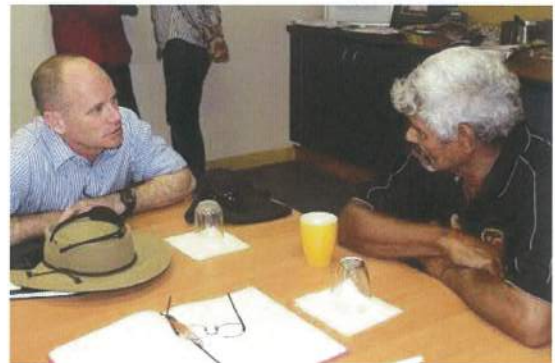
Social Housing



Nine new houses were completed prior to December as part of the continued addressing of the housing shortage in Doomadgee. These will be followed by further houses in 2014. State and Federal funds were used in this project.

Council road gang continue working on the subdivision with the contractor. There was also local employment gained with local people working with the subdivision contractor and the building contractor.

Premier's Visit to Doomadgee



Premier and Mrs Campbell visited Doomadgee during the year. Premier Campbell met with the Mayor and Councillors to discuss issues relating to Doomadgee. He also took some time out of his busy schedule to meet some of the residents of Doomadgee.

This was a happy, productive meeting where the Premier heard the needs of the Doomadgee community and from which improvements to Doomadgee have grown.

Veterinary Clinic



The Animal Management Clinic was officially opened by Honorable Bob Katter on the 28 November 2013.

Funds for the clinic were initially sought by Federal MP Bob Katter. The project was jointly funded by the Department of Regional Australia, Local Government, Arts and Sport; the Queensland Department of Local Government, Community recovery and Resilience; AMRRIC and the Doomadgee Aboriginal Shire Council.

The clinic has the features of any regular veterinary clinic. It has large waiting, surgery and recovery rooms, air conditioning which is a major benefit for animals recovering from surgery and for the staff working in extreme temperatures. AMRRIC have even contributed a hydrobath for use by the community.

Animal Management



The Animal Management Officer in Doomadgee looks after our animal population. He also works closely with the veterinary surgeon on the scheduled visits to town four times a year.

The vet helps keep our dog population healthy, assists with the monitoring of the population and health of horses on the community, and cares for other animals we find in town that may be a little more unusual.



Open Day at the School

Mayor O'Keefe welcomed the new school Principal Chris Erbacher and staff to Doomadgee.

Mayor O'Keefe expressed the importance of education to youths and to their ongoing success. The Principal joined with the Mayor in delivering this message. School staff and guests were treated to a welcoming ceremony of dance under the school assembly area followed by a BBQ lunch.

Principal Erbacher wants the community to know is that the school is open for business and welcome all children, parents and community members are welcome.



Doomadgee Radio

Doomadgee Radio is back and running strong this year. It is the go-to place if you want to know what is happening around town and a valuable source of information for everybody. The school and police have regular timeslots on the radio, not to mention the great music.

The radio station is made possible through funding from the Australian Government.



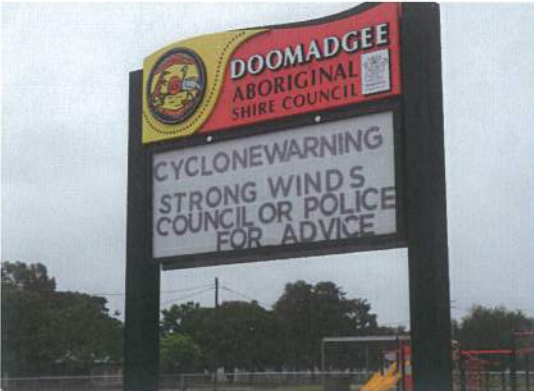
Parks



Playground equipment was placed in "Middle Park", and was enjoyed by the children and families in town.

Barbecue areas, solar lighting and a graffiti wall finish the park.

Funding for the park was sourced from the Department of Local Government and from the Council, and the work has been completed as a joint project between Council and CDEP workers under the banner of "Doomadgee People Working for Doomadgee".



The Disaster Management signage in Middle Park was well used to keep community informed of any upcoming threats. When there is no need for a disaster management message, the sign is used to keep the community aware of upcoming events.

Roads



The Doomadgee Aboriginal Shire Council road gang have had another very busy year, achieving a huge amount.

Doomadgee now has sealed road from the start of the Road House almost to the edge of the DOGIT, with only eighteen more kilometres until all main roads are completely sealed out of a total of 39 kilometres of main roads. Council also resealed Cattle St, Bourke St and Gunnalunja Drive in town. Council often receive comments from people outside the community about the high quality of our roads, and this is due to the professional team we have working on our roads.



Water Reticulation and Water Storage



2013-2014 saw the completion of the new water tank and reticulation upgrade. Doomadgee now has 2,000,000 litres more water storage capacity making a total of 4,000,000 litres. There was a total of 6,000 metres of reticulation renewed and the rising main from the rivers to the water treatment plant has been renewed.

This project was funded under the ISIP program.

Plant

Council have continued to replace worn plant and equipment, all being put to good use by our municipal workers. None of these items were purchased with grant funding, but were proudly made possible through the efforts of our council teams undertaking private works contracts.



The arrival of the tractor/slasher had the General Gang very excited. It made the tasks of looking after the airport and town areas more efficient.



The new backhoe makes it possible for Council to dig its many trenches without the need to continually hire this equipment



The new front end loader is an addition to the plant list and is used for road building and general duties.

COMMUNITY FINANCIAL REPORT

Statement of Comprehensive Income

The objective of the Statement of Comprehensive Income is to report on the money received and the money spent by Council for the financial year.

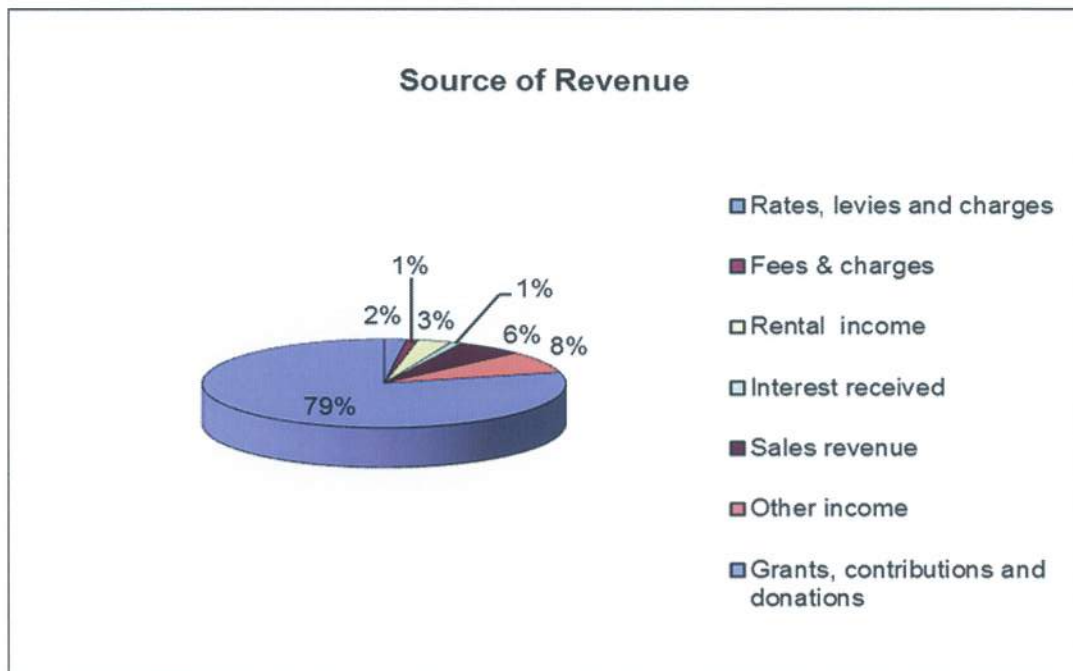
Revenue

The total recurrent revenue (money received) for this year was \$6,847,700.

The total capital revenue was \$13,648,628

Sources of Revenue for Doomadgee Aboriginal Shire Council 2013/2014

| Sources of Revenue | Amount |
|-------------------------------------|---------------------|
| Rates, levies and charges | \$471,681 |
| Fees and charges | \$330,202 |
| Rental income | \$828,577 |
| Interest received | \$271,573 |
| Sales revenue | \$1,523,678 |
| Other income | \$2,206,163 |
| Grants, contributions and donations | \$20,496,328 |
| Total | \$26,128,202 |



79 per cent of Council's total revenue is grant funded followed by 6 per cent from enterprise sales and 3 per cent from rental income.

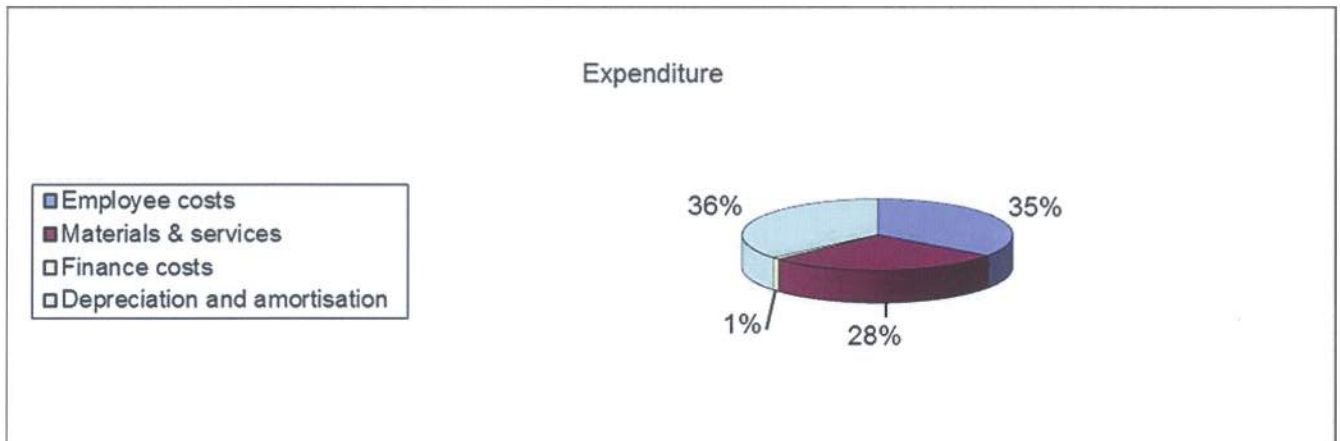
This demonstrates the large extent to which Council is dependent on grants from the government and other bodies in financing the day to day operations.

Expenditure

The total recurrent expenditure (money spent) for this year was \$8,220,995.

Expenditure for the Doomadgee Aboriginal Shire Council 2013/2014

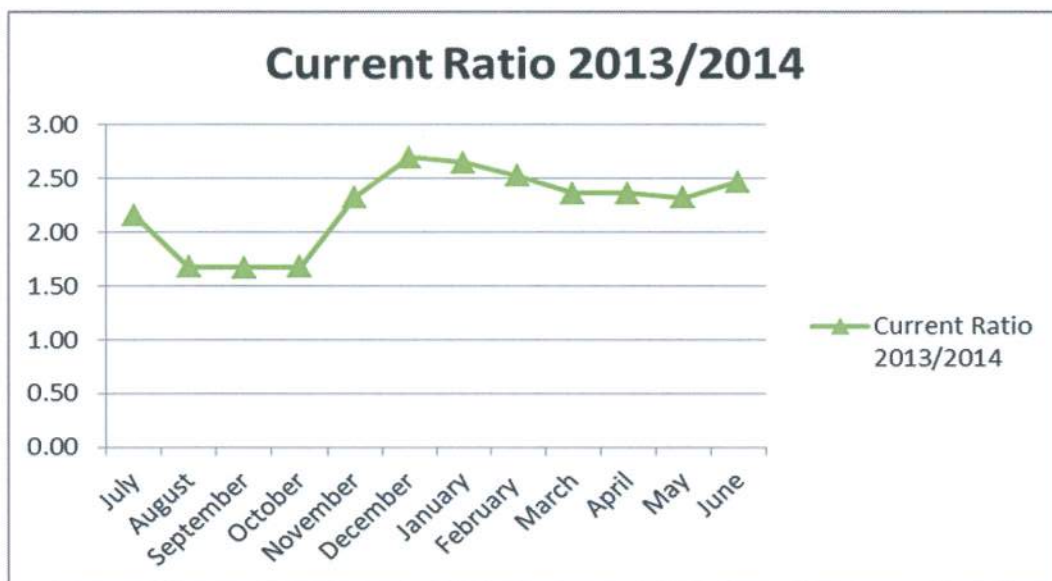
| Expenditure | Amount |
|-------------------------------|--------------------|
| Employee costs | \$2,725,783 |
| Materials and services | \$3,174,802 |
| Finance costs | \$10,386 |
| Depreciation and amortisation | \$2,810,112 |
| Total | \$8,220,995 |



35 percent of Council's expenses relate to employee costs and 28 percent to materials and services.

Council Sustainability

The best indicator of Council's sustainability (being able to continue to operate into the future) is to look at the current asset ratio. The acceptable benchmark is greater than 1 and Council is maintaining a ratio around from 1.5 to 2.



Community Housing Rental

Council with the assistance of the Department of Housing collected \$828,577 in housing rent this financial year. At the end of the year there was a total of \$201,117 in rental arrears outstanding. Housing rental monies received by Council are used exclusively to improve housing and therefore go back into the Community.

Capital Works

Council's capital works for this year included repairing roads, community housing fences replaced and the Council workshop and office upgraded. Majority of these projects were financed by grants from the state and federal government.

Looking Ahead

Council is continuing to work to ensure it is in a strong financial position to provide the level of service required by the Community. Council now has in place a long term financial plan, and currently working on the completion of an asset management plan, both which will assist us in going forward. The Community could not survive without the valued assistance from both the federal and state government.

ANNUAL FINANCIAL STATEMENTS

Council's Annual Financial Statements for the year ended 30 June 2014 are included as Appendix A. These statements have been audited by the Council's auditor, Grant Thornton in accordance with the provisions of the Local Government Act 2009.

MEASURES OF FINANCIAL SUSTAINABILITY

Doomadgee Aboriginal Shire Council remains able to discharge its debts as they fall due, however as we do not have a rates base from which to source revenue we are heavily reliant on the grants for our services and federal and state allocation of funds, without which we would not be financially sustainable.

Council continues to explore secure revenue options to provide for the ongoing sustainability of Council assets and the continuing improvement in service delivery to the Doomadgee community.

A copy of our ten year financial forecast is attached at Appendix B.

RESOLUTIONS RELATING TO THE COUNCILLORS REMUNERATION SCHEDULE AND EXPENSES REIMBURSEMENT POLICY

Extract from Minutes dated 22/1/2014

12.1 Remuneration Schedule

Moved: Mayor O’Keefe

(i) that Council note the new remuneration schedule, gazette 13 December 2013 and effective 1 July 2014.

Seconded: Deputy Mayor Douglas CARRIED UNANIMOUSLY

Council Resolution 02-01/2014

Extract from Minutes dated 21/06/2012

8.4 Expense Reimbursement for Councillors Policy

Moved: Deputy Mayor Douglas

That Council

(i) endorse the approved Expense Reimbursement for Councillors Policy.

Seconded: Councillor Cairns **CARRIED UNANIMOUSLY**

Council Resolution 19-06/2012

TOTAL COUNCILLOR REMUNERATION DURING 2013-2014

| COUNCILLOR | REMUNERATION | SUPERANNUATION | EXPENSES |
|------------------|--------------|----------------|----------|
| Cr Fred O’Keefe | 91,376 | 5,483 | 5,249 |
| Cr Tony Douglas | 52,717 | 13,542 | 6,157 |
| Cr Eugene Escott | 10,368 | 900 | 607 |
| Cr Jason Ned | 45,688 | 7,800 | 2,961 |
| Cr Vernon Ned | 29,376 | 155 | 4,887 |
| Cr Elaine Cairns | 45,688 | 2,741 | 3,326 |

Additional facilities provided

The Mayor was provided with a computer laptop, pre-paid phone recharges and has full private and business use of a fully maintained Council vehicle.

Councillors were each provided with a computer notebook and received pre-paid phone recharges.

Expenses Reimbursement for Councillors Policy is included at Appendix C

LOCAL GOVERNMENT MEETINGS ATTENDED BY COUNCILLORS

The following table shows the Councillors attendance at the meetings during the 2013-2014 year.

During 2013-2014 there were 10 Ordinary Meetings and 6 Special Meetings held.

| COUNCILLOR | ORDINARY | SPECIAL |
|---------------------------|----------|---------|
| Mayor Fred O'Keefe | 10 | 6 |
| Deputy-Mayor Tony Douglas | 8 | 4 |
| Cr Elaine Cairns | 4.5 | 1 |
| Cr Vernon Ned | 5 | 4 |
| Cr Jason Ned | 6 | 4 |

CONDUCT AND PERFORMANCE

| | |
|--|-----|
| Number of orders and recommendations made under Sections 180(2) or (4) | Nil |
| Number of orders made under Section 181 of the Act | Nil |
| Number of Complaints about Conduct and Performance assessed as frivolous Under Section 177(4) of the Act ; | Nil |
| Complaints about the conduct or performance of councillors for which no further action was taken under section 176(c) of the Act | Nil |
| Complaints Referred to the Department's chief executive under section 176C(3)(a)(i) of the Act | Nil |
| Complaints Referred to the Mayor under section 176C(3)(a)(i) or (b)(i) of the Act | Nil |
| Complaints Referred to the Department's chief executive under section 176C(4)(a) of the Act | nil |
| Complaints Assessed by the Chief Executive Officer as Being About Official Misconduct | Nil |
| Complaints Heard By a Conduct Review Panel; and | Nil |
| Complaints Heard By the Tribunal | Nil |
| Complaints Dealt With By the Chief Executive Officer under Section 176(6) of the Act | Nil |

ADMINISTRATIVE ACTION COMPLAINTS

Doomadgee Aboriginal Shire Council has a commitment to dealing fairly with any administrative complaint it receives and has developed appropriate strategies to deal with any complaints. These are outlined in our Administration Action Complaints Policy a copy of which is available from the Council. The complaints management policy is attached at Appendix D.

| ADMINISTRATIVE COMPLAINTS | | | |
|---------------------------|----------|--------------|---------------------------|
| COMPLAINTS MADE 2012-2013 | RESOLVED | NOT RESOLVED | COMPLAINTS MADE 2013-2014 |
| 0 | n/a | n/a | 0 |

OVERSEAS TRAVEL

No councillor or employee undertook overseas travel at Council's expense.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Councillors do not each have a discretionary fund.

Council made one in-kind grant to the Rodeo Association as the Rodeo is the main community event of the year.

| ORGANISATION | AMOUNT |
|-----------------------------|--|
| Doomadgee Rodeo Association | In-kind support (grounds and cleaning) |

RESERVES AND CONTROLLED ROADS

Doomadgee Aboriginal Shire Council is a Deed of Grant in Trust. The DOGIT is 186,300 hectares of which 9.5 hectares is held as Reserve by Government departments. Council as Trustees of the DOGIT own and control all roads in the DOGIT.

TENDERS

1 Tender invitations were issued during the 2013-2014 period, none of which fell under Section 228 (7) category.

REGISTERS

The following registers are open for inspection at the Council:

- Minutes of Council Meetings
- Personal Interests of Councillors
- Delegations Register
- Budget

CONCESSIONS ON SERVICE CHARGES

Concessions on service charges for the Bretheren Church were made in the 2013-2014 financial year.

INTERNAL AUDITOR

Council appointed Pacifica Chartered Accountants as its Internal Auditor at its Ordinary Council meeting held 24 June 2011. The appointment was for a three year period from 1 July 2011 until 30 June 2014.

The auditors work with management to identify and recommend improvements to Council's operations, systems and processes. The internal audit plan is reviewed annually.

REMUNERATION – CONTRACT EMPLOYEES

During the 2013/2014 financial year Doomadgee Aboriginal Shire Council employed 5 senior contract employees. Details for the contract employment packages are:

- 5 senior contract employees with a total remuneration package in the range of \$100,000 - \$200,000 per annum;



**DOOMADGEE ABORIGINAL SHIRE COUNCIL
ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED 30 JUNE 2014

APPENDIX B – FINANCIAL SUSTAINABILITY

Doomadgee Aboriginal Shire Council
Sustainability Ratio Statement
For the period from 30 June 2015 to 30 June 2024

| Year ended | Budget | Forecast | | | | | | | | |
|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 30/06/2015 | 30/06/2016 | 30/06/2017 | 30/06/2018 | 30/06/2019 | 30/06/2020 | 30/06/2021 | 30/06/2022 | 30/06/2023 | 30/06/2024 |

1 Operating Surplus Ratio

| | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| (Net Operating Surplus / Total Operating Revenue) (%) | 13.1% | 12.2% | 10.2% | 8.6% | 6.3% | 4.3% | 2.6% | 1.7% | 2.5% | 3.8% |
| Target Ratio Lower Limit (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Target Ratio Upper Limit (%) | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% | 15.0% |
| Does Operating Surplus Ratio fall between the target band? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

2 Net Financial Asset / Liability Ratio

| | | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| ((Total Liabilities - Current Assets) / Total Operating Revenue) | (118.7)% | (147.5)% | (184.9)% | (191.5)% | (225.7)% | (249.5)% | (278.1)% | (279.9)% | (302.7)% | (331.7)% |
| Target Ratio Upper Limit (%) | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% | 60.0% |
| Does Net Financial Asset / Liability Ratio fall below the upper limit? | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

2 Asset Sustainability Ratio

| | | | | | | | | | | |
|--|--------|-------|-------|-------|-------|--------|--------|-------|-------|-------|
| (Capital Expenditure on the Replacement of Assets (renewals) / Depreciation Expense) | 151.6% | 53.3% | 99.8% | 98.3% | 95.5% | 103.6% | 100.0% | 97.5% | 95.4% | 95.3% |
| Target Ratio Lower Limit (%) | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% |
| Does Asset Sustainability Ratio fall above the lower limit? | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

APPENDIX C – EXPENSES REIMBURSEMENT POLICY FOR COUNCILLORS

Name: **EXPENSES REIMBURSEMENT POLICY FOR COUNCILLORS**

Approved by: Doomadgee Aboriginal Shire Council (DASC)

Date approved: 28/06/2012

SECTION 1 – INTRODUCTION

CONTEXT

This policy should be read in conjunction with the Queensland Local Government Act 2009 and associated Regulations, and Doomadgee Aboriginal Shire Council's Mission and Vision statements and Councillor Code of Conduct

PURPOSE

The objectives of this policy are to:

- ensure compliance with community expectations and statutory requirements relating to the payment or reimbursement of legitimate expenses and provision of facilities for councillors while carrying out their duties and responsibilities as elected representatives of the Doomadgee Aboriginal Shire Council; and
- ensure that all councillors have the facilities and other support necessary to perform their civic duties.

SCOPE

This policy applies to the Mayor, Deputy Mayor and all Councillors.

This policy provides for:

- payment of expenses incurred, or to be incurred, by the councillors in the course of discharging their duties and responsibilities as councillors; and
- the provision of facilities to the councillors for that purpose.

This policy does not provide for salaries or other form of councillor remuneration.

SECTION 2 – POLICY

PRINCIPLES

Council is committed to ensuring that councillors are provided with the facilities required to enable them to perform their duties.

Councillors should not be financially disadvantaged when carrying out the requirements of the role of councillor and should be fairly and reasonably compensated in accordance with statutory requirements and community expectations.

Failure to comply with this policy or misappropriation of expenses or facilities may be a breach of the Councillor Code of Conduct and/or an offence under the *Criminal Code Act 1899*.

POLICY

| | |
|-----------------|--|
| <p>1</p> | <p>Payment/reimbursement of expenses</p> <p>1.1 The payment and/or reimbursement of expenses and provision of facilities for councillors must only be for the actual cost of legitimate business use and only in accordance with the <i>Local Government Act 2009</i>.</p> <p>1.2 The payment and/or reimbursement of expenses and provision of facilities for councillors:</p> <ul style="list-style-type: none"> • is to be open and transparent, prudent, responsible, acceptable to the community and in accordance with statutory requirements; • based on ensuring economy and efficiency; and • subject to budget provisions. |
| <p>2</p> | <p>Annual reporting of councilor reimbursements</p> <p>2.1 Council’s annual report must contain a copy of the policy and a copy of any resolution made during the year authorising payment of expenses or provision of facilities to councillors.</p> <p>2.2 The annual report must also include particulars about the expenses incurred by, and the facilities provided to each councillor.</p> |
| <p>3</p> | <p>Non-entitlement of reimbursement</p> <p>3.1 Spouses, partners and family members of councillors are not entitled to reimbursement of expenses or to have access to facilities allocated to councillors.</p> |
| <p>4</p> | <p>Expenses Reimbursement</p> <p>4.1 <u>Authorisation</u></p> <p>4.1.1 Council has delegated approval of all expenses for the Mayor and Councillors to the CEO.</p> <p>4.1.2 The CEO must approve all mandatory and discretionary training and travel accommodation for the Mayor.</p> <p>4.1.3 The approval of the Council is required for attendance by Councillors at discretionary training, including conferences, within Australia.</p> <p>4.1.4 The approval of the Council is required for attendance by Councillors at any mandatory training or conference within Australia.</p> <p>4.1.5 The approval of the Council is required for attendance by a Councillor at any event as a delegate or representative of Council.</p> <p>4.1.6 The payment or reimbursement of expenses and the provision of facilities for councillors is subject to budget provisions and the authorisation of the Chief Executive Officer (CEO).</p> |
| <p>5</p> | <p>Councillor Expenses</p> <p>5.1 The following expenses refer to actual expenses deemed necessary for Council business. Councillors are only entitled to the expenses contained in the categories listed below.</p> <p>5.1.1 <u>Council Business</u>: Where Councillors are attending to Council business (refer to definitions) such as meetings, functions or other activities in an official capacity, Council will pay for the approved expenses associated with that activity.</p> <p>5.1.1.1 <u>Representing Council at Events</u>: Councillors may be required to</p> |

| | |
|-----------------|--|
| | <p>attend a range of events and functions as part of their role in attending to Council business. Councillors may, for example, be required to attend significant sporting and other community events in an official capacity. Where the Council has approved that a councillor is required to attend an event or conference as a delegate of Council, Council will pay for expenses associated with attending that event.</p> <p><i>5.1.1.2 Professional Development:</i> There are two categories of professional development for Councillors – Mandatory Training and Discretionary Training.</p> <p><i>Mandatory Training :</i> Councillors must attend training where the Council approves that all councillors or a class of councillors (e.g. newly elected councillors) are to attend training courses or workshops for skill development related to a councillor’s role. Council will meet all costs. Examples of mandatory training may include training for councillor induction, code of conduct, meeting procedures and legislative obligations.</p> <p><i>Discretionary Training:</i> Where a councillor wishes to attend a conference, workshop or training to improve skills relevant to their role as a councillor (other than mandatory training), prior Council approval is required.</p> <p><i>5.1.1.3 Travel costs:</i> Councillors may incur travel costs travelling to conferences, training or workshops. All councillor travel arrangements must be in accordance with Council Travel and Accommodation Procedures.</p> <p>In general, the most cost effective form of travel must be used. Councillors may request to travel using their own private vehicle for business purposes and claim a kilometre allowance based on log book details to substantiate their claim if this is the most cost effective form of travel.</p> <p><i>5.1.1.4 Accommodation:</i> When attending conferences, councillors must take advantage of any cost savings available from any package provided by conference organisers and, therefore, stay in the recommended accommodation. In all other cases, Council must decide what legitimate accommodation costs that are to be reimbursed are. An allowance will be paid in line with Council policy to cover incidental costs incurred while travelling and staying away from home overnight</p> |
| <p>6</p> | <p>Councillor Facilities</p> <p>6.1 Facilities provided for councillors must be deemed necessary and required to assist councillors in their official capacity. In accordance with statutory provisions, Council may only provide councillors with the facilities listed below. Council determines the reasonable standard for facilities for councillors. If a Councillor chooses a higher standard of facility than that prescribed by Council, any difference in cost must be met by the councillor personally.</p> <p>All facilities provided to Councillors remain the property of Council and must be accounted for during annual equipment audits. The facilities must be returned to Council when the councillor’s term expires.</p> <p>6.1.1 Administrative Tools and Office Amenities</p> <p>6.1.1.1 Access to office accommodation and access to meeting rooms are provided to councillors for council business use.</p> <p>6.1.1.2 Councillors are provided with a notebook computer for Council business use</p> <p>6.1.1.3 Councillors may access council landline telephones and fax for council business use only. Councillors are paid a prepaid amount on</p> |

their mobile telephones monthly.

6.1.1.4 Councillors may use Council printers photocopier and paper for Council business use

6.1.1.5 Councillors may use council letterhead for official purposes only. Council stationery is not to be converted or modified in any way and may only be used for carrying out the functions of the role of councilor.

6.1.1.6 Councillors may use Council printers photocopier and paper for business use

6.1.1.7 Councillors can access copies of relevant legislation books and journals considered necessary for undertaking their duties.

6.1.1.8 Subject to Council approval, councillors may be provided with any other administrative necessities to meet the business of Council.

6.1.1.9 Council will not reimburse or provide funds, services or facilities for the purposes of advertising for councillors.

6.1.1.10 Councillors may use facilities provided to correspond with community representatives for the purpose of clarifying issues that are relevant to the Shire in general. Where a councillor chooses to undertake further community consultation on a particular matter, in addition to that approved by Council, the councillor is responsible for those costs.

6.1.2 Council will cover all ongoing maintenance costs associated with Council owned equipment to ensure it is operating for optimal professional use.

6.1.3 Councillors will be provided with any safety equipment such as overalls, safety helmets or glasses, as required, in their role.

6.1.4 Councillors will be covered under Council insurance policies while discharging civic duties.

Specifically, insurance cover will be provided for public liability, professional indemnity, councillor's liability, personal accident, international and domestic travel insurance.

| | |
|---|---|
| 7 | <p>Councillor Travel and Accommodation Procedures</p> <p>7.1 All Councillor air travel and accommodation requires prior approval by the Council. All air travel and/or accommodation requirements will be coordinated through the Chief Executive Officer or his/her delegated officer. Council is committed to ensuring that travel and related services and products are procured as cost effectively and efficiently as possible. Travel related expenses that do not comply with policy provisions will not be reimbursed. All requests for travel (including associated registrations) should be made in sufficient time to take advantage of discounts and gain access to the widest range of accommodation and flights. Failure to do so will limit flight and accommodation options.</p> <p>7.2 All travel requirements should be booked through the Chief Executive officer or his/her delegate. Councillors must not book travel arrangements directly with any suppliers.</p> <p>7.3 All Councillor travel requires the approval of the Council. All travel requests from a councillor must state the relevance of such event to the Council and as far as practicable indicate the cost of attendance. Upon approval, the Chief Executive Officer or his /her delegate should ensure any necessary registration forms are completed. Where Councillors are appointed by the Council as Council's representative on State or Federal committees or Government associations, all travel and accommodation associated with the councillor's fulfilment of that role will be approved as Council business.</p> <p>7.4 The Executive Assistant will arrange bookings that best fit the preferred options and are most advantageous to Council. All itineraries will be confirmed with the councillor before bookings are confirmed. No alterations will be accepted after confirmation of bookings, except under extenuating circumstances as approved by the Chief Executive Officer. Requests for travel and/or accommodation must be lodged within sufficient time to take advantage of "early bird" and advance booking discounts. Confirmation of travel or accommodation cannot be guaranteed for late requests.</p> <p>7.5 The requirement for a hire car should be identified at the time of seeking council approval for attendance. Any subsequent need for a hire car must be approved by the Chief Executive officer.</p> |
| 8 | <p>Other Expenses</p> <p>Expenses will not be reimbursed for personal items or costs unrelated to council business; e.g.:</p> <ul style="list-style-type: none"> • Alcohol; • Babysitting fees; • Airline club fees; • Toiletries; • Barber or hair stylist; • Traffic infringements; • In flight and in house movies; • Tourism related costs; • Mini bar purchases; • Personal telephone; • Social events; and • Reading materials <p>As a guide, expenses not normally reimbursed at home, will not be reimbursed when travelling.</p> |
| 9 | <p>Accompanying Partners and Personal Travel Arrangements</p> <p>All travel and accommodation for partners of councillors must be arranged by and paid by the councillor.</p> |

SECTION 3 – PROCEDURE

| Procedure steps | | Responsibility |
|-----------------|---|----------------|
| 1 | Councillor seeks approval of expenditure in advance | Council |
| 2 | Upon approval from Council, Councillor undertakes activity keeping all receipts requiring reimbursement | Councillor |
| 3 | DASC Claim for Reimbursement form must be completed and all proof of payment (original tax invoice receipts) are attached | Councillor |
| 4 | CEO authorizes payment of legitimate claims | CEO |

PROCESS MAP

Not applicable

SECTION 4 – REFERENCE AND SUPPORTING INFORMATION

SUPPORTING DOCUMENTATION

| Links to supporting documentation | |
|-----------------------------------|-----------------------------------|
| | DASC Claim Form for Reimbursement |
| | DASC Request for Travel form |

SECTION 5 – GOVERNANCE

POLICY IS GOVERNED BY THE FOLLOWING LEGISLATION

| Name | Link |
|---|------|
| Local Government Act 2009 | |
| Local Government (Finance, Plans and Reporting) Regulation 2010 | |
| Local Government (Operations) Regulation 2010 | |

RESPONSIBILITY

| | |
|-------------------------------|---|
| Responsible manager(s) | Chief Executive Officer/ Manager Corporate Services |
| Policy administrator | Chief Executive Officer |
| Approving body | Doomadgee Aboriginal Shire Council |

CHANGE HISTORY

| Review Date | Approval date | Approved by | Change |
|-------------|---------------|-------------|--------|
| | 28/06/2012 | Council/CEO | |
| | | | |

APPENDIX D – ADMINISTRATIVE ACTION COMPLAINTS POLICY

| | |
|----------------|---|
| Name: | Complaints Management Policy |
| Approved by: | Doomadgee Aboriginal Shire Council (DASC) |
| Date approved: | 13 September 2012 |

SECTION 1 – INTRODUCTION

CONTEXT

The role of Council is to provide open and accountable local government. An effective and transparent method of responding to complaints regarding its services, administrative actions, competitive neutrality, the conduct and performance of Councillors and staff behavior and misconduct better enables council to undertake this role.

Section 268 (1) of the Local Government Act 2009 requires Council to establish a complaints management process for resolving administrative action complaints. This process must include the elements contained in Section 119 of the Local Government (Operations) Regulation 2010.

The policy supports Council's priority to deliver inclusive and ethical governance for the community. This includes clear accountabilities, ethical standards of behaviour and a commitment to act in accordance with the 'local government principles' (see Section 4 of the Act)

PURPOSE

Council is committed to a complaints management process which ensures the transparent, effective and timely resolution of complaints.

The policy has been established to provide a clear administrative method of handling and resolving complaints made by affected persons about:

- A decision, or failure to make a decision, including a failure to provide a written statement of reasons for a decision;
- An act, or failure to do an act;
- The formulation of a proposal or intention; and/or
- The making of a recommendation.

SCOPE

This policy applies to all Officers and applies to complaints received from complainants about:

- administrative actions of council;
- competitive neutrality;
- minor complaints; and
- staff behavior and misconduct.

This policy does not apply to complaints made about Councillors (see conduct and Performance of Councillors policy).

SECTION 2 – POLICY

PRINCIPLES

Council is committed to a complaints management policy and procedure that is guided by the principles of ensuring the transparent, effective and timely resolution of complaints.

Complaints against an officer will only be formally considered if such complaint is lodged in writing and signed by the complainant. Complainants with special needs will be assisted in this process.

Where anonymous complaints are received the matter may be investigated, however, no formal action will be considered.

POLICY

| | |
|----------|--|
| 1 | Complaints Management Policy |
| 1.1 | Definitions |
| | <p>1.1.1 An administrative action complaint is a complaint about an administrative action of council including the following:</p> <ul style="list-style-type: none">• a decision, or a failure to make a decision, including a failure to provide a written statement of reasons for a decision;• an act, or a failure to do an act;• the formulation of a proposal or intention;• the making of a recommendation; and• is made by an affected person. |
| | <p>1.1.2 An Affected Person is as follows:</p> <p>1.1.2.1 <i>Administrative action complaints</i> - a person who is apparently directly affected by an administrative action of Council;</p> <p>1.1.2.2 <i>Competitive neutrality complaints</i> - a person who:</p> <ul style="list-style-type: none">• competes with Council in relation to the business activity; and claims to be adversely affected by a competitive advantage that the person alleges is enjoyed by council; or• wants to compete with council in relation to the business activity; and claims to be hindered from doing so by a competitive advantage that the person alleges is enjoyed by council. <p>1.1.3 A Competitive Neutrality Complaint is a complaint that:</p> <ul style="list-style-type: none">• relates to the failure of council to conduct a business activity in accordance with the competitive neutrality principle; and• is made by an affected person. <p>1.1.4 A complaint should not be confused with a service request.</p> <p>1.1.5 A complainant is an affected person as defined above.</p> <p>1.1.6 Minor complaints are of a minor nature about the service delivery provided by staff which is easily resolved in the preliminary stage of the complaint.</p> <p>1.1.7 Staff includes employees, contractors, volunteers and all others who perform work on behalf of council.</p> <p>1.1.8 Staff behavior and misconduct complaints relate to conduct or work performance of staff.</p> |
| 2 | Complaints |

- 2.1 The complaints process is to be readily accessible and be able to be understood by all people including those with special needs. Information about the complaints process is to be available on the Council's website and at the Council offices.
- 2.2 All complaints received by Council will be considered on their merits and addressed in an equitable and unbiased manner through an established complaints process and the observation of the principles of natural justice. Council will treat all complaints confidentially and with due respect, and complainants will not suffer any reprisal from Council or staff for making a complaint.
- 2.3 All complaints will be thoroughly investigated in a timely manner with the aim of reaching a resolution acceptable to both council and the complainant. To facilitate the effective management of complaints, council will:
 - continue to maintain policies and procedures and ensure that training is provided to staff;
 - ensure that potential complainants are aware of the avenues available to lodge a complaint with council;
 - provide an environment of continuous improvement through reporting and customer feedback.
- 2.4 To ensure that decision making is fair and reasonable, the rules or principles of natural justice will be applied in all investigations. This includes:
 - the right to a fair hearing;
 - an absence of bias;
 - decisions based on evidence; and
 - proper examination of all issues.
- 2.5 Complaints may be categorized by the CEO for the purpose of prioritization, reporting, effective resolution and ensuring legislative compliance.
- 2.6 Where possible, a complainant and a Council Manager/Supervisor should attempt to have the matter resolved to avoid the need for a formal complaint requiring investigation e.g. by the aggrieved person working the issue through with the CEO to obtain an outcome that is satisfactory to both parties.
- 2.7 Receipt of each administration complaint will be acknowledged.
- 2.8 Complainants will be treated courteously, and will be kept informed of the progress of the handling of their complaint, the timing of its handling and the outcome of their complaint.
- 2.9 All complaints will be treated with appropriate respect for the confidentiality and privacy of the complainant and the officers involved. Publication of information relating to complaints about Council officers will be limited to that prescribed by legislation.
- 2.10 Council will cooperate fully with any investigating authority charged with dealing with a complaint e.g. the Crime and Misconduct Commission.
- 2.11 The complaint process is not a tool to bring Council business to a halt nor to delay or prevent Council from making decisions.
- 2.12 Council staff who undertake roles in resolving or investigating complaints will receive training.
- 2.13 A Council staff member who attempts to informally resolve a complaint or who investigates a complaint must be senior to the person subject of the complaint (if the complaint is about an officer) and senior to the person directly responsible for providing the service (if the complaint is about that service). The only exception to this is for a complaint made about the CEO, in which case the CEO will delegate the responsibility to resolve or investigate the complaint to a general manager of Council.
- 2.14 Council's systems and this policy will be reviewed periodically to maintain

best practice.
 2.15 If there is any conflict between this policy and the requirements of the Act or any other relevant legislation, the legislative requirements must take precedence.

SECTION 3 – PROCEDURE

| Procedure steps | | Responsibility |
|-----------------|--|----------------|
| 1 | <p>Complaints</p> <p>1.1 All complaints must be made in writing to the Chief Executive Officer.</p> <p>1.2 The Chief Executive Officer will categorize complaint and appoint an investigating officer</p> <p>1.3 The complaint will be investigated as per council authority.</p> <p>1.4 A written report of outcome will be returned to CEO</p> <p>1.5 A written report of outcome will be returned to complainant.</p> <p>1.6 Complaints will be recorded in complaints register.</p> | |

PROCESS MAP

N/A

SECTION 4 – REFERENCE AND SUPPORTING INFORMATION

SUPPORTING DOCUMENTATION

| Links to supporting documentation | |
|-----------------------------------|--|
| | |
| | |
| | |

SECTION 5 – GOVERNANCE

POLICY IS GOVERNED BY THE FOLLOWING LEGISLATION

| Name | Link |
|---|------|
| Local Government Act 2009 Section 268 (1) | |
| Local Government (Operations) Regulation 2010 Section 119 | |
| Local Government (Beneficial Enterprises and Business Activities) Regulation 2010 <i>Right to Information Act 2009</i> <i>Information Privacy Act 2009</i> <i>Judicial Review Act 1991</i> <i>Public Interest Disclosure Act 2010</i> | |

RESPONSIBILITY

| | |
|-------------------------------|------------------------------------|
| Responsible manager(s) | Mayor and Chief Executive Officer |
| Policy administrator | Chief Executive Officer |
| Approving body | Doomadgee Aboriginal Shire Council |

CHANGE HISTORY

| Review Date | Approval date | Approved by | Change |
|-------------|---------------|-------------|----------|
| | 13/09/2012 | Council | Revision |
| | | | |



DOOMADGEE ABORIGINAL SHIRE COUNCIL ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Doomadgee Aboriginal Shire Council

Financial statements

For the year ended 30 June 2014

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Doomadgee Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2014

| | Note | Council | |
|--|------|-------------------------|---------------------------|
| | | 2014 | 2013 |
| | | \$ | \$ |
| Income | | | |
| Revenue | | | |
| Recurrent revenue | | | |
| Rates, levies and charges | 3(a) | 471,681 | 496,047 |
| Fees and charges | 3(b) | 330,202 | 336,349 |
| Rental income | 3(c) | 828,577 | 729,037 |
| Interest received | 3(d) | 271,573 | 179,770 |
| Sales revenue | 3(e) | 1,523,678 | 1,394,605 |
| Other income | 3(f) | 2,206,163 | 91,596 |
| Grants, subsidies, contributions and donations | 4(a) | 6,847,700 | 4,484,109 |
| | | <u>12,479,574</u> | <u>7,711,513</u> |
| Capital revenue | | | |
| Grants, subsidies, contributions and donations | 4(b) | 13,648,628 | 3,855,070 |
| | | <u>26,128,202</u> | <u>11,566,583</u> |
| Total revenue | | | |
| | | <u>26,128,202</u> | <u>11,566,583</u> |
| Total income | | | |
| | | <u>26,128,202</u> | <u>11,566,583</u> |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 5 | (2,725,783) | (2,536,664) |
| Materials and services | 6 | (3,174,802) | (4,346,712) |
| Finance costs | 7 | (10,386) | (6,908) |
| Depreciation and amortisation | 8 | (2,310,024) | (2,959,774) |
| | | <u>(8,220,995)</u> | <u>(9,850,058)</u> |
| Capital expenses | 9 | (17,505,988) | (8,952,345) |
| | | <u>(25,726,983)</u> | <u>(18,802,403)</u> |
| Total expenses | | | |
| | | <u>(25,726,983)</u> | <u>(18,802,403)</u> |
| Net result | | | |
| | | <u>401,219</u> | <u>(7,235,820)</u> |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Increase / (decrease) in asset revaluation surplus | 18 | 2,005,480 | 4,445,540 |
| | | <u>2,005,480</u> | <u>4,445,540</u> |
| Total other comprehensive income for the year | | | |
| | | <u>2,005,480</u> | <u>4,445,540</u> |
| Total comprehensive income for the year | | | |
| | | <u><u>2,406,699</u></u> | <u><u>(2,790,280)</u></u> |

**Doomadgee Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2014**

| | Note | Council | |
|--------------------------------------|------|--------------------|--------------------|
| | | 2014 \$ | 2013 \$ |
| Current assets | | | |
| Cash and cash equivalents | 10 | 10,521,334 | 7,098,682 |
| Trade and other receivables | 11 | 1,057,132 | 1,729,764 |
| Inventories | 12 | 88,991 | 103,238 |
| Other financial assets | 13 | 591,066 | 326,080 |
| Total current assets | | <u>12,258,523</u> | <u>9,257,764</u> |
| Non-current assets | | | |
| Other financial assets | 13 | 19,055,217 | 9,053,838 |
| Property, plant and equipment | 14 | 80,168,773 | 92,339,118 |
| Total non-current assets | | <u>99,223,990</u> | <u>101,392,956</u> |
| Total assets | | <u>111,482,513</u> | <u>110,650,720</u> |
| Current liabilities | | | |
| Trade and other payables | 16 | 562,933 | 2,154,506 |
| Provisions | 17 | 24,276 | 7,613 |
| Total current liabilities | | <u>587,209</u> | <u>2,162,119</u> |
| Non-current liabilities | | | |
| Trade and other payables | 16 | 19,109 | 13,773 |
| Provisions | 17 | 17,484 | 22,816 |
| Total non-current liabilities | | <u>36,593</u> | <u>36,589</u> |
| Total liabilities | | <u>623,802</u> | <u>2,198,708</u> |
| Net community assets | | <u>110,858,711</u> | <u>108,452,012</u> |
| Community equity | | | |
| Asset revaluation surplus | 18 | 44,225,174 | 42,219,694 |
| Retained surplus/(deficiency) | 19 | 66,633,537 | 66,232,318 |
| Total community equity | | <u>110,858,711</u> | <u>108,452,012</u> |

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

Doomadgee Aboriginal Shire Council

Statement of Changes in Equity
For the year ended 30 June 2014

| | Asset revaluation surplus | Retained Surplus | Reserves | Total |
|--|---------------------------------|---------------------|--------------------|--------------------|
| Note | 18 | 19 | 20 | |
| | \$ | \$ | \$ | \$ |
| Balance as at 1 July 2013 | 42,219,694 | 66,232,318 | - | 108,452,012 |
| Net result | - | 401,219 | - | 401,219 |
| Other comprehensive income for the year | | | | |
| Increase / (decrease) in asset revaluation surplus | 2,005,480 | - | - | 2,005,480 |
| Total comprehensive income for the year | 2,005,480 | 401,219 | - | 2,406,699 |
| Balance as at 30 June 2014 | 44,225,174 | 66,633,537 | - | 110,858,711 |
| Balance as at 1 July 2012 | 37,774,154 | 72,189,242 | 1,278,896 | 111,242,292 |
| Net result | - | (7,235,820) | - | (7,235,820) |
| Increase / (decrease) in asset revaluation surplus | 4,445,540 | - | - | 4,445,540 |
| Total comprehensive income for the year | 4,445,540 | (7,235,820) | - | (2,790,280) |
| Transfers to and from reserves | | | | |
| Transfers from reserves | - | 1,278,896 | (1,278,896) | - |
| Total transfers to and from reserves | - | 1,278,896 | (1,278,896) | - |
| Balance as at 30 June 2013 | 42,219,694 | 66,232,318 | - | 108,452,012 |

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

**Doomadgee Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2014**

| | Note | Council | |
|---|------|-------------------|------------------|
| | | 2014 | 2013 |
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Receipts from customers | | 3,272,077 | 2,214,141 |
| Payments to suppliers and employees | | (7,707,945) | (6,212,279) |
| | | (4,435,868) | (3,998,138) |
| Interest received | | 271,573 | 179,770 |
| Rental income | | 828,577 | 729,037 |
| Non capital grants and contributions | | 6,847,700 | 4,484,109 |
| Net cash inflow (outflow) from operating activities | 24 | <u>3,511,982</u> | <u>1,394,778</u> |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (1,285,385) | (1,733,165) |
| Proceeds from sale of property plant and equipment | | 7,910 | 35,386 |
| Finance lease receipts | | 541,734 | 247,178 |
| Grants, subsidies, contributions and donations | | 646,411 | 2,355,071 |
| Net cash inflow (outflow) from investing activities | | <u>(89,330)</u> | <u>904,470</u> |
| Net increase (decrease) in cash and cash equivalents held | | <u>3,422,652</u> | <u>2,299,248</u> |
| Cash and cash equivalents at the beginning of the financial year | | 7,098,682 | 4,799,434 |
| Cash and cash equivalents at end of the financial year | 10 | <u>10,521,334</u> | <u>7,098,682</u> |

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

**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2013 to 30 June 2014 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment and other financial assets.

1.B Statement of compliance

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

1.C Constitution

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

1.D Date of authorisation

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

1.E Currency

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

1.F Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies. However the Application of AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* for the first time this year has resulted in greater disclosures.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

| | Effective for annual report periods beginning on or after: |
|---|--|
| AASB 9 <i>Financial Instruments</i> (December 2009) | 1 January 2018 |
| AASB 10 <i>Consolidated Financial Statements</i> | 1 January 2014 |
| AASB 11 <i>Joint Arrangements</i> | 1 January 2014 |
| AASB 12 <i>Disclosure of interests in other entities</i> | 1 January 2014 |
| AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10) | 1 January 2014 |
| AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard) | 1 January 2014 |
| AASB 1055 <i>Budgetary Reporting</i> | 1 July 2014 |
| 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2009) | 1 January 2015 |
| AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> | 1 January 2015 |
| AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i> | 1 January 2014 |
| AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> [AASB 132] | 1 January 2014 |
| AASB 2013-1 <i>Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements</i> | 1 July 2014 |
| AASB 2013-3 <i>Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</i> | 1-Jan-14 |
| AASB 2013-4 <i>Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting</i> [AASB 139] | 1-Jan-14 |
| AASB 2013-5 <i>Amendments to Australian Accounting Standards – Investment Entities</i> [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139] | 1-Jan-14 |
| AASB 2013-6 <i>Amendments to AASB 136 arising from Reduced Disclosure Requirements</i> | 1-Jan-14 |
| AASB 2013-7 <i>Amendments to AASB 1038 arising from AASB 10 in relation to consolidation and interests of policyholders</i> [AASB 1038] | 1-Jan-14 |
| AASB 2013-8 <i>Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities</i> [AASB 10, AASB 12 & AASB 1049] | 1-Jan-14 |
| AASB2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i> [Operative dates: Part A Conceptual Framework – 20 Dec 2013; Part B Materiality – 1 Jan 2014; Part C Financial Instruments – 1 Jan 2015] | Refer Title column |
| <i>Interpretation 21 Levies</i> | 1-Jan-14 |

AASB 9 Financial Instruments (effective from 1 January 2018)

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

1.G Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.O and Notes 14 and 15
Impairment of property, plant and equipment - Note 1.Q and Note 14
Provisions - Note 1.T, 1.V and Note 17
Valuation of finance leases - Note 1.R and Notes 13 and 15
Contingent liabilities - Note 22.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.H Revenue

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

Rates and levies

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

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2012, and previous years, an equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal capital grants were placed in the Unspent capital grants reserve. On 27 June 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 10.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

Non-cash contributions

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as revenue and as non-current assets. Non-cash contributions below the thresholds are recorded as revenue and expenses.

Rental income

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

Interest

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

Sales revenue

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

The Council generates revenues from a number of services including water, sewerage, garbage charges and contracts for road and earthworks. Revenue from contracts and recoverable works 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 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.

Fees and charges

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

1.I Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents (Note 1.J)

Receivables - measured at amortised cost (Note 1.K)

Other financial assets (finance leases) - measured at fair value (Note 1.R)

Financial liabilities

Payables - measured at amortised cost (Note 1.S)

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

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 26.

1.J Cash and cash equivalents

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

1.K Receivables

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

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

Council no longer makes loans to community residents or staff. Council was no longer permitted to make loans to community members following the removal of S38 of the former *Local Government (Community Government Areas) Act 2004* on 15 March 2008. Council is now constituted under the *Local Government Act 2009*, which does not permit Council to make loans to community residents. No loans have been made since 15 March 2008.

1.L Inventories

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. Costs are assigned on the basis of weighted average cost.

1.M Other financial assets

Refer to Note 1.R for the accounting policy relating to finance lease assets.

1.N Community housing

Doomadgee Aboriginal Shire Council does not hold any investment property, however does provide social housing as a service to community members. As the Council area is situated on Deed of Grant in Trust (DOGIT) there is a prohibition on sale of any land within the area designated under DOGIT. Refer to note 1.O for details of DOGIT land.

1.O Property, plant and equipment

Each class of property, plant and equipment is stated at amortised cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. All assets with a total value of less than \$5,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are:

Buildings
Houses
Plant and equipment
Furniture and equipment
Other structures
Roads, drainage and bridge network
Water
Sewerage
Work in progress

Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

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

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Valuation

Buildings, houses, other structures and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment* and AASB 13 *Fair Value Measurement*. Furniture and equipment, plant and equipment and work in progress are measured at cost.

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 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, management engage independent, professionally qualified valuers to perform a "desktop" valuation for those assets at fair value. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful lives, residual value and condition rating and the valuer then determines suitable indices applied to each of these asset classes.

An analysis performed by management has indicated that, on average, the variance between an indexed asset value and the valuation by an independent valuer when performed is not significant and the indices used by Council are sound. Further details in relation to valuers, the methods of valuation and the key assumptions used are disclosed in Note 15.

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

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

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

Capital work in progress

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

Depreciation

Depreciation on property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down 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 14.

**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Doomadgee Aboriginal Shire Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the State pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

Deed of Grant in Trust land

The Council is located on land assigned to it under various Deeds of Grant in Trust (DOGIT) pursuant to Section 341 of the *Land Act 1994*. It comprises an area approximately 488km north west of Mount Isa and 100km west of Burkertown.

The land is administered by the Department of Natural Resources and Mines and the Council has restricted use of this land for the benefit of its inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

A portion of DOGIT land comprising of 203 properties is leased to the State Government pursuant to the Indigenous Housing Arrangement (40 year lease).

1.P 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 being expensed. Council does not currently have any intangible assets.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the development of computer software are capitalised and are amortised on a straight-line basis over the period of expected benefit to Council.

1.Q Impairment of non-current assets

Each non-current physical and intangible asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1.R Leases

Leases of plant and equipment under which the Council as lessee/lessor assumes/transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

Finance leases as lessee

Where Council enters into a finance lease as lessee, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

Finance leases as lessor

Council has leased 203 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was \$2,800. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains on revaluation of finance lease assets are recognised as other income.

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.S Payables

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

1.T Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

Salaries and wages

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

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 16 as a payable.

Sick leave

Sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 23.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 17 as a provision.

1.U Borrowings and borrowing costs

Doomadgee Aboriginal Shire Council may not enter into borrowings without the consent of Queensland Treasury. At present no consent has been sought.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

1.V Restoration provision

A provision is made for the cost of restoration in respect of refuse dumps and quarries where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of these facilities. The provision is measured at the expected cost of the work required, discounted to current day values using the interest rates attaching to Commonwealth Government guaranteed securities with a maturity date corresponding to the anticipated date of the restoration.

Refuse dump restoration

The provision represents the present value of the anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for dump sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Management estimates that the site will close in 2018 and that the restoration will occur progressively over the subsequent four years.

As refuse dumps are on DOGIT land 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.

At year end, the balance in the provision account was nil (2013: nil).

1.W Asset revaluation surplus

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

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

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

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

1.X Retained surplus

In reference to the comparative figures for the year ended 30 June 2013, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.Y Reserves

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these restrictions using a system of reserves.

On 27 June 2013, Council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on Council's cash and cash equivalents are now disclosed in Note 10.

1.Z National competition policy

The Council has reviewed its activities to identify its business activities. The Council has no business activities to which the Code of Competitive Conduct needs to be applied.

1.AA Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

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

**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

1.AB Trust funds held for outside parties

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

At year end, the Council did not have trust funds held for outside parties.

1.AC Funds held in trust by outside parties

Some funds belonging to Council are held in the trust funds of third parties. These include grants for water and sewerage infrastructure. The Council has no monies held in such trust account at 30 June 2014.

1.AD Taxation

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

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

2. Analysis of Results by Function

2(a) Components of Council functions

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

Corporate governance

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Finance and information

The support functions of Management of the Council's finance, information technology and administration.

Community services

Community services and facilities including cultural, health, welfare, environmental and recreational services.

This function includes:

Environment health

Animal management program

Enterprises

The provision of the following business activities:

Guest house

Post office

Bank

Airport

Centrelink

Housing

Provision of public housing within the Deed of Grant in Trust (DOGIT) area.

Transport infrastructure

Providing and maintaining roads and drainage.

Water infrastructure

Providing water supply services.

Sewerage and waste management infrastructure

Providing sewerage services and refuse collection and disposal services.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

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

| Year ended 30 June 2014 Functions | Gross program income | | | | Elimination of inter-function transactions | Total income | Gross program expenses | | Elimination of inter-function transactions | Total expenses | Net result from recurring operations | Net Result | Assets |
|--|----------------------|-----------|------------|-------|--|--------------|------------------------|--------------|--|----------------|--------------------------------------|-------------|--------|
| | Recurring | | Capital | | | | Recurring | Capital | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | |
| | 2014 | 2014 | 2014 | 2014 | | | 2014 | 2014 | | | | | |
| Corporate governance | - | - | - | - | - | - | (348,094) | - | (348,094) | (348,094) | \$ | 49,855 | |
| Finance and information | 2,182,828 | 259,679 | 93,237 | - | 2,535,744 | - | (3,270,867) | - | (3,270,867) | (3,011,188) | (735,123) | 13,608,467 | |
| Community services | 985,985 | 863,141 | 363,505 | - | 2,212,641 | - | (820,126) | - | (820,126) | 43,015 | 1,392,515 | 25,628,181 | |
| Enterprises | - | 1,040,203 | - | - | 1,040,203 | - | (475,414) | - | (475,414) | 564,789 | 564,789 | 5,356,658 | |
| Housing | - | 2,987,169 | 3,887,708 | - | 6,884,877 | - | (1,465,034) | (17,505,988) | (18,971,022) | 1,532,135 | (12,086,145) | 29,481,383 | |
| Transport infrastructure | 3,678,877 | - | - | - | 3,678,877 | - | (1,419,438) | - | (1,419,438) | (1,419,438) | 2,259,439 | 18,890,546 | |
| Water infrastructure | - | 233,651 | 8,854,279 | - | 8,897,930 | - | (259,779) | - | (259,779) | (26,128) | 8,638,151 | 14,892,000 | |
| Sewerage and waste management infrastructure | - | 238,030 | 639,900 | - | 877,930 | - | (162,243) | - | (162,243) | 75,787 | 715,687 | 3,575,423 | |
| Total Council | 6,847,700 | 5,631,873 | 13,648,629 | - | 20,128,202 | - | (8,220,895) | (17,505,988) | (25,726,983) | (2,589,122) | 401,219 | 111,482,513 | |

| Year ended 30 June 2013 Functions | Gross program income | | | | Elimination of inter-function transactions | Total income | Gross program expenses | | Elimination of inter-function transactions | Total expenses | Net result from recurring operations | Net Result | Assets |
|--|----------------------|-----------|-----------|-----------|--|--------------|------------------------|-------------|--|----------------|--------------------------------------|-------------|--------|
| | Recurring | | Capital | | | | Recurring | Capital | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | |
| | 2013 | 2013 | 2013 | 2013 | | | 2013 | 2013 | | | | | |
| Corporate governance | - | - | - | - | - | - | (333,994) | - | (333,994) | (333,994) | (333,994) | \$ | 57,669 |
| Finance and information | 2,893,443 | 248,642 | - | - | 3,142,085 | - | (3,235,748) | - | (3,235,748) | (93,663) | (93,663) | 12,905,161 | |
| Community services | 328,393 | 2,242,930 | 5,490 | - | 2,576,813 | - | (1,214,389) | - | (1,214,389) | 1,356,934 | 1,362,424 | 30,822,920 | |
| Enterprises | - | 773,021 | - | 1,500,000 | 2,273,021 | - | (507,489) | - | (507,489) | 265,532 | 1,765,532 | 2,178,581 | |
| Housing | - | 729,037 | - | - | 729,037 | - | (1,673,487) | (8,952,345) | (10,625,832) | (944,450) | (9,896,795) | 40,979,314 | |
| Transport infrastructure | - | - | 2,349,580 | - | 2,349,580 | - | (2,494,495) | - | (2,494,495) | (2,494,495) | (144,915) | 18,096,656 | |
| Water infrastructure | - | 248,850 | - | - | 248,850 | - | (239,734) | - | (239,734) | 9,116 | 9,116 | 3,407,646 | |
| Sewerage and waste management infrastructure | - | 247,197 | - | - | 247,197 | - | (150,722) | - | (150,722) | 96,475 | 96,475 | 2,203,773 | |
| Total Council | 3,221,836 | 4,489,677 | 2,355,070 | 1,500,000 | 11,566,583 | - | (9,850,058) | (8,952,345) | (18,802,403) | (2,138,545) | (7,235,820) | 110,650,720 | |



**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

| | Council | |
|--|------------------|------------------|
| | 2014 | 2013 |
| Note | \$ | \$ |
| 3 Revenue analysis | | |
| (a) Rates, levies and charges | | |
| Water | 233,651 | 248,850 |
| Sewerage | 109,999 | 113,483 |
| Garbage charges | 128,031 | 133,714 |
| | <u>471,681</u> | <u>496,047</u> |
| (b) Fees and charges | | |
| Expenses reimbursement | 2,646 | 803 |
| Airport turnaround fees | 61,350 | 66,300 |
| Airport landing fees | 266,206 | 269,246 |
| | <u>330,202</u> | <u>336,349</u> |
| (c) Rental income | | |
| House and office rental income | 828,577 | 729,037 |
| | <u>828,577</u> | <u>729,037</u> |
| (d) Interest received | | |
| Interest received from term deposits | 218,208 | 166,361 |
| Other sources | 53,365 | 13,409 |
| | <u>271,573</u> | <u>179,770</u> |
| (e) Sales revenue | | |
| Sale of services | | |
| Contract and recoverable works | 811,055 | 957,154 |
| Guest house accommodation | 583,926 | 323,730 |
| Guest house other revenue | 125 | 281 |
| Centrelink commissions | 65,859 | 59,012 |
| Post office sales | 3,961 | 2,051 |
| Post office commissions | 35,680 | 29,045 |
| Skytrans commissions | 5,850 | 6,369 |
| | <u>1,506,456</u> | <u>1,377,642</u> |
| Sale of goods | | |
| Guest house meals | 17,222 | 16,963 |
| | <u>17,222</u> | <u>16,963</u> |
| Total sales revenue | <u>1,523,678</u> | <u>1,394,605</u> |
| <p>The amount recognised as revenue for contract revenue during the financial year is the amount receivable in respect of invoices issued during the period. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.</p> | | |
| (f) Other income | | |
| Burial assistance | 600 | 1,700 |
| Court fines | 1,250 | 824 |
| Gain on revaluation of finance leases | 2,168,592 | 10,940 |
| Other income | 35,721 | 78,132 |
| | <u>2,206,163</u> | <u>91,596</u> |
| 4 Grants, subsidies, contributions and donations | | |
| (a) Recurrent | | |
| General purpose grants | | |
| State government subsidies and grants | 5,578,340 | 1,849,355 |
| Commonwealth government subsidies and grants | 1,269,360 | 2,634,754 |
| | <u>6,847,700</u> | <u>4,484,109</u> |

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

| | Note | Council | |
|---|------|-------------------|------------------|
| | | 2014 | 2013 |
| | | \$ | \$ |
| (b) Capital | | | |
| State government subsidies and grants | | 646,411 | 2,355,070 |
| Contributed assets | | 13,002,217 | 1,500,000 |
| | | <u>13,648,628</u> | <u>3,855,070</u> |
| Conditions over contributions | | | |
| Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date: | | | |
| Non-reciprocal grants for expenditure on services | | 1,176,048 | 2,314,584 |
| Non-reciprocal grants for expenditure on infrastructure | | 2,173,407 | 205,417 |
| | | <u>3,349,455</u> | <u>2,520,001</u> |
| 5 Employee benefits | | | |
| Total staff wages and salaries | | 2,045,258 | 1,902,311 |
| Councillors' remuneration | | 276,581 | 277,698 |
| Annual, sick and long service leave entitlements | | 55,454 | 61,304 |
| Superannuation | 23 | 241,002 | 219,778 |
| | | <u>2,618,295</u> | <u>2,461,091</u> |
| Staff recruitment costs | | 4,564 | 12,599 |
| Workcover | | 10,111 | 10,475 |
| Isolation leave airfares | | 20,178 | 18,466 |
| Other employee related expenses | | 79,645 | 74,292 |
| | | <u>2,732,793</u> | <u>2,576,923</u> |
| Less: Capitalised employee expenses | | (7,010) | (40,259) |
| | | <u>2,725,783</u> | <u>2,536,664</u> |
| Councillor remuneration represents salary, and other allowances paid in respect of carrying out their duties. | | | |
| Total Council employees at the reporting date: | | | |
| Elected members | | 5 | 5 |
| Administration staff | | 19 | 18 |
| Depot and outdoors staff | | 23 | 22 |
| Total full time equivalent employees | | <u>47</u> | <u>45</u> |
| 6 Materials and services | | \$ | \$ |
| Administration supplies and consumables | | 28,166 | 22,637 |
| Audit services | | 74,150 | 52,483 |
| Communications and IT | | 195,120 | 225,845 |
| Consultants | | 157,856 | 3,032 |
| Contractors | | 263,706 | 1,173,425 |
| Equipment hire | | 124,507 | 104,167 |
| Fire equipment and servicing | | 11,539 | 6,321 |
| Freight and postage | | 91,208 | 42,813 |
| Grants funds reimbursed | | 10,580 | 167,953 |
| Guest house food purchases | | 14,855 | 11,506 |
| Insurance | | 555,670 | 610,665 |
| Legal fees | | 35,930 | 38,614 |
| Post Office FAP expenses | | 6,937 | 14,663 |
| Power | | 155,152 | 83,301 |
| Private works expenses | | 12,487 | 277,382 |
| Repair and maintenance - buildings | | 109,108 | 139,116 |
| Repair and maintenance - motor vehicles | | 162,582 | 139,426 |
| Running costs - motor vehicles | | 177,071 | 178,440 |
| Staff training | | 86,495 | 65,152 |
| Subscriptions and registration | | 81,153 | 50,352 |
| Tools and consumables | | 84,630 | 2,482 |
| Travel | | 142,597 | 77,117 |
| Water expenses | | 32,879 | 32,366 |
| Other materials and services | | 560,424 | 827,454 |
| | | <u>3,174,802</u> | <u>4,346,712</u> |

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

| | Note | Council | |
|---|------|-------------------|------------------|
| | | 2014 \$ | 2013 \$ |
| 7 Finance costs | | | |
| Finance costs charged by the Queensland Treasury Corporation | | 8,757 | 4,230 |
| Bank charges | | 1,629 | 2,678 |
| | | <u>10,386</u> | <u>6,908</u> |
| 8 Depreciation and amortisation | | | |
| Depreciation of non-current assets | | | |
| Buildings | | 813,283 | 743,770 |
| Houses | | 287,656 | 1,214,463 |
| Plant and equipment | | 203,277 | 99,670 |
| Furniture and equipment | | 54,602 | 56,149 |
| Other structures | | 143,192 | 124,336 |
| Road, drainage and bridge network | | 388,050 | 339,843 |
| Water | | 331,922 | 296,420 |
| Sewerage | | 88,042 | 85,123 |
| Total depreciation and amortisation | 14 | <u>2,310,024</u> | <u>2,959,774</u> |
| 9 Capital expenses | | | |
| Loss on disposal of non-current assets | | | |
| Proceeds from the sale of property, plant and equipment | | 7,910 | 35,386 |
| Less: book value of property, plant and equipment disposed of | | 135,113 | 84,718 |
| Total loss on disposal of non-current assets | | <u>127,203</u> | <u>49,332</u> |
| | | | |
| Loss on transfer of assets via finance lease | | | |
| Book value of property, plant and equipment transferred | | 22,130,583 | 12,578,679 |
| Less: Initial recognition of finance leases | | 4,751,798 | 3,675,666 |
| | | <u>17,378,785</u> | <u>8,903,013</u> |
| | | | |
| Total capital expenses | | <u>17,505,988</u> | <u>8,952,345</u> |
| 10 Cash and cash equivalents | | | |
| Cash on hand | | 100 | 36,885 |
| Cash at bank | | 1,230,461 | 903,295 |
| QTC-sport precinct | | 176,333 | 239,933 |
| QTC- youth hub account | | 1,263,457 | 1,262,944 |
| QTC-investment account | | 7,850,983 | 4,655,625 |
| Balance per Statement of Cash Flows | | <u>10,521,334</u> | <u>7,098,682</u> |
| | | | |
| Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include: | | | |
| | | | |
| Externally imposed expenditure restrictions at the reporting date relate to the following cash assets: | | | |
| Unspent government grants and subsidies | 27 | 3,349,455 | 2,520,001 |
| Total unspent restricted cash | | <u>3,349,455</u> | <u>2,520,001</u> |

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

| Note | Council | |
|--|-------------------|-------------------|
| | 2014 | 2013 |
| | \$ | \$ |
| 11 Trade and other receivables | | |
| Current | | |
| Avdata | 69,124 | 75,065 |
| Contractor debtors | 768,042 | 1,200,554 |
| Housing rental | 201,117 | 174,292 |
| Less impairment | (274,835) | (165,318) |
| Accrued revenue | 38,734 | 57,394 |
| Prepayments | 254,950 | 387,777 |
| | <u>1,057,132</u> | <u>1,729,764</u> |
| | | |
| No interest is charged on debtors | | |
| Movement in accumulated impairment losses (housing and other debtors) is as follows: | | |
| Opening balance at 1 July | (165,318) | (178,144) |
| Additional impairments recognised | (109,517) | - |
| Impairments reversed | - | 12,826 |
| Closing Balance at 30 June | <u>(274,835)</u> | <u>(165,318)</u> |
| 12 Inventories | | |
| Plant and equipment store | 88,991 | 103,238 |
| Total inventories | <u>88,991</u> | <u>103,238</u> |
| 13 Other financial assets | | |
| Current | | |
| Finance leases | 591,066 | 326,080 |
| | <u>591,066</u> | <u>326,080</u> |
| Non-current | | |
| Finance leases | 19,055,217 | 9,053,838 |
| | <u>19,055,217</u> | <u>9,053,838</u> |
| | | |
| A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows: | | |
| Gross minimum lease payments receivable: | | |
| Not later than one year | 591,066 | 326,080 |
| Later than one year but not later than five years | 2,364,261 | 1,316,280 |
| Later than five years | 19,612,019 | 10,902,830 |
| | <u>22,567,346</u> | <u>12,545,190</u> |
| Add: Estimated contingent rent | 18,670,094 | 8,056,359 |
| Less: Present value adjustment | (21,591,157) | (11,221,631) |
| Fair value of lease payments | <u>19,646,283</u> | <u>9,379,918</u> |
| | | |
| The fair value of lease payments are receivable as follows: | | |
| Not later than one year | 591,066 | 326,080 |
| Later than one year but not later than five years | 2,319,613 | 1,273,546 |
| Later than five years | 16,735,604 | 7,780,292 |
| | <u>19,646,283</u> | <u>9,379,918</u> |
| | | |
| Movements in finance leases were as follows: | | |
| Opening balance | 9,379,918 | 5,940,490 |
| Add: Initial recognition of new leases | 8,639,507 | 3,675,665 |
| Less: Lease receipts | (541,734) | (247,177) |
| Add: Gain on revaluation | 2,168,592 | 10,940 |
| Closing balance | <u>19,646,283</u> | <u>9,379,918</u> |

The calculation of fair value has included an estimate of average annual CPI increases of 3% for current year, and 2.5% for prior year and a discount rate of 3.79% used for current year, and 4.20% for prior year.

**Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014**

14 Property, plant and equipment

Note

| | Building | | Houses | | Plant and Equipment | | Furniture and equipment | | Other structures | | Road, drainage and bridge network | | Water | | Sewerage | | Work in Progress | | Total | |
|---|------------|--------------|------------|------------|---------------------|------------|-------------------------|------------|------------------|------------|-----------------------------------|------------|------------|------------|------------|------------|------------------|------|-------|--|
| | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Basis of measurement | | | | | | | | | | | | | | | | | | | | |
| Asset values | | | | | | | | | | | | | | | | | | | | |
| Opening gross value as at 1 July 2013 | 39,949,652 | 47,205,060 | 2,962,259 | 865,442 | 26,086,183 | 11,866,046 | 4,023,236 | 168,475 | 138,578,760 | | | | | | | | | | | |
| Additions | 94,861 | - | 704,817 | - | 24,588 | 8,794,454 | 547,078 | 234,095 | 10,399,893 | | | | | | | | | | | |
| Disposals | - | (27,541,500) | (980,219) | - | - | - | - | - | (28,521,719) | | | | | | | | | | | |
| Revaluation adjustment to asset revaluation surplus | 184,542 | (1,226,260) | - | - | 1,423,117 | 3,396,310 | 1,693,286 | - | 5,319,270 | | | | | | | | | | | |
| Transfers between classes | 745,945 | (630,000) | - | - | 52,530 | - | - | (168,475) | - | | | | | | | | | | | |
| Closing gross value as at 30 June 2014 | 40,975,000 | 17,807,300 | 2,686,857 | 865,442 | 27,509,300 | 24,056,810 | 6,263,600 | 234,095 | 125,776,204 | | | | | | | | | | | |

Note

| | Building | | Houses | | Plant and Equipment | | Furniture and equipment | | Other structures | | Road, drainage and bridge network | | Water | | Sewerage | | Work in Progress | | Total | |
|---|------------|-------------|------------|------------|---------------------|-----------|-------------------------|------------|------------------|------------|-----------------------------------|------------|------------|------------|------------|------------|------------------|------|-------|--|
| | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Asset values | | | | | | | | | | | | | | | | | | | | |
| Opening balance as at 1 July 2013 | 9,126,731 | 15,279,583 | 1,882,164 | 500,593 | 7,990,527 | 8,458,400 | 1,819,463 | - | 46,239,541 | | | | | | | | | | | |
| Depreciation provided in period | 813,283 | 287,656 | 203,277 | 54,602 | 388,050 | 331,922 | 88,042 | - | 2,310,023 | | | | | | | | | | | |
| Depreciation on disposals | - | (5,410,915) | (845,106) | - | - | - | - | - | (6,256,021) | | | | | | | | | | | |
| Revaluation adjustment to asset revaluation surplus | 3,798,003 | (1,907,176) | - | - | 240,177 | 374,488 | 780,672 | - | 3,313,788 | | | | | | | | | | | |
| Transfers between classes | 276,948 | (276,948) | - | - | - | - | - | - | - | | | | | | | | | | | |
| Accumulated depreciation as at 30 June 2014 | 14,014,965 | 7,972,200 | 1,240,335 | 555,195 | 8,618,754 | 9,164,810 | 2,688,177 | - | 45,607,431 | | | | | | | | | | | |

Note

| | Building | | Houses | | Plant and Equipment | | Furniture and equipment | | Other structures | | Road, drainage and bridge network | | Water | | Sewerage | | Work in Progress | | Total | |
|---|------------|------------|------------|------------|---------------------|------------|-------------------------|------------|------------------|------------|-----------------------------------|------------|------------|------------|------------|------------|------------------|------|-------|--|
| | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Asset values | | | | | | | | | | | | | | | | | | | | |
| Total written down value as at 30 June 2014 | 26,960,035 | 9,835,100 | 1,446,522 | 310,247 | 4,024,804 | 18,890,546 | 3,575,423 | 234,095 | 80,168,773 | | | | | | | | | | | |
| Residual value | 2,957,700 | 1,778,000 | 395,496 | - | 1,919,250 | 10,429,725 | - | - | 17,480,171 | | | | | | | | | | | |
| Range of estimated useful life in years | 10-75 | 40-60 | 4-15 | 2-25 | 10-100 | 15-100 | 20-50 | - | - | | | | | | | | | | | |

Note

| | Building | | Houses | | Plant and Equipment | | Furniture and equipment | | Other structures | | Road, drainage and bridge network | | Water | | Sewerage | | Work in Progress | | Total | |
|---------------------|------------|------------|------------|------------|---------------------|-----------|-------------------------|------------|------------------|------------|-----------------------------------|------------|------------|------------|------------|------------|------------------|------|-------|--|
| | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Fair Value | Cost | Cost | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Asset values | | | | | | | | | | | | | | | | | | | | |
| Renewals | 94,861 | - | 617,119 | - | - | - | - | - | 117,150 | | | | | | | | | | | |
| Other additions | - | - | 87,698 | - | 24,588 | 8,794,454 | 547,078 | 116,945 | 9,570,763 | | | | | | | | | | | |
| Total additions | 94,861 | - | 704,817 | - | 24,588 | 8,794,454 | 547,078 | 234,095 | 10,399,893 | | | | | | | | | | | |

Additions comprise:



**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2014**

Council - 30 June 2013

Note

Basis of measurement
Asset values
 Opening gross value as at 1 July 2012
 Additions
 Disposals
 Revaluation adjustment to asset revaluation surplus
 Closing gross value as at 30 June 2013

| | Building | Houses | Plant and Equipment | Furniture and equipment | Other structures | Road, drainage and bridge network | Water | Sewerage | Work in Progress | Total |
|--|------------|--------------|---------------------|-------------------------|------------------|-----------------------------------|------------|-----------|------------------|--------------|
| | | | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 36,618,454 | 58,303,200 | 3,159,625 | 770,184 | 4,960,461 | 24,010,700 | 11,006,500 | 3,733,600 | 21,365 | 152,584,089 |
| | 1,500,000 | (23,346,000) | 328,251 | 95,258 | 243,923 | 874,948 | 34,059 | 9,616 | 147,110 | 3,233,165 |
| | 1,831,198 | 2,247,860 | (525,617) | | 248,023 | 1,200,535 | 825,487 | 280,020 | | (23,871,617) |
| | 39,949,652 | 47,205,060 | 2,962,259 | 865,442 | 5,452,407 | 26,086,183 | 11,866,046 | 4,023,236 | 168,475 | 138,579,760 |

Accumulated depreciation and impairment
 Opening balance as at 1 July 2012
 Depreciation provided in period
 Depreciation on disposals
 Revaluation adjustment to asset revaluation surplus

| | | | | | | | | | | |
|--|-----------|--------------|-----------|---------|-----------|-----------|-----------|-----------|--|--------------|
| | 7,983,772 | 24,149,179 | 2,223,393 | 444,444 | 1,007,471 | 7,286,366 | 7,592,540 | 1,613,340 | | 52,300,505 |
| | 743,770 | 1,214,463 | 99,670 | 56,149 | 124,336 | 339,843 | 296,420 | 85,123 | | 2,959,774 |
| | 399,189 | (10,767,321) | (440,899) | | 50,373 | 364,318 | 569,440 | 121,000 | | (11,208,220) |
| | 9,126,731 | 15,279,584 | 1,882,164 | 500,593 | 1,182,180 | 7,990,527 | 8,458,400 | 1,819,463 | | 46,239,642 |

Accumulated depreciation as at 30 June 2013

Total written down value as at 30 June 2013
 Residual value
 Range of estimated useful life in years

| | | | | | | | | | | |
|--|------------|------------|-----------|---------|-----------|------------|-----------|-----------|---------|------------|
| | 30,822,921 | 31,925,476 | 1,080,095 | 364,849 | 4,270,227 | 18,095,656 | 3,407,646 | 2,203,773 | 168,475 | 92,339,118 |
| | 80,000 | | | | 1,974,470 | 9,416,861 | 366,000 | | | |
| | 5-55 | 40-100 | 5-25 | 5-15 | 25-40 | 12-100 | 20-50 | 20-50 | | |



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15 Fair value measurements

(a) Recognised fair value measurements

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

- Property, plant and equipment
 - Buildings
 - Houses
 - Other structures
 - Road, drainage and bridge network
 - Water
 - Sewerage
- Other financial assets
 - Finance leases

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

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

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

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

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

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

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

The table presents the Council's assets measured and recognised at fair value at 30 June 2014. Comparative information has not been provided as allowed by the transitional provisions of AASB 13 *Fair Value Measurement*.

| | No | Level 2 (Significant other observable inputs) \$ | Level 3 (Significant unobservable inputs) \$ | Total \$ |
|--|----|---|---|-------------|
| Recurring fair value measurements | | | | |
| Buildings | 14 | | | |
| - Commercial buildings | | | 5,636,635 | 5,636,635 |
| - Residential buildings | | | 21,323,400 | 21,323,400 |
| Houses | 14 | | 9,835,100 | 9,835,100 |
| Other structures | 14 | | 4,024,804 | 4,024,804 |
| Road, drainage and bridge network | 14 | | 18,890,546 | 18,890,546 |
| Water | 14 | | 14,892,000 | 14,892,000 |
| Sewerage | | | 3,575,423 | 3,575,423 |
| Other financial assets | 13 | | 19,646,283 | 19,646,283 |
| | | - | 97,824,191 | 97,824,191 |

There were no transfers between levels during the year.

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

(b) Valuation techniques used to derive fair values for level 3 valuations

Council adopted AASB13 *Fair Value Measurement* for the first time this financial year and has reviewed each valuation to ensure compliance with the requirements of the new standard. There have been no changes in valuation techniques as a result of this review.

Specific valuation techniques used to value Council assets

Council obtain independent valuations at least every 3 years. The last valuation was undertaken by AssetVal Pty Ltd as at 30 June 2014.

(i) Buildings and houses (level 3)

The fair values of buildings were determined by independent valuer, AssetVal Pty Ltd Valuers effective 30 June 2014.

As all Council buildings are of a specialist nature and there is no active market for the assets, the fair value has been determined using written down current replacement cost on the basis of replacement with a new asset having similar service potential including allowances for preliminaries and professional fees. Construction costs are based on published construction cost guides and construction costs provided by the Department of Communities of homes built within remote communities in recent years. Due to accessibility issues limiting the ability to measure each residential building, the replacement costs are reflective of the modern equivalent cost to replace the service potential based on the number of accommodation rooms rather than strictly the square metres of floor area.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit useful lives. Allowance has been made for the typical asset life cycle and renewal treatments of each component, residual value at the time the asset is considered to be no longer available for use and the condition of the asset. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence.

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

| Significant unobservable input | Range of inputs | Relationship of unobservable inputs to fair value |
|--------------------------------|--|--|
| Number of labour hours | 5-100 hr/m2 | The higher the labour hours, the higher the fair value |
| Raw material usage quantities | Varies dependent of type and application | The higher the usage quantities, the higher the fair value |
| Condition rating | 0-100% | The higher the condition rating, the higher the fair value |
| Remaining useful life | 3-53 years | The longer the remaining life, the higher the fair value |
| Residual value | \$0-\$1.720k | The higher the residual value, the higher the fair value. |

(ii) Infrastructure assets (level 3)

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

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

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Road, drainage and bridge network

Current replacement cost

Council categorises its road, drainage and bridge infrastructure into segments by road name. All road segments are then componentised into base, pavement, surface and kerb (where applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council also assumes that all raw materials can be sourced from local pits with the work completed with a mixture of local labour and contractors from Burketown. The unit rates applied are based on greenfield project costs and include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, unit rate databases, indices, Rawlinson's Construction Handbook and quotations.

Accumulated depreciation

In determining the level of accumulated depreciation, roads were disaggregated into significant components which exhibited different useful lives.

The traffic numbers on Council road are not high enough to use published condition assessment techniques. The roads were visually inspected by the valuer. No testing or measurement of defects or condition was undertaken. An assessment of remaining useful life was made by the valuer taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

Estimated useful lives and residual values are disclosed in note 14.

Sensitivity of valuation to unobservable inputs

As detailed above Council's road, drainage and bridge network has been valued using written down current replacement cost. This method utilises a number of inputs that require judgement and are therefore classed as unobservable. While these judgements are made with the greatest care, and based upon past experience, different judgements could result in a different valuation. The table below summarises the effect that changes in the most significant unobservable inputs would have on the valuation:

| Significant unobservable input | Range of inputs | Relationship of unobservable inputs to fair value |
|--------------------------------|--|---|
| Number of labour hours | 5-100hr/m2 | The higher the labour hours, the higher the fair value |
| Raw materials usage quantities | Varies dependent on type and application | The higher the usage quantities, the higher the fair value |
| Condition rating (useful life) | 0-100% | The higher the condition rating, the higher the fair value. |
| Remaining useful life | 2-99 years | The longer the remaining life, the higher the fair value. |
| Residual value | \$0-3.1M | The higher the residual value the higher the fair value. |

Water, and sewer

Current replacement cost

Water and sewerage infrastructure fair values were determined by independent valuers, AssetVal Pty Ltd effective 30 June 2014 using written down current replacement cost. CRC was calculated based on expected replacement costs. In all cases the assets were disaggregated to component level to ensure a reliable measure of cost and service capacity and deterioration of estimated remaining life.

The environmental conditions have been assumed consistent across the Council area.

The water and sewer assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs from other entities, unit rate databases, indices, Rawlinson's Construction rates and quotations.

The remaining active assets consisted of treatment, pumping and storage assets. These assets were componentised and valued independently, with allowances for complexity, size, function and site factors. As a check these components are generally combined into a lump sum item and compared against recent similar projects and the valuer's in-house databases.

Valuation unit rates (replacement costs) were increased by 27% to allow for project overheads including survey, environmental and investigation costs, engineering design, planning and project management.

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Accumulated depreciation

The remaining lives used in the depreciation calculations are estimated using three different methods:

- Condition;
- Known age; and
- Estimated age.

Where the condition was able to be determined from the valuer's inspection or where detailed condition reports have been prepared, the remaining life is dependent on the recorded condition, using a sliding scale. Where detailed condition is not available however the age of the asset is known, the remaining life is estimated using the current age of the asset, adjusted for obsolescence after visual inspection where possible

Where neither the condition nor the age are known, assumptions are made as to the age and condition of the assets in collaboration with Council staff, in order to obtain a depreciated replacement cost which reasonably reflects the value of the asset. With passive assets, which are inherently difficult and expensive to inspect (and the inspection of which falls outside the scope of the independent valuation), an accepted basis for estimating the condition, and hence remaining life, of the assets is that of by exception i.e. if a section of pipework does not have a history of maintenance, then it can be assumed to be in average condition for its age.

While generally pipework will last as designed, there are situations which can greatly increase the rate of deterioration. These include soil conditions, surrounding flora, quality of the pipe and quality of the installation. Any of these will affect a region. For instance, if poor quality pipe has been used, then it will have been used in an entire subdivision. Similarly, particularly poor soil conditions will affect a geographic area.

Sensitivity of valuation to unobservable inputs

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

| Significant unobservable input | Range of inputs | Relationship of unobservable inputs to fair value |
|--------------------------------|--|--|
| Number of labour hours | 5-100hrs/linear metre or sqm | The higher the labour hours, the higher the fair value |
| Raw material usage quantities | Varies dependent on type and application | The higher the usage quantities, the higher the fair value |
| Condition rating (useful life) | 0-100% | The higher the condition rating, the higher the fair value. |
| Remaining useful life | 2-79 years | The longer the remaining useful life, the higher the fair value. |
| Residual value | \$0 | The higher the residual value, the higher the fair value. |

Other structures

Other structures includes airport and recreation facilities and are measured at written down current replacement cost as of 30 June 2014 as independently determined by AssetVal Pty Ltd, Registered Valuers.

The replacement cost of all assets which as a group represent other structures have been estimated through first principles, namely summing together the costs of materials, labour and overhead which were established through contact with suppliers, Council, by having reference to recently constructed project costs and publicly available reference material, having regard to the location and conditions.

An assessment of remaining useful life was made by the valuer after inspection taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors.

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Sensitivity of valuation to unobservable inputs

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

| Significant unobservable input | Range of input | Relationship of input to fair value |
|--------------------------------|--|--|
| Number of labour hours | 5 -100 hr/unit | The higher the labour hours, higher the fair value |
| Raw materials usage quantities | Varies dependant of type and application | The higher the usage quantities, the higher the fair value |
| Condition rating | 0-100% | The higher the condition rating, the higher the fair value |
| Remaining useful life | 5-69 years | The longer the remaining life, the higher the fair value |
| Residual value | \$0-731K | The higher the residual value, the higher the fair value |

(iii) Finance leases (level 3)

Finance leases are recognised at the present value of the expected future lease payment receivable (*fair value*). The calculation of the present value of the expected future lease income has included an estimate of average annual Consumer Price Index "CPI" increases of 3% and a discount rate of 3.79%.

The estimate of Consumer Price Index and discount rate comprise unobservable inputs (level 3).

| Significant unobservable input | Range of Inputs | Relationship of unobservable inputs to fair value |
|--|--|---|
| Consumer Price Index (All Groups) Brisbane | RBA's stated inflation target range of 2% - 3% | The higher the indexation percentage, the higher the fair value |
| Long-term average discount rate | 3.79% - 4.2% | The higher the discount rate percentage, the lower the fair value |

(iv) Valuation processes

Council's valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer, Manager of Corporate Services, Manager of Finance and Internal Audit. This is reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in note 1.0. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

16 Trade and other payables

| | Council | |
|------------------------|----------------|------------------|
| | 2014 | 2013 |
| | Note | |
| | \$ | \$ |
| Current | | |
| Creditors and accruals | 483,239 | 2,067,156 |
| GST payable | 1,718 | (26,857) |
| PAYG payable | - | 33,185 |
| Annual leave | 77,976 | 81,022 |
| | <u>562,933</u> | <u>2,154,506</u> |
| Non-current | | |
| Annual leave | 19,109 | 13,773 |
| | <u>19,109</u> | <u>13,773</u> |
| 17 Provisions | | |
| Current | | |
| Long service leave | 24,276 | 7,613 |
| | <u>24,276</u> | <u>7,613</u> |
| Non-current | | |
| Long service leave | 17,484 | 22,816 |
| | <u>17,484</u> | <u>22,816</u> |

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| Note | Council | |
|--|---------------|---------------|
| | 2014 \$ | 2013 \$ |
| | | |
| Long service leave | | |
| Balance at beginning of financial year | 30,429 | 33,030 |
| Long service leave entitlement arising | 11,331 | - |
| Long Service entitlement extinguished | - | (2,601) |
| Long Service entitlement paid | - | - |
| Balance at end of financial year | <u>41,760</u> | <u>30,429</u> |

18 Asset revaluation surplus

Movements in the asset revaluation surplus were as follows:

| | | |
|--|-------------------|-------------------|
| Balance at beginning of financial year | 42,219,694 | 37,774,154 |
| Net adjustment to non-current assets at end of period to reflect a change in current fair value: | | |
| Buildings | (3,613,462) | 1,432,009 |
| Houses | 680,916 | 1,564,597 |
| Other structures | (179,349) | 197,650 |
| Road, drainage and bridge network | 1,182,940 | 836,217 |
| Water | 3,021,822 | 256,047 |
| Sewerage | 912,613 | 159,020 |
| Balance at end of financial year | <u>44,225,174</u> | <u>42,219,694</u> |

Asset revaluation surplus analysis

The closing balance of the asset revaluation surplus comprises the following asset categories:

| | | |
|-----------------------------------|-------------------|-------------------|
| Buildings | 21,752,333 | 25,365,795 |
| Houses | 5,685,350 | 5,004,434 |
| Other structures | 1,346,138 | 1,525,487 |
| Road, drainage and bridge network | 11,091,851 | 9,908,911 |
| Water | 3,277,869 | 256,047 |
| Sewerage | 1,071,633 | 159,020 |
| | <u>44,225,174</u> | <u>42,219,694</u> |

19 Retained surplus/(deficiency)

Movements in the retained surplus were as follows:

| | | |
|---|-------------------|-------------------|
| Retained surplus/(deficit) at beginning of financial year | 66,232,318 | 72,189,242 |
| Net result attributable to Council | 401,219 | (7,235,820) |
| Unspent grants reserve | 20 | - |
| Retained surplus at end of financial year | <u>66,633,537</u> | <u>66,232,318</u> |

20 Reserves

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit the amount that is available for discretionary or future use. In prior years Council accounted for these restrictions using a system of reserves.

On 27 June 2013, Council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system.

The internal restrictions that have been placed on Council's cash and cash equivalents are now disclosed in Note 10

Movements in capital reserves:

| | | |
|--|----------|-------------|
| Future capital works reserve | - | - |
| Balance at the beginning of financial | - | 1,278,896 |
| Transfer to retained surplus/capital due to the closure of the | - | (1,278,896) |
| Balance at end of financial year | <u>-</u> | <u>-</u> |

Doomadgee Aboriginal Shire Council
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| Note | Council | |
|--|----------------|----------------|
| | 2014 \$ | 2013 \$ |
| 21 Commitments for expenditure | | |
| Operating leases | | |
| Minimum lease payments in relation to non-cancellable operating leases are as follows: | | |
| Within one year | 68,178 | 100,492 |
| One to five years | 136,356 | 401,966 |
| Later than five years | - | - |
| | <u>204,534</u> | <u>502,458</u> |

22 Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2014 the financial statements of the pool reported an accumulated surplus and it is not anticipated any liability will arise.

23 Superannuation

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

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

The scheme has three elements referred to as:

The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund

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

The Accumulation Benefits Fund (ABF)

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

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

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

The audited general purpose financial report of the scheme as at 30 June 2013 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

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

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

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

The next actuarial investigation will be conducted as at 1 July 2015.

| Note | Council | |
|---|----------------|----------------|
| | 2014 \$ | 2013 \$ |
| The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was: | | |
| 5 | <u>241,002</u> | <u>219,778</u> |
| | <u>241,002</u> | <u>219,778</u> |

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

| | | |
|---|---------------------|--------------------|
| Net result | <u>401,219</u> | <u>(7,235,820)</u> |
| Non-cash items: | | |
| Depreciation and amortisation | 2,310,024 | 2,959,774 |
| Gain on revaluation of finance leases | <u>(2,168,592)</u> | <u>(10,940)</u> |
| | <u>141,432</u> | <u>2,948,834</u> |
| Investing and development activities: | | |
| Net (profit)/loss on disposal of non-current assets | 127,203 | 49,332 |
| Loss on transferring assets via finance lease | 17,378,785 | 8,903,013 |
| Capital grants and contributions | <u>(13,648,628)</u> | <u>(3,855,070)</u> |
| | <u>3,857,360</u> | <u>5,097,275</u> |
| Changes in operating assets and liabilities: | | |
| (Increase)/ decrease in receivables | 672,632 | (1,062,409) |
| (Increase)/decrease in inventory | 14,247 | (69,780) |
| Increase/(decrease) in payables | (1,586,239) | 1,719,279 |
| Increase/(decrease) in other | <u>11,331</u> | <u>(2,601)</u> |
| | <u>(888,029)</u> | <u>584,489</u> |
| Net cash inflow from operating activities | <u>3,511,982</u> | <u>1,394,778</u> |

25 Events after the reporting period

There were no material adjusting events after the balance date.

Doomadgee Aboriginal Shire Council
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26 Financial Instruments

Doomadgee Aboriginal Shire 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 on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

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

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

Doomadgee Aboriginal Shire Council does not enter into derivatives.

Credit risk

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

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

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

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

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

| | Council | |
|---------------------------|-------------------|-------------------|
| | 2014 | 2013 |
| | \$ | \$ |
| Financial assets | | |
| Cash and cash equivalents | 10,521,334 | 7,098,682 |
| Receivables - other | 802,182 | 1,341,987 |
| Other financial assets | 19,846,283 | 9,379,918 |
| | <u>30,969,799</u> | <u>17,820,587</u> |

Cash and cash equivalents

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

Other financial assets

Finance leases are to the State of Queensland by the Department of Communities.

Trade and other receivables

The Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of the Council's operations, there is a geographical concentration of risk in the Council's area. This is due to economic issues e.g. low employment and various cultural issues all of which have a great economic impact.



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Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

| | Council | |
|---------------------|----------------|------------------|
| | 2014 | 2013 |
| | \$ | \$ |
| Not past due | 432,789 | - |
| Past due 31-60 days | 239,970 | 1,314,861 |
| Past due 61-90 days | 37,527 | 2,348 |
| More than 90 days | 366,730 | 190,094 |
| Impaired | (274,835) | (165,318) |
| Total | <u>802,181</u> | <u>1,341,885</u> |

Liquidity risk

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

The Council is exposed to liquidity risk through its normal course of business.

The Council manages its exposure to liquidity risk by maintaining sufficient cash reserves.

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

| Council | 0 to 1 year | 1 to 5 years | Over 5 years | Total contractual cash flows | Carrying amount |
|--------------------------|------------------|---------------|--------------|------------------------------|------------------|
| | \$ | \$ | \$ | \$ | \$ |
| 2014 | | | | | |
| Trade and other payables | 562,933 | 19,109 | - | 582,042 | 582,042 |
| | <u>562,933</u> | <u>19,109</u> | <u>-</u> | <u>582,042</u> | <u>582,042</u> |
| 2013 | | | | | |
| Trade and other payables | 2,154,506 | 13,773 | - | 2,168,279 | 2,168,279 |
| | <u>2,154,506</u> | <u>13,773</u> | <u>-</u> | <u>2,168,279</u> | <u>2,168,279</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 prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

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

Sensitivity

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

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

| Council | Net carrying amount | Effect on Net Result | | Effect on Equity | |
|---------------------------|---------------------|----------------------|------------------|------------------|------------------|
| | | 1% increase | 1% decrease | 1% increase | 1% decrease |
| | \$ | \$ | \$ | \$ | \$ |
| 2014 | | | | | |
| Cash and cash equivalents | 10,521,234 | 105,212 | (105,212) | 105,212 | (105,212) |
| Net total | <u>10,521,234</u> | <u>105,212</u> | <u>(105,212)</u> | <u>105,212</u> | <u>(105,212)</u> |
| 2013 | | | | | |
| Cash and cash equivalents | 7,061,797 | 70,618 | (70,618) | 70,618 | (70,618) |
| Net total | <u>7,061,797</u> | <u>70,618</u> | <u>(70,618)</u> | <u>70,618</u> | <u>(70,618)</u> |

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.



27 Tied grants by project

The following note has been prepared on accrual basis.

| | Balance 01/07/13 | Revenue | Expense | Transfers between grants | Balance 30/06/14 |
|--|---------------------|------------------|------------------|--------------------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Commonwealth government grants | | | | | |
| Department of Environment, Water, Heritage and the Arts | | | | | |
| <i>National jobs package</i> | 37,311 | 53,628 | 4,360 | - | 86,579 |
| <i>Remote indigenous broadcasting service (insert name of program/project)</i> | 1,969 | 15,000 | 11,494 | - | 5,475 |
| Total | 39,280 | 68,628 | 15,854 | - | 92,054 |
| Department of Regional Australia, Local Government, Arts & Sport | | | | | |
| <i>Animal management clinic</i> | 36,687 | - | - | - | 36,687 |
| Total | 36,687 | - | - | - | 36,687 |
| FAHCSIA | | | | | |
| BMX track and airconditioners | 4,970 | - | 4,970 | - | - |
| Dog Management Program | (10,340) | - | 34,817 | - | (45,157) |
| Governance & Leadership Program | 35,000 | - | - | - | 35,000 |
| Indigenous women program | 1,711 | - | 1,711 | - | - |
| Sports precinct development | 243,230 | 8,139 | 72,320 | - | 179,049 |
| Streetlight repairs | 18,813 | - | 17,530 | - | 1,283 |
| Youth Hub construction | 1,262,944 | 43,948 | 50,910 | - | 1,255,982 |
| Volunter night patrol | - | 50,000 | - | - | 50,000 |
| Youth development program | - | 300,000 | - | - | 300,000 |
| Breaking the cycle - mens shade | - | 300,000 | 18,432 | - | 281,568 |
| Youth co-ordinator breaking the cycle | - | 240,000 | - | - | 240,000 |
| Total | 1,556,328 | 942,087 | 200,690 | - | 2,297,725 |
| Total - Commonwealth government | 1,632,295 | 1,010,715 | 216,544 | - | 2,426,466 |
| State government grants | | | | | |
| Department of Infrastructure and Planning | | | | | |
| <i>Environmental Health Officer</i> | | | | | |
| <i>Financial assistance grant</i> | 556,261 | 667,944 | 1,224,205 | - | - |
| <i>Indigenous economic development</i> | 12,442 | 80,000 | 114,125 | - | (21,683) |
| <i>Nuisance management grant</i> | 1,889 | - | - | - | 1,889 |
| <i>State government financial grants</i> | - | 1,514,884 | 1,514,884 | - | - |
| <i>Get ready Queensland</i> | - | 5,155 | 6,501 | - | (1,346) |
| <i>Service delivery fund</i> | - | 93,237 | 93,237 | - | - |
| <i>TIDS</i> | 6,364 | - | 6,364 | - | - |
| <i>LGCRS-Sewer</i> | - | 95,900 | 46,631 | - | 49,269 |
| <i>DATSIMA</i> | - | 93,769 | 259,779 | - | (166,010) |
| Total | 576,956 | 2,550,889 | 3,265,726 | - | (137,881) |
| Department of Local Government and Planning | | | | | |
| <i>Flexible Funding</i> | 20,747 | - | - | - | 20,747 |
| Total | 20,747 | - | - | - | 20,747 |
| Department of Education, Training & the Arts (Arts of Queensland) | | | | | |
| <i>Indigenous RADF-program</i> | 10,707 | 13,000 | 13,500 | - | 10,207 |
| <i>CIAF</i> | 1,009 | - | - | - | 1,009 |
| Total | 11,716 | 13,000 | 13,500 | - | 11,216 |

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2014

| | | | | | |
|---|--------------------|------------------|------------------|----------|------------------|
| Department of Emergency Services | | | | | |
| Emergency management | - | 14,347 | - | - | 14,347 |
| State emergency services | 21,727 | 35,000 | 623 | - | 56,104 |
| Total | 21,727 | 49,347 | 623 | - | 70,451 |
| Department of Transport and Main Roads | 92,808 | | | | 92,808 |
| Airport - RAAP | 113,678 | - | - | - | 113,678 |
| Total | 206,486 | - | - | - | 206,486 |
| Queensland Health | | | | | - |
| Environment officer | - | 32,508 | 30,210 | - | 2,298 |
| Feral and domestic animal program | 27,725 | 133,447 | 89,849 | - | 71,323 |
| Event support program | 57 | - | - | - | 57 |
| Total | 27,782 | 165,955 | 120,059 | - | 73,678 |
| Queensland Reconstruction Authority | | | | | |
| National disaster relief and recovery arrangement | (2,304,244) | 3,678,877 | 994,531 | - | 380,102 |
| Total | (2,304,244) | 3,678,877 | 994,531 | - | 380,102 |
| Total - State government | (1,438,830) | 6,458,068 | 4,394,439 | - | 624,799 |
| Other grant providers | | | | | |
| <i>Womens Association</i> | - | - | - | - | - |
| <i>Sports carnival</i> | 4,952 | - | - | - | 4,952 |
| <i>Graffiti Shop</i> | 4,000 | 2,000 | 6,000 | - | - |
| <i>Enhancing Civic Pride</i> | 3,000 | 10,776 | 11 | - | 13,765 |
| <i>Department of communities</i> | - | 7,500 | 4,000 | - | 3,500 |
| <i>Liquor and gaming benefit fund</i> | - | 39,727 | - | - | 39,727 |
| <i>Department of environment and heritage</i> | - | 995 | 995 | - | - |
| <i>DEEWR-Apprentice incentive</i> | - | 11,416 | 11,416 | - | - |
| <i>NAIDOC</i> | - | 5,000 | 2,950 | - | 2,050 |
| Total | 11,952 | 77,414 | 25,372 | - | 63,994 |
| Total - Other grant providers | 11,952 | 77,414 | 25,372 | - | 63,994 |
| Total grants | 205,417 | 7,546,197 | 4,636,355 | - | 3,115,259 |
| Add back negative (ie overspent) grants | 2,314,584 | | | | 234,196 |
| Unspent grant revenue | 2,520,001 | | | | 3,349,455 |


Doomadgee Aboriginal Shire Council
Financial statements
For the year ended 30 June 2014

Management Certificate
For the year ended 30 June 2014

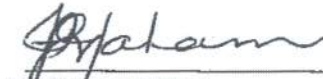
These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the *Local Government Regulation 2012* (the Regulation) and other prescribed requirements.

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 33, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Name Frederick O'Keef
Date: 30/10/2014



Chief Executive Officer
Name Jannene Graham
Date: 30/10/2014

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Doomadgee Aboriginal Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Doomadgee Aboriginal Shire Council, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chief Executive Officer and Mayor.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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


Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Doomadgee Aboriginal Shire Council for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



B MACRAE FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Doomadgee Aboriginal Shire Council

Current Year Financial Sustainability Statement

Certificate of Accuracy - for the Current Year Financial Sustainability Statement

Independent Auditor's Report (Current Year Financial Sustainability Statement)

**Doomadgee Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2014**

Measures of Financial Sustainability

| | How the measure is calculated | Actual - Council | Target |
|---|--|------------------|----------------------|
| Council's performance at 30 June 2014 against key financial ratios and targets: | | | |
| Operating surplus ratio | Net result (excluding capital items) divided by total operating revenue (excluding capital items) | 34% | Between 0% and 10% |
| Asset sustainability ratio | Capital expenditure on the replacement of assets (renewals) divided by depreciation expense. | 36% | greater than 90% |
| Net financial liabilities ratio | Total liabilities less current assets divided by total operating revenue (excluding capital items) | -93% | not greater than 60% |

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2014.

Doomadgee Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2014

Certificate of Accuracy
For the year ended 30 June 2014

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

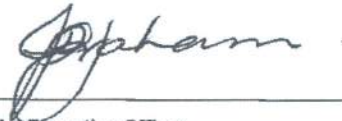
In accordance with Section 212(5) of the Regulation we certify that this current-year financial sustainability statement has been accurately calculated.



Mayor

Name Frederick O'Keef

Date: 30/10/2014



Chief Executive Officer

Name Jannene Graham

Date: 30/10/2014

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Doomadgee Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Doomadgee Aboriginal Shire Council for the year ended 30 June 2014, comprising the statement and explanatory notes, and certificates given by the Chief Executive Officer and Mayor.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

Independence

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

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

Opinion

In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Doomadgee Aboriginal Shire Council, for the year ended 30 June 2014, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

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



B MACRAE FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Doomadgee Aboriginal Shire Council

Long Term Financial Sustainability Statement - Unaudited

Certificate of Accuracy - for the Long Term Financial Sustainability Statement

Doomadgee Aboriginal Shire Council
 Long-Term Financial Sustainability Statement
 Prepared as at 30 June 2014

Measures of Financial Sustainability

Council

| Measure | Target | Projected for the years ended | | | | | | | | | |
|---------------------------------|----------------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Actuals at 30 June 2014 | 30 June 2015 | 30 June 2016 | 31 June 2017 | 30 June 2018 | 30 June 2019 | 30 June 2020 | 30 June 2021 | 30 June 2022 | 30 June 2023 |
| Operating surplus ratio | Between 0% and 10% | 34% | 13% | 12% | 10% | 8% | 6% | 4% | 3% | 2% | 3% |
| Asset sustainability ratio | Greater than 80% | 36% | 122% | 83% | 100% | 98% | 88% | 104% | 100% | 98% | 89% |
| Net financial liabilities ratio | not greater than 65% | -65% | -119% | -148% | -185% | -192% | -226% | -250% | -278% | -280% | -303% |

Net result divided by total operating revenue
 Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.
 Total liabilities less current assets divided by total operating revenue

Doomadgee Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2014

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2014

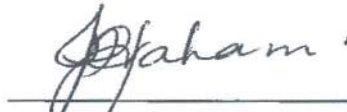
This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).

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



Mayor
Name Frederick O'Keefe

Date: 30/10/2014



Chief Executive Officer
Name Jannene Graham

Date: 30/10/2014