



DOOMADGEE ABORIGINAL SHIRE COUNCIL

Annual Report 2018-2019



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INTRODUCTION

Our Vision

Our vision for our community is based on our core community values. Our vision focuses on our community and to empower our future leaders and the importance of respect in our community.

Our Mission

As a Council it is important to understand our role and purpose. We exist to both lead and serve our community in an efficient and effective manner.

Our Community Values

We have a number of values which are important to our community. They define and guide our community. They need to be upheld in all Council decisions on behalf of the Community.

Respect underpins our society. Respect for ourselves, our families, others and our country. Respect is critical to our communities. It is about what we say and how we behave. It is important for our leaders to lead by example when it comes to respect. We must respect each other in our culture, achievements and successes.

Leadership takes our community forward. Our community needs good leadership. An important role of leaders is to nurture the next generation of leaders in our community. Without leadership, our future will not be as positive.

Empowerment of individuals to make choices and to transform those choices into positive actions and outcomes will benefit the entire community of Doomadgee.

Family is crucial to the future of our community and to maintaining our community values.

OUR SHIRE

Doomadgee is located on the Nicholson River in the semi-arid region of the Carpentaria plain. Doomadgee is 100km from Burketown in the Gulf Savannah region of North Queensland and 104kms from the Northern Territory border. It is 500km northwest of Mt Isa – the nearest large town, with mostly sealed road (about a 6-hour drive) and a 4WD is strongly recommended. Roads are often impassable in the wet season.

The community is primarily made up of Gangalidda and Waanyi and Garawa people.

According to the most recent census, English was the only language spoken at home by 94% of Aboriginal and/or Torres Strait Islander people in Doomadgee (Indigenous Locations). Other Australian Indigenous Languages – 0.4%, Garrawa 0.2% and Lardi 0.2% were the only other responses for languages spoken at home.

The population of Doomadgee is estimated to be approximately 1,405 according to the 2016 Australian Bureau of Statistics Census.

In 1983, the community was gazetted as a Deed of Grant in Trust (DOGIT) community under the Community Services Act (Queensland), and in 1987 a Deed of Grant in Trust was issued with land covering 186,300 hectares.

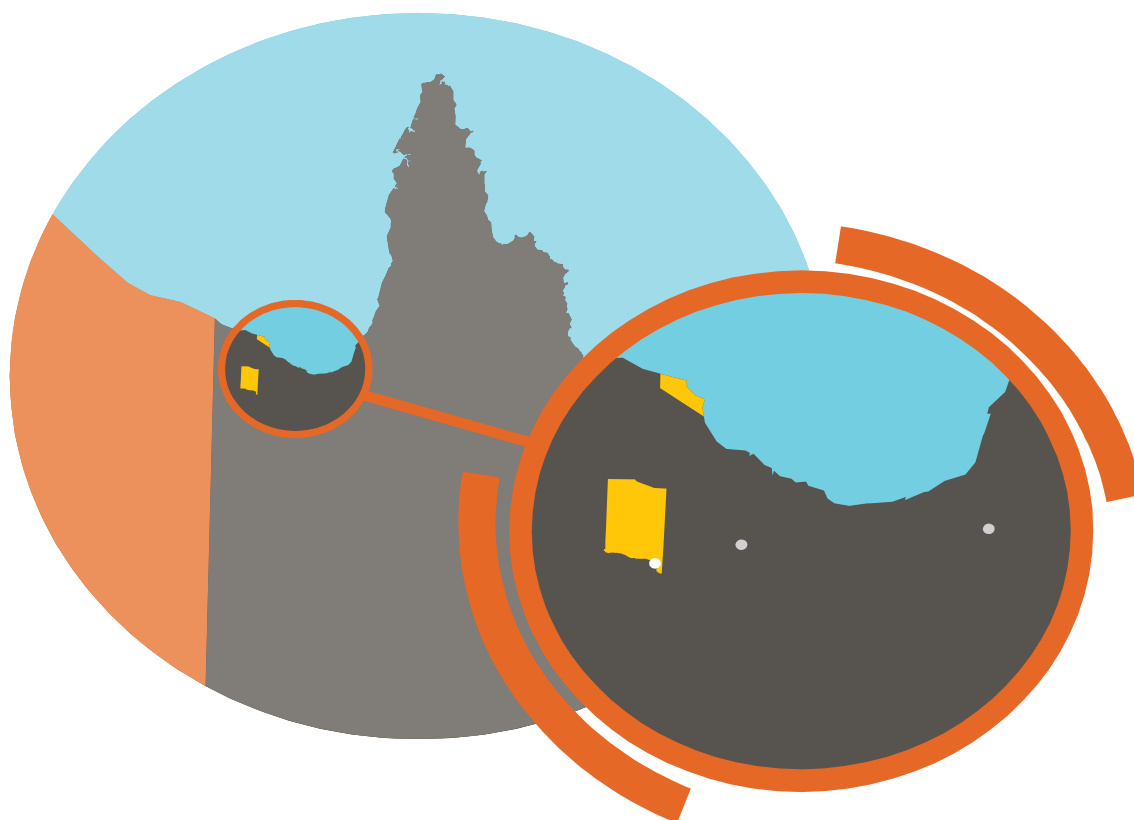
The Doomadgee Aboriginal Shire Council was established as a community council in 1985 but is now a fully constituted local government under the *Local Government Act 2009*.

The Council consists of a Mayor, a Deputy Mayor and three Councillors, with a Chief Executive Officer and other Council staff delivering municipal services to the community.

The Council is also the Trustee for the DOGIT land and meets separately to discuss issues concerning the DOGIT land.

LOCALITY MAP & STATISTICS

Below is an area locality map of Doomadgee Aboriginal Shire Council.



Statistics – Current Resident Profile



People	1,405
Male	50.5%
Female	49.5%
Median age	21.4



Families	291
Couple family with no children	40
Couple family with children	159
One parent family	86
Other family	6



All private dwellings	312
Average people per household	4.7
Median weekly household income	\$1,082
Median personal income	\$15,496

ELECTED MEMBERS



MAYOR EDRIC WALDEN

Portfolio: Health

Edric Walden was born in Doomadgee and his family come from all over the Gulf region. He has worked for the Council in different positions over the years. He is also a former Chairperson of the Doomadgee CDEP Aboriginal Corporation. Mayor Walden is passionate about keeping culture strong within the community and younger generation and enjoys traditional fishing and hunting.

Mayor Edric Walden was automatically suspended (with pay) on the 21 May 2018 upon the implementation of the Local Government Electoral (Implementation of Stage 1 of Belcarra). His role was undertaken by Deputy Mayor Jason Ned who became Acting Mayor from the 21 May 2018.

DEPUTY MAYOR JASON NED

Portfolio: Education

Jason Ned is a Ganggalidda and Garrwa man who was elected for his second term on the Doomadgee Shire Council in March 2016. Councillor Ned was born and bred in Doomadgee and currently runs a cattle property 45km from the Community and also undertakes contract mustering for other stations in the gulf area. He has also spent time working as a mechanic and fencing contractor. Councillor Ned chose to run for council as a way of supporting people in the community and to make sure they receive good quality services.





COUNCILLOR SCHARRAYNE FOSTER

Portfolios: Youth, Women's Group

Scharrayne Foster is a Ganggalidda woman elected to the Doomadgee Aboriginal Shire Council in March 2016. Councillor Foster was born in Doomadgee and went to Doomadgee State School before attending boarding school at St. John's College in Darwin where she completed year 12. She went on to complete a Certificate III in Childcare and worked locally as a childcare worker. For the past five years Councillor Foster has worked as a local housing officer.



COUNCILLOR DEAN JUPITER

Portfolios: Main Roads, Men's Group

Dean Jupiter is a Ganggalidda man who was elected to the Doomadgee Aboriginal Shire Council in March 2016. Councillor Jupiter was born and raised in Doomadgee and has worked as a supervisor for My Pathways as well as an attendance officer at Doomadgee State School. He is currently developing a cattle property in the area. He has a passion for fishing and hunting as well as horses and stock work.

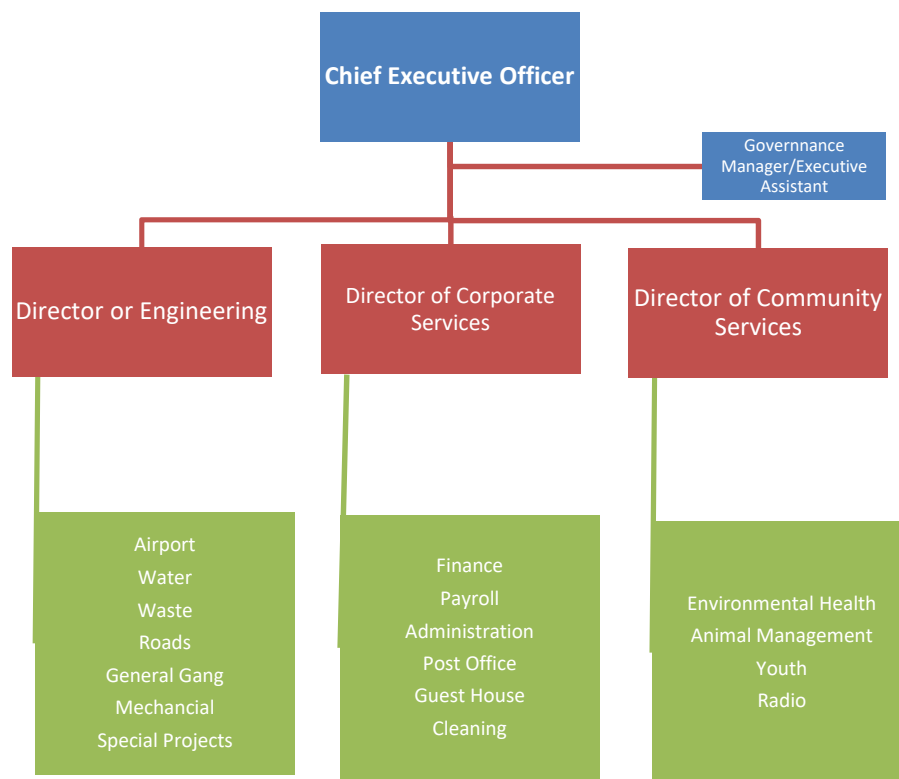
Councillor Vernon Ned was re-elected to Council in 2018. Councillor Ned has previously served as a Councillor in 2013-2016.

OUR COUNCIL

Organisational Structure

The operational arm of a local government authority consists of the Chief Executive Officer (CEO) and other staff. They are charged with implementing Council's resolutions (decisions) and reporting on the outcomes of those resolutions. The CEO provides executive leadership to the organisation. It is important to note individual Councillors do not have the authority to make decisions. Decisions are made collectively when sitting as a Council.

Council receives its authority from the community through its elected members. Council's administration is led by the CEO, followed by Directors delivering services through the three streams of operations.



KEY PRIORITIES

There are many important goals, however, Council realises it is important to look to the future with open eyes. Council is realistic it will take consistent effort to achieve these goals. However, some priorities have been the main focus over the year including respect, leadership, sustainability and employability.

Rebuilding Respect in our Community – Council is focussed on growing respect in the Community. It is about restoring pride within the Community and increasing respect for each other and how we look after ourselves.

Leadership – The Community needs strong leadership. An important part of leadership is to nurture future leaders. The next generation will be the ones to lead the Community into the future.

Diversifying Council's Revenue Stream – In order to achieve the Corporate Plan Goals, Council needs resources. Council is committed to identifying revenue to apply resources to the Corporate Plan and Operational Plan. Council will continue to look at businesses and other opportunities to increase revenue for the Community.

Developing Local Employment – Council seeks opportunities for local people to gain employment within the Community and actively seeks to diversify local employment options.

PERFORMANCE SUMMARY

Council reports according to the Corporate Plan 2014-2019, which focuses on Key Priorities. The Corporate Plan identifies Council's long-term vision and priority areas over a five-year period. Council delivers on the Key Priorities by implementing an annual Operational Plan. The Operational Plan contains key performance indicators at the organisational level and strive improve its internal and external reporting processes and accountability.

GOAL 1: FINANCIAL MANAGEMENT

1.1 - Effective and efficient management of all financial matters

Activity: Facilitate Sustainable Financial Management

Performance Measure: Audit Committee established

Audit Committee established and meets at least twice per year.

1.2 - Effective grants management

Activity: Source additional funding opportunities

Performance Measure: Monthly report to Council on outcomes

Council has continually sourced funding for specific programs. This is an ongoing strategy.

1.3 - Accurate and timely financial reporting

Activity: Facilitate Sustainable Financial Management

Performance Measure: Timeliness, Quality, Free from Error Reporting

Council has put considerable effort into identifying and improving processes and systems to support accurate reporting. This is an ongoing strategy.

1.4 - Maximise revenues in accordance with Council's Revenue Policy

Activity: Effective Policy and Revenue Raising Strategy

Performance Measure: Monthly report to Council on outcomes

This is an ongoing strategy.

1.5 - Effective management of the replacement and expansion of Council service

Activity: Review all services and charges to ensure correct cost recovery

Performance Measure: Completed by August 2018

This has been completed.

1.6 - Effective and appropriate Council enterprises

Activity: Review all leasing arrangements to ensure they are in order

Performance Measure: Completed by September 2017

This is an ongoing strategy.

GOAL 2: ADMINISTRATION & CORPORATE SERVICES

2.1 - Review Council's Policies and Procedures and ensure they meet community expectations and legislative requirements

Activity: Review all Council's Policies and Procedures

Performance Measure: Ongoing review to be completed and reported quarterly to Council

Council engaged The Mead Perry Group to undertake a full Governance Review.

2.2 - Effective policy implementation

Activity: Implementation of Council's Policies and Procedures

Performance Measure: Policies and Procedure manuals to be distributed to staff and Councillors by September 2018

This is an ongoing strategy. As policies and procedures are reviewed, updated and adopted, policies are distributed to staff and updated on Council website and intranet.

2.3 - Decisive Councillor Leadership

Activity: Monthly sessions to be held for Councillors

Performance Measure: Councillors to attend 70% of internal training sessions

Councillors are updated on all governance requirements at Council meetings or informal sessions. This is an ongoing strategy.

2.4 - Effective legislative requirements

Activity: Complete Internal Audit on Legislative Requirements

Performance Measure: Completed by October 2018. Monthly reports to Council

Council engaged The Mead Perry Group to undertake a full Governance review.

2.5 - Enhance Council's communication and decision making through appropriate public relations and community consultation process

Activity: Newsletters to inform Community of Councils processes and projects

Performance Measure: Quarterly Newsletter

Completed. First newsletter distributed in June 2019. This is an ongoing strategy.

2.6 - Review and enforce Local Laws and Regulations to address local issues

Activity: Summarise Local Laws Implementation of Local Laws

Performance Measure: Local Laws Summarised and distributed throughout the Community. Completed by December 2018

Local Laws were reviewed. Implementation in the community is an ongoing strategy.

GOAL 3: HUMAN RESOURCES

3.1 - Ensure workforce make-up best fits Council's priorities, workloads and budget

Activity: Complete full review of Corporate Structure

Performance Measure: Completed by August 2018

The Corporate Structure has been reviewed and updated.

3.2 - Endorse and foster cross skilling in order to minimise need for specialists and to ensure full utilisation of staff

Activity: Performance Appraisals completed for all staff

Performance Measure: Completed by June 2019

Council engaged The Mead Perry Group to assist with the implementation of HR activities. Performance Appraisals have been performed on a number of staff and a more robust structure has been implemented.

3.4 - Maintain accurate and confidential staff records

Activity: Human Resources Officer engaged

Performance Measure: Human Resources Officer on site by September 2018

Council was provided with assistance from the Mead Perry Group on several HR issues. Recruitment will continue to identify relevant staff.

3.5 - Ensure all staff have access to appropriate training

Activity: Training Needs Analysis Completed

Performance Measure: Analysis Completed by December 2018 and Training Needs Identified

Due to limited resources this has not been completed.

3.6 - Maintain a safe and healthy workplace for all employees and other persons affected by Council operations

Activity: Engage Workplace Health and Safety Consultant

Performance Measure: Council Safe Plan commenced by December 2018

A WHS Officer was on site to develop a policy and procedure manual. Review and implementation of policies and procedures is ongoing and information regarding incident investigation and management distributed.

GOAL 4: ARTS AND CULTURE

4.1 - Develop an Arts and Cultural Policy

Activity: Develop Council Arts and Cultural Policy

Performance Measure: Completed by June 2019

Due to limited resources this has not been completed.

4.2 - Facilitate the establishment and maintenance of an appropriate library service

Activity: Continual improvement of library service

Performance Measure: ongoing improvement of library service

Library Service established and operating.

4.3 - Support artistic and community involvement in the arts

Activity: Source Funding Opportunities

Performance Measure: Completed by June 2019

Various grants have been submitted.

4.4 - Effective administration of the Regional Arts Development Fund (RADF)

Activity: Continual Improvement of RADF Administration

Performance Measure: Monthly reporting to Council

This is an ongoing strategy.

4.5 – Facilitate, in partnership with the community and key stakeholders, the preservation of the history of the Shire.

Activity: Source funding opportunities to develop a program for preservation of Shire History

Performance Measure: Completed by June 2019

This is an ongoing strategy

4.6 - Provide space, time and resources for the purpose of exhibition/sale of local art

Activity: Source funding opportunities for an Arts and Culture Centre

Performance Measure: Completed by June 2019

Due to limited resources this has not been completed.

4.7 - Support and promote appropriate events and festivals within the Shire

Activity: Continue to support events and festivals in line with budget availability

Performance Measure: Ongoing

This is an ongoing strategy with regular reporting to Council.

4.8 - Encourage and support the development of programs for traditional language teaching and use

Activity: Source funding opportunities

Performance Measure: Reporting to Council on availability of funding

This is an ongoing strategy with regular reporting to Council.

4.9 - Facilitate programs/projects for recording of local languages and personal stories

Activity: Source funding opportunities

Performance Measure: Reporting to Council on availability of funding

This is an ongoing strategy with regular reporting to Council.

4.10 - Facilitate the development of support programs/projects for preservation of traditional culture

Activity: Source funding opportunities to develop a program for the preservation of the Shire

Performance Measure: Reporting to Council on availability of funding

This is an ongoing strategy with regular reporting to Council.

GOAL 5: DISASTER MANAGEMENT

5.1 - Ensure that there is sufficient funding for emergency services

Activity: Develop Budget for Emergency Services

Performance Measure: Budget Developed

This has been completed.

5.2 - Facilitate effective counter disaster planning in conjunction with the community, emergency service organisations and other stakeholders

Activity: Annual Review of Disaster Management Plan and Local Disaster Management Group

Performance Measure: Completed by December 2018

This has been completed and is an ongoing strategy.

5.3 - Counter disaster and other emergency contingency plans promoted to the community and visitors to the Shire

Activity: Community Clean Up of hard materials prior to Cyclone Season

Performance Measure: Completed by December 2018

Clean up days were regularly conducted.

5.4 - Ensure airport security in compliance with Aviation Transport requirements

Activity: Airport Upgrade

Performance Measure: Completed by December 2018

This was completed in January 2019.

GOAL 6: ECONOMIC DEVELOPMENT

6.1 - Encourage private enterprise development to maximise employment opportunities and development in the Shire

Activity: Establishment of a Sport and Recreation Club

Performance Measure: Community Survey completed by August 2018 and consultation with stakeholders completed by December 2019.

This has been completed.

6.2 - Facilitate the development of a Council website

Activity: Temporary Website Closed and new website developed

Performance Measure: Completed by December 2018

This has been completed.

6.3 - Facilitate the preparation of a scoping study for a Shire Tourism Development and Promotion Plan

Activity: Source Funding Opportunities

Performance Measure: Completed by June 2019

Due to limited resources this has not been completed.

6.4 - Facilitate liaison/consultation with educational institutions to support initiatives to enhance the employability of local people including the provision of appropriate training, education and employment networking initiative to support existing and future industries

Activity: Facilitate ongoing relationship with My Pathway to enhance the employability of local people

Performance Measure: Quarterly meetings and reports to Council

This is an ongoing strategy.

GOAL 7: ENVIRONMENTAL PROTECTION

7.1 - Facilitate the development of a Shire Environmental Development Plan

Activity: Develop Environmental Development Plan

Performance Measure: Completed by June 2019

Due to limited resources this has not been completed.

7.2 - Facilitate the formation of an Environmental Action Group

Activity: Formation of an Environmental Action Group

Performance Measure: Completed by June 2019

Due to limited resources this has not been completed.

7.3 - Develop and promote policies to preserve and promote the natural environment while increasing local community involvement in its management

Activity: Develop policies and appropriate local laws to ensure the coverage of noxious and environmental weeds are contained in the Shire

Performance Measure: State Review of the Plan

Due to limited resources this has not been completed.

7.4 - Continually update, with partners, a Pest Identification and Management Plan and action recommendations

Activity: Develop a Pest Identification and Management Plan

Performance Measure: Implementation following State review.

Due to limited resources this has not been completed.

7.5 - Develop policy to ensure that development is designed to meet user needs and cause minimal impact upon others and the environment

Activity: Ensure planning scheme takes into account impact upon others and the environment

Performance Measure: Ongoing

This has been completed.

GOAL 8: WASTE MANAGEMENT

8.1 - Maintain high standards to ensure public facilities, houses and streets are clean and healthy

Activity: Development of Town Beautification Program

Performance Measure: Funding secured through DATSIP

A Town Beautification Program has been established.

Activity: Purchase of Vacuum (Sullage) Truck

Performance Measure: Ongoing

This has not been completed.

8.2 - Ensure waste is disposed of in approved dump

Activity: Ensure the Shire Dump complies with regulatory standards

Performance Measure: Ongoing

This is an ongoing strategy.

8.3 - Ensure the Shire dump complies with regulatory standards

Activity: Ensure the Shire Dump complies with regulatory standards

Performance Measure: Ongoing

This is an ongoing strategy.

8.4 - Initiate a recycling regime

Activity: Commence agreements for site for future relocation of the waste facility

Performance Measure: Ongoing

This is an ongoing strategy.

GOAL 9: DEVELOPMENT, MAINTENANCE AND REPLACEMENT

9.1 - Develop and implement programs for the design, construction and maintenance of roads, streets, footpaths, Council buildings, public conveniences and related drainage systems

Activity: Works Plan Developed

Performance Measure: Completed by June 2019

This is an ongoing strategy.

9.2 - Maintain clean, safe, secure and adequate water supply

Activity: Develop and implement drinking water Quality Management Plan

Performance Measure: Completed by June 2019

This has been completed.

9.3 - Manage the operation of associated activities such as work depots, workshops and plant fleets to facilitate efficient and effective provision and maintenance of Shire infrastructure

Activity: Works Plan Developed

Performance Measure: Completed by June 2019

This is an ongoing strategy.

9.4 - Facilitate the development of flood mitigation plans and the provision and maintenance of necessary flood mitigation works

Activity: Flood Mitigation Study

Performance Measure: Commence by June 2019

Due to limited resources this has not been completed

9.5 - Ensure workplace health and safety obligations are monitored and met

Activity: Policies and Procedures are in place

Performance Measure: Ongoing

This is an ongoing strategy.

GOAL 10: COMMUNITY AND HUMAN SERVICES

10.1 - Ensure Council is an effective advocate for the community

Activity: Storage Shed for Community Services Equipment

Performance Measure: Completed by June 2019

This has been completed.

10.2 - Facilitate public access to a swimming pool

Activity: Access is secured

Performance Measure: Completed by December 2018

This has been completed.

10.3 - Facilitate the provision of television, telephone and radio communication services in response to community needs

Activity: Development of communication plan

Performance Measure: Completed by June 2019

This has been completed.

GOAL 11: PUBLIC HEALTH

11.1 - Develop a Health Portfolio link with Qld Health CEO

Activity: Engage with Qld Health

Performance Measure: Four meetings a year

This is an ongoing strategy.

11.2 - Work with partners to ensure that adequate health programs, inspections and education are focused on lifting overall community health standards

Activity: Involvement in stakeholder discussions by Council Officers and Councillors

Performance Measure: Ongoing

This is an ongoing strategy

11.3 - Facilitate the development of a Disabilities Action Plan

Activity: Work with partner agencies

Performance Measure: Ongoing

Due to limited resources this has not been completed.

GOAL 12: PLANNING AND DEVELOPMENT

12.1 - Facilitate, in conjunction with partners, the continued development of the Doomadgee Town Plan

Activity: Finalise Town Planning Scheme in partnership with State

Performance Measure: Community Consultation. State Review Completed by June 2019

This has been completed

12.2 - Promote orderly development of the Shire to support employment and economic prosperity in keeping with infrastructure capacity and environmental considerations

Activity: Develop an Open Spaces Strategy

Performance Measure: Completed by June 2019

This in an ongoing strategy,

12.3 - Implement, through the Shire Planning Schemes, appropriate controls over development to foster land uses and attitudes that enhance the quality of the natural and built environment

Activity: Finalise Town Planning Scheme in Partnership with State

Performance Measure: Community Consultation and State Review completed by June 2019

This is an ongoing strategy.

STATUTORY REPORTING REQUIREMENTS

Pursuant to the *Local Government Act 2009* (the Act) and the *Local Government Regulation 2012* (the Regulation), Council is required to report on particular resolutions and other statutory reporting requirements.

Beneficial Enterprises

Section 41 of the Act requires that the Annual Report contain a list of all beneficial enterprises conducted during the year. A Joint Venture between Doomadgee Aboriginal Shire Council and EMG Pty Ltd (My Pathway) operated during 2018-2019.

Code of Competitive Conduct

Business activities

As required under Section 45 of the Act, listed in the following schedule are business activities conducted during the year. None of these activities were deemed "significant" according to the Regulation. It was resolved by Council not to apply the code of competitive conduct to any business activities.

Business activities by type	Competitive neutrality principle applied.	Conducted in previous financial year.
Significant		
Nil	N/A	N/A
Prescribed		
Nil	N/A	N/A
Other		
Guest house	No	Yes
Airport	No	Yes
Post office	No	Yes
Water supply and sewerage	No	Yes
Waste management	No	Yes
Roads	No	Yes
Building certification	No	Yes

Competitive Neutrality Complaints

Section 49 of the Regulation - there were no investigation notices for competitive neutrality complaints. Section 52(3) of the Regulation - there no required responses to the Queensland Competition Authority regarding competitive neutrality complaints.

Remuneration Packages – Senior Executive Staff

Remuneration levels for Council executives take many factors into account, including work value and the complexity of the job. This ensures remuneration levels for executives are appropriate and Council is well placed to retain and attract executives with skills necessary to help deliver services to the community. In accordance with Section 201 of the Act, the total number of remuneration packages available to senior management during the period was:

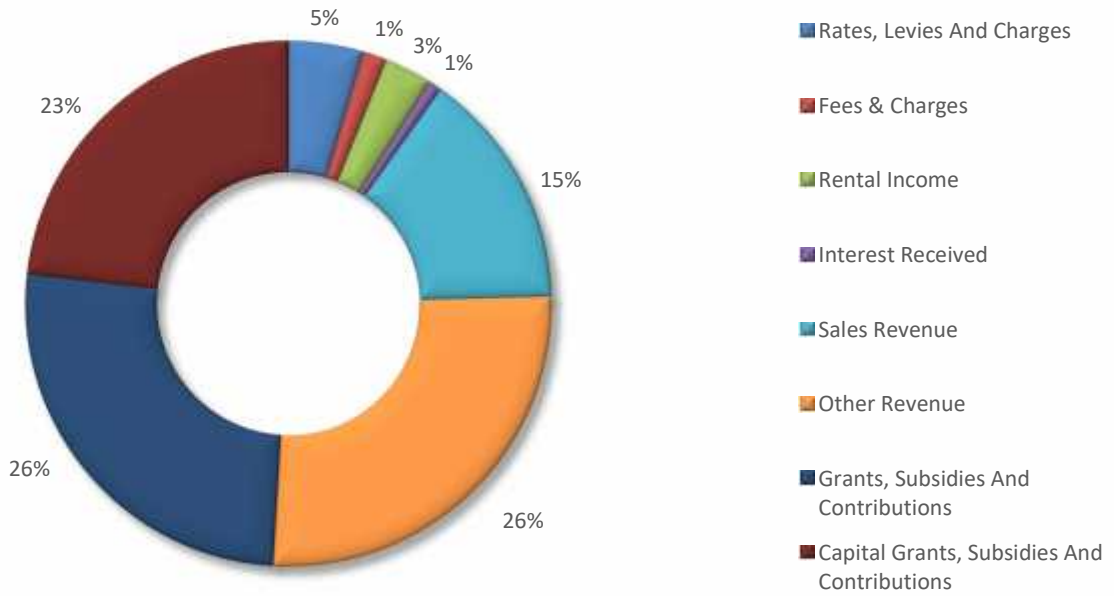
Package Band	Number of Employees
\$100,000 to \$199,999	4
\$200,000 to \$299,999	2

COMMUNITY FINANCIAL REPORT

1 July 2018 to 30 June 2019

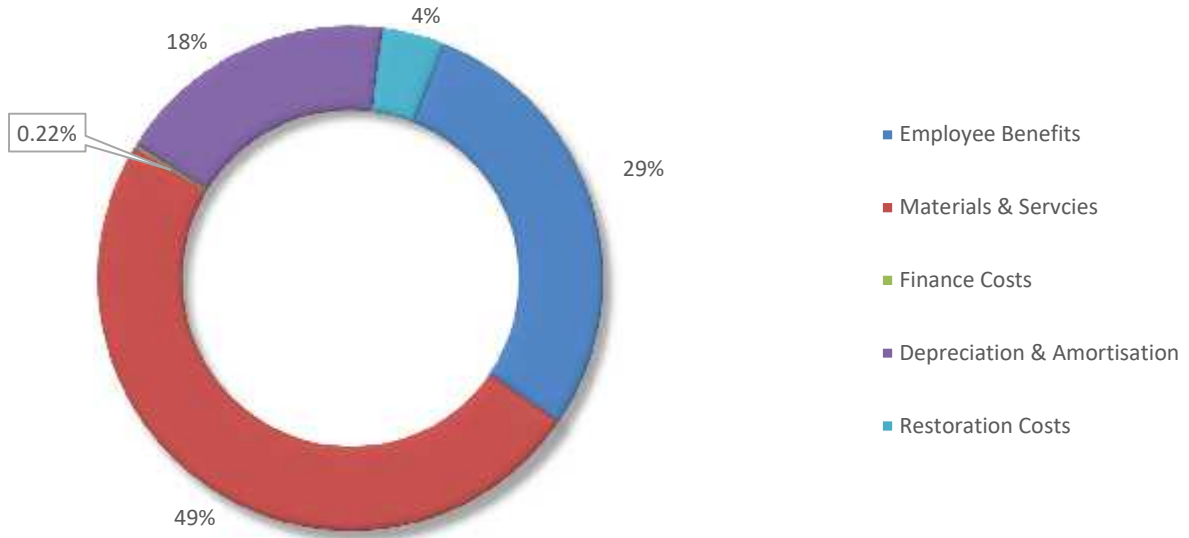
Income

Council income from operations for the 2018/19 financial year was \$12,481,220. Including capital grants and loss on revaluations, the total income was \$16,252,668.



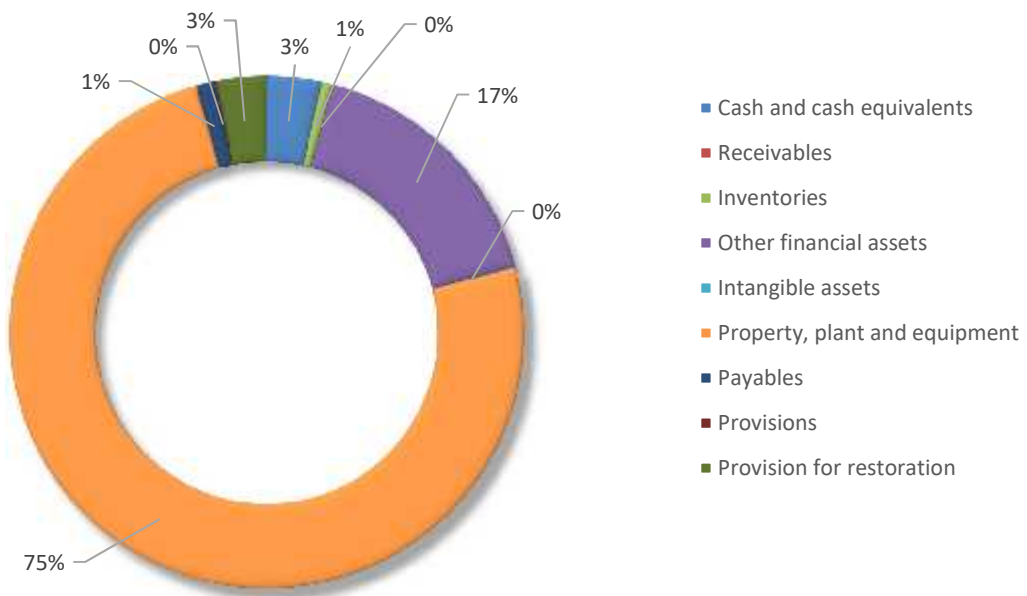
Expenditure

Council operational expenditure is made up of employee benefits 29%, materials and services 49%, depreciation 18% and the restoration costs of the waste facility 4%.



Assets & Liabilities

Council total assets are \$137,139,324 made up of \$6,700,898 in cash and other current assets and \$130,438,426 are non-current assets. The total liabilities are \$6,345,902 including \$4,564,512 of provisions.



PARTICULAR RESOLUTIONS

As required by Section 185 of the Regulation, the Annual Report must contain a copy of the resolutions made during the financial year under Section 250(1) and Section 206(2).

Two resolutions were passed during the period in relation to Section 250 of the Regulation which deals with Councillor expenses reimbursement as follows

Resolution number 12-07/18

That Council amend the Expense Reimbursement for Councillor to incorporate a Travel Allowance of \$250.00 per day plus three meals a day allowance

Moved Acting Mayor Jason Ned

Seconded Councillor Scharrayne Foster

Resolution number 9-05/19

That the following policies be adopted as presented:

12.03 Expense Reimbursement Councillors Policy

Moved Councillor Dean Jupiter

Seconded Acting Mayor Jason Ned

No resolutions were passed during the period in relation to Section 206(2) of the regulation which deals with setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.

COUNCILLOR REMUNERATION

In accordance with Section 186 of the Regulation, the Annual Report must contain particulars of the total remuneration, including superannuation contributions, paid to each Councillor during the financial year as well as expenses incurred by, and the facilities provided to, each Councillor during the financial year under the Council Expense Reimbursement Policy.

In accordance with the recommendation of the Local Government Remuneration and Discipline Tribunal, unless otherwise resolved, Council authorise the payment of remuneration to a Councillor of the Doomadgee Aboriginal Shire Council, for carrying out the duties of the office as undermentioned at the rate of remuneration as detailed in the Remuneration Schedule for the Category of Local Government to which Doomadgee Aboriginal Council belongs:

Total Councillor Remuneration 2018 - 2019

Councillor	Remuneration	Superannuation (9.5%)	Expenses
CR EDRIC WALDEN	\$103,918	\$9,872	\$864
CR JASON NED	\$59,952	\$5,695	\$5646
CR SCHARRAYNE FOSTER	\$67,585	\$6,420	\$2970
CR DEAN JUPITER	\$64,592	\$6,136	\$3107
CR VERNON NED	\$64,436	\$6,121	\$1100

Local Government Meetings attended by Councillors

Councillor	Ordinary	Special
CR JASON NED	11	5
CR SCHARRAYNE FOSTER	10	3
CR DEAN JUPITER	8	3
CR VERNON NED	9	4

CONDUCT & PERFORMANCE		
Legislation	Reference	Number of Complaints
LGR 2012: S186 – COUNCILLORS (D) (I)	Orders and recommendations made under S180(2) or (4);	NIL
LGR 2012: S186 – COUNCILLORS (D)	Orders made under S181; and	NIL
LGR 2012: S186 – COUNCILLORS (E) (A)	The name of each Councillor for whom an order or recommendation was made under S180 of the Act or an order was made under S181 of the Act;	NIL
LGR 2012: S186 – COUNCILLORS (E) (II)	A description of the misconduct or inappropriate conduct engaged in by each of the councillors;	NIL
LGR 2012: S186 – COUNCILLORS (E) (III)	A summary of the order or recommendation made for each Councillor;	NIL
LGR 2012: S186 – COUNCILLORS (F) (A)	Complaints about the conduct or performance of councillors for which no further action was taken under S176C (2) of the Act;	NIL
LGR 2012: S186 – COUNCILLORS (F) (II)	Complaints referred to the departments by the Chief	NIL
LGR 2012: S186 – COUNCILLORS (F) (III)	Complaints referred to the Mayor under S176C(3)(a) of the Act	NIL
LGR 2012: S186 – COUNCILLORS (F) (IV)	Complaints referred to the department's Chief Executive under S176C(4)(a) of the Act;	NIL
LGR 2012: S186 – COUNCILLORS (F) (A)	Complaints assessed by the Chief Executive Officer as being about corrupt conduct under the Crime and Corruption Act;	NIL
LGR 2012: S186 – COUNCILLORS (F)	Complaints heard by a regional conduct review panel;	NIL
LGR 2012: S186 – COUNCILLORS (F) (VII)	Complaints heard by the tribunal;	NIL
LGR 2012: S186 – COUNCILLORS (F) (VIII)	Complaints to which S176C (6) of the Act applied;	NIL

Administrative Action Complaints

Section 187 of the Regulation requires that an Administrative Action Complaints Process is to be developed and implemented to assist Council manage complaints efficiently, effectively, objectively and fairly. Doomadgee Aboriginal Shire Council has a commitment to dealing fairly with any administrative complaint it receives and developed strategies to deal with complaints.

Complaints Made	Resolved	Not Resolved
2018-2019	0	0

Overseas Travel

In accordance with Section 188 of the Regulation, no Councillor or employee undertook any work-related overseas travel during 2018-2019.

Expenditure on Grants to Community Organisations

In accordance with Section 189 of the Regulation, an Annual Report must contain a summary of the expenditure for the financial year on grants to community groups. During 2018-2019 Council paid \$40,000 in sponsorships to community organisations.

Councillor Discretionary Fund

In accordance with section 189 of the Regulation, the Annual Report must contain a summary of the expenditure from each Councillor's discretionary fund. Doomadgee Aboriginal Shire Council does not have discretionary funds and therefore there is no report for 2018-2019 for the purpose of allocation as community grants.

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 Trustee of the DOGIT own and control all roads in the DOGIT.

Details of Special Rates and Charges

In accordance with section 190(d)(i) of the Regulation, no special rates and charges were levied during the financial year and there were no services supplied by another local government or joint ventures.

Contracts

Pursuant to section 190(1) of the Regulation, there were no invitations to change tenders under section 228(7) during the financial year.

Council Registers - Records

In accordance with section 190(1)(f) of the Regulation, below is a list of registers kept of Council:

- Minutes of Council Meetings
- Council Resolution Register
- Personal Interest of Councillors
- Conflict of Interest Register – Councillors and Executive Staff
- Material Personal Interest Register – Councillors and Executive Staff
- Delegation Register
- Local Law Register
- Policy Register
- Road Register
- Asset Register
- Fees and Charges Register

Public Sector Ethics

Pursuant to the provisions of the *Public Sector Ethics Act 1994*, Council is required to report on actions taken regarding implementation of the legislation.

During the reporting period, Council provided training and education to its workforce through inductions of new staff members, together with re-inductions of all existing staff. Council supports its ongoing procedures and practices to ensure employees abide by and embrace the principles of the legislation.

Council's Code of Conduct is provided to all new employees upon commencement and is provided to all of Council if and when it is reviewed.

Internal Audit

For the year ended 30 June 2019, Council engaged Altius Advisors to provide internal audit services. The internal audit program focused on assisting Council in addressing areas considered to be of high risk. It was considered that the best use of the internal audit function for the year was to provide assistance with year-end reconciliations and work papers to support high level balances and assistance with audit preparations. The following areas were included:

- Identification and review of the joint venture arrangement in place with My Pathway. Whilst in place since 2014, it is noted that this arrangement had never been recognised in the financial statements. Internal audit obtained financial information directly from My Pathway and assisted Council in ensuring the correct value of the investment was recorded and the nature of the arrangement was disclosed in the financial statements.
- Review and assistance in the calculation of the provision for the restoration of the landfill site. Internal audit review revealed that the calculation in previous years had been incorrectly stated and this resulted in a prior year adjustment to the financial statements being necessary. Assistance was provided as part of the internal audit function to ensure that the calculation is now accurate and the treatment of the prior year error was correctly presented in the financial statements.
- Detailed review of the comprehensive valuation exercise for property, plant and equipment.

Doomadgee Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2019

Doomadgee Aboriginal Shire Council

Financial Statements

For the year ended 30 June 2019

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**Doomadgee Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2019**

		2019	Restated 2018
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Rates, levies & charges	3(a)	749,806	637,661
Fees and charges	3(b)	237,678	284,919
Rental income	3(c)	477,932	326,985
Interest received	3(d)	133,130	220,214
Sales revenue	3(e)	2,394,626	5,599,750
Other income	3(f)	4,285,642	143,838
Grants, subsidies and contributions	4(a)	4,202,407	4,545,499
		<u>12,481,220</u>	<u>11,758,866</u>
Capital revenue			
Grants, subsidies and contributions	4(b)	3,771,448	2,865,952
Total revenue		<u>16,252,668</u>	<u>14,624,818</u>
Total income		<u>16,252,668</u>	<u>14,624,818</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(4,595,872)	(4,578,398)
Materials and services	6	(7,895,283)	(7,842,594)
Finance costs	7	(34,888)	(12,067)
Depreciation and amortisation	12/13	(2,932,647)	(2,785,060)
Other expenses	11	-	(1,896,036)
		<u>(15,458,691)</u>	<u>(17,114,155)</u>
Capital expenses			
Loss on asset disposal	8(a)	(656)	(144,201)
Restoration costs	8(b), 16	(654,406)	7,152
Total capital expense		<u>(655,061)</u>	<u>(137,049)</u>
Total expenses		<u>(16,113,752)</u>	<u>(17,251,204)</u>
Net result		<u>138,917</u>	<u>(2,626,386)</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	17	6,897,088	3,290,401
Total other comprehensive income for the year		<u>6,897,088</u>	<u>3,290,401</u>
Total comprehensive income for the year		<u>7,036,005</u>	<u>664,015</u>

The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies. The comparative figures have been restated to correct a number of errors as set out in Note 24.

**Doomadgee Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2019**

		2019	Restated 2018	Restated 1 July 2017*
	Note	\$	\$	\$
Current assets				
Cash and cash equivalents	9	4,924,625	10,864,537	9,133,943
Receivables	10	1,012,487	850,716	653,738
Inventories		41,872	109,074	50,709
Other financial assets	11	721,914	711,158	699,137
Total current assets		<u>6,700,898</u>	<u>12,535,485</u>	<u>10,537,527</u>
Non-current assets				
Other financial assets	11	23,235,661	19,733,010	22,340,204
Intangible assets	12	83,979	125,969	182,167
Property, plant and equipment	13	107,118,786	97,622,163	94,523,730
Total non-current assets		<u>130,438,426</u>	<u>117,481,142</u>	<u>117,046,101</u>
Total assets		<u>137,139,324</u>	<u>130,016,627</u>	<u>127,583,628</u>
Current liabilities				
Payables	15	1,651,040	2,256,848	544,333
Provisions	16	130,349	109,138	49,865
Total current liabilities		<u>1,781,390</u>	<u>2,365,986</u>	<u>594,198</u>
Non-current liabilities				
Provisions	16	4,564,512	3,893,222	3,896,027
Total non-current liabilities		<u>4,564,512</u>	<u>3,893,222</u>	<u>3,896,027</u>
Total liabilities		<u>6,345,902</u>	<u>6,259,208</u>	<u>4,490,225</u>
Net community assets		<u>130,793,424</u>	<u>123,757,419</u>	<u>123,093,403</u>
Community equity				
Retained surplus		77,754,452	77,615,534	80,241,924
Asset revaluation surplus	17	53,038,972	46,141,885	42,851,483
Total community equity		<u>130,793,424</u>	<u>123,757,419</u>	<u>123,093,407</u>

* Council has made a retrospective restatement as a consequence of a correction of errors in accordance with AASB 108 and therefore, in accordance with AASB 101 has presented a Statement of Financial Position as at the beginning of the comparative period i.e. as at 1 July 2017. Details are disclosed in Note 14, 16 and 24.

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 2019**

	Asset revaluation surplus	Accumulated surplus	Total
Note	17 \$	\$	\$
Balance as at 1 July 2018	46,141,884	77,615,534	123,757,419
Net result	-	138,917	138,917
Increase / (decrease) in asset revaluation surplus	6,897,088	-	6,897,088
Balance as at 30 June 2019	53,038,972	77,754,452	130,793,424
Balance as at 1 July 2017	42,851,483	79,866,776	122,718,258
Effect of correction of error - PPE	24 -	2,293,835	2,293,835
Effect of correction of error - landfill	24 -	(1,918,687)	(1,918,687)
Restated balances	42,851,483	80,241,924	123,093,406
Net result	-	(2,626,386)	(2,626,386)
Increase / (decrease) in asset revaluation surplus	3,290,401	-	3,290,401
Balance as at 30 June 2018	46,141,884	77,615,534	123,757,419

*The above statement should be read in conjunction with the accompanying notes and Significant Accounting Policies.
The comparative figures have been restated to correct a number of errors as set out in Note 24.*

**Doomadgee Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		3,348,619	6,410,824
Payments to suppliers and employees		<u>(13,093,760)</u>	<u>(10,656,922)</u>
		(9,745,141)	(4,246,099)
Interest received		133,130	220,214
Rental income		477,932	326,985
Operating grants, subsidies, and contributions		<u>4,202,407</u>	<u>4,545,499</u>
Net cash inflow /(outflow) from operating activities	21	<u><u>(4,931,673)</u></u>	<u><u>846,600</u></u>
Cash flows from investing activities			
Payments for property, plant and equipment		(4,007,924)	(2,771,094)
Proceeds from sale of property plant and equipment		177,364	90,000
Finance lease receipts		711,158	699,137
Capital Grants, subsidies, and contributions		<u>2,111,162</u>	<u>2,865,952</u>
Net cash inflow /(outflow) from investing activities		<u><u>(1,008,240)</u></u>	<u><u>883,995</u></u>
Net increase /(decrease) in cash held		<u><u>(5,939,913)</u></u>	<u><u>1,730,594</u></u>
Cash and Cash Equivalents at the beginning of the financial year		10,864,537	9,133,943
Cash and Cash Equivalents at end of the financial year	9	<u><u>4,924,625</u></u>	<u><u>10,864,537</u></u>

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

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

1 Significant Accounting Policies

1.A Basis of Preparation

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

These general purpose financial statements are for the period 1 July 2018 to 30 June 2019 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

They 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.

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

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

Recurrent/capital classification

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

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

Disposals of non-current assets are classified as either "Capital income" or "Capital expenses" depending on whether they result in accounting gains or losses.

All other revenue and expenses have been classified as recurrent.

1.B 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.C New and Revised Accounting Standards

This year Council has applied AASB 9 *Financial Instruments* for the first time. AASB 9 replaces AASB 139 and relates to the recognition, classification and measurement of financial assets and financial liabilities. Implementing AASB 9 has resulted in a change to the way council calculates impairment provisions, which are now based on expected credit losses instead of incurred credit losses.

Council has not restated comparative figures as the impact as at 30 June 2018 would not be material. This means the new impairment rules are reflected in the receivables balance at 30 June 2019 but not at 30 June 2018.

On 1 July 2018 (the date of initial application), council re-assessed the classification, measurement category and carrying amount of each financial instrument (listed below) in accordance with AASB 9. There were some changes to classification, but this did not result in changes to measurement categories (listed below). Carrying amounts were also unchanged.

Financial asset/liability	Measurement category (unchanged)
Cash and cash equivalents	Amortised cost
Receivables	Amortised cost
Other financial assets	Fair value through profit or loss
Payables	Amortised cost

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

1 Significant Accounting Policies (cont.)

1.C New and Revised Accounting Standards (cont.)

Some Australian Accounting Standards and Interpretations have been issued but are not yet effective. Those standards have not been applied in these financial statements. Council will implement them when they are effective. The standards that are expected to have a material impact upon council's future financial statements are:

Standard and impact	Date Council will apply the standard
---------------------	--------------------------------------

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

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15, and AASB 2016-8. These Standards supersede the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 *Contributions*.

1-Jul-19

Identifiable impacts at the date of this report are:

Some grants received by the Council will be recognised as a liability, and subsequently recognised progressively as revenue as the Council satisfies its performance obligations under the grant. At present, such grants are recognised as revenue upfront.

Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. Council receives several grants from the Federal Government and State Government for which there are no sufficiently specific performance obligations these are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.

Council has identified that certain grants received during the 2018/19 financial year would require recognition in accordance with AASB 15. Based on Council's assessment, if Council had adopted the new standards in the current financial year it would have had the following impacts:

	\$
Recurrent grants for deferral	-
Capital grants for deferral	(486,900)
Capital grants receivable	-

- Revenue decrease of \$486,900 due to deferral of grant funding (based on the facts available to Council at the date of assessment).

- There would be an equal reduction in the reported equity as the reduced revenue will require an increase in recognition of contract liabilities.

- Net result would be lower on initial application as a result of decreased revenue.

A range of new disclosures will also be required by the new standards in respect of the council's revenue.

Transition method

The Council intends to apply AASB 15, AASB 1058 and AASB 2016-8 initially on 1 July 2019, using the modified retrospective approach. The recognition and measurement principles of the standards will be retrospectively applied for the current year and prior year comparatives as though the standards had always applied, consistent with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The Council intends to apply the practical expedients available for the modified retrospective method. Where revenue has been recognised in full under AASB 1004, prior to 1 July 2019, but where AASB 1058 would have required income to be recognised beyond that date, no adjustment is required. Further, Council is not required to restate income for completed contracts that start and complete within a financial year. This means where income under AASB 1004 was recognised in the comparative financial year (i.e. 2018/19), these also do not require restatement.

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

1 Significant Accounting Policies (cont.)

1.C New and Revised Accounting Standards (cont.)

AASB 16 Leases

The Council has assessed the impacts of the new standard that initial application of AASB 16 will have on its financial statements, however, the actual impacts may differ as the new accounting policies are subject to change until the Council presents its first financial statements that include the date of initial application.

1-Jul-19

AASB 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Leases in which the Council is a lessee

The Council currently has a lease contract with a third party for the lease on the Council's Cairns office. The lease expires on 31 January 2021. The annual lease expense is \$26,164.

Previously, the Council has recognised an operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised

No significant impact is expected for the Council's finance leases.

The right-of use asset and corresponding liability have been quantified and are not material. No adjustment is necessary.

Leases in which the Council is a lessor

No significant impact is expected for other leases in which the Council is a lessor.

Peppercorn Leases

Council is the lease of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to elect to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Transition method

Council has assessed that, as a result of the application of AASB 16, there will be no material impact on 1 July 2019. Therefore there will be no adjustment on initial application.

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

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

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

- Valuation and depreciation of property, plant and equipment - (Notes 13 and 14)
- Provisions - (Note 16)
- Valuation of finance leases - (Notes 11 and 14)
- Contingent liabilities - (Note 19)
- Restoration commitment - (Note 16)

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

1 Significant Accounting Policies (cont.)

1.E 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 - measured at amortised cost (Note 9)

Receivables - measured at amortised cost (Note 10)

Other financial assets (finance leases) - measured at fair value (Note 1.F and Note 11)

Financial liabilities

Payables - measured at amortised cost (Note 15)

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 25.

1.F 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.

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.G Taxation

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

1.H 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 13 for details of DOGIT land.

1.I Rounding and comparatives

The financial statements have been rounded to the nearest \$1. Council uses the Australian dollar as its functional currency and presentation currency.

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 2019**

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

The objective of corporate governance is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Councillors and Chief Executive Officer are included in corporate governance.

Finance and information

Finance and information provides professional finance and information services across all of Council. This function includes internal audit, budget support, financial accounting, the taxation unit, marketing and communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

Community services

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

This function includes:

Environment health
Animal management program

Enterprises

The goal of Council's enterprises is to provide the community with the following services:

Guesthouse
Post Office
Airport
Centrelink

Housing

The goal of this activity is the provision of public housing within the Deed of Grant in Trust (DOGIT) area.

Transport infrastructure

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

Water infrastructure

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

Sewerage and waste management infrastructure

The goal of this function is to protect and support our community and natural environment by sustainably managing refuse and sewerage infrastructure. The function provides refuse collection and disposal services, mosquito and other pest management programs.

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

2 Analysis of Results by Function

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

Functions	Year ended 30 June 2019						Total income	Gross program income		Total expenses	Net result from recurrent operations		Assets	
	Recurring			Capital				2019	2019		2019	2019		2019
	Grants	Other	2019	Grants	Other	2019								
								2019	2019		2019	2019		
Corporate governance	-	530,004	-	-	530,004	(2,183,798)	-	(2,183,798)	(1,653,794)	-	(1,653,794)	-		
Finance & information	3,873,553	5,546,290	-	-	9,419,843	(2,705,297)	-	(2,705,297)	6,714,546	-	6,714,546	6,088,546		
Community services	297,770	410,619	1,341,000	-	2,049,390	(1,991,922)	-	(1,991,922)	(1,283,532)	-	57,468	30,173,678		
Enterprises	-	240,417	-	-	240,417	(603,354)	-	(603,354)	(362,937)	-	(362,937)	5,285,369		
Housing	-	800,246	(107,892)	-	692,354	(3,383,113)	-	(3,383,113)	(2,582,867)	-	(2,582,867)	33,088,694		
Transport infrastructure	31,084	1,432	2,295,340	-	2,327,856	(3,029,527)	(656)	(3,030,182)	(2,997,011)	-	(702,326)	35,271,351		
Water infrastructure	-	362,099	243,000	-	605,099	(1,153,223)	-	(1,153,223)	(791,124)	-	(548,124)	22,505,028		
Sewerage & waste management infrastructure	-	387,707	-	-	387,707	(408,457)	(654,406)	(1,062,863)	(20,750)	-	(675,156)	4,726,657		
Total	4,202,407	8,278,813	3,771,448	-	16,252,668	(15,458,691)	(655,061)	(16,113,752)	(2,977,470)	138,917	137,139,324			

Year ended 30 June 2018

Functions	Year ended 30 June 2018						Total income	Gross program income		Total expenses	Net result from recurrent operations		Assets	
	Recurring			Capital				2018	2018		2018	2018		2018
	Grants	Other	2018	Grants	Other	2018								
								2018	2018		2018	2018		
Corporate governance	-	543,286	-	-	543,286	(1,805,834)	-	(1,805,834)	(1,262,548)	-	(1,262,548)	-		
Finance & information	3,616,731	1,478,291	-	-	5,095,022	(4,863,137)	-	(4,863,137)	231,885	-	231,885	11,943,251		
Community services	510,198	20,376	1,304,000	-	1,834,575	(2,428,491)	-	(2,428,491)	(1,897,916)	-	(593,916)	24,115,271		
Enterprises	-	377,760	-	-	377,760	453,343	-	453,343	831,103	-	831,103	5,726,661		
Housing	-	4,114,772	107,892	-	4,222,664	(4,258,683)	-	(4,258,683)	(143,912)	-	(36,020)	29,478,918		
Transport infrastructure	418,570	41,221	397,015	-	856,806	(2,839,166)	(144,201)	(2,983,367)	(2,379,375)	-	(2,126,561)	32,273,066		
Water infrastructure	-	315,316	727,045	-	1,042,361	(817,568)	-	(817,568)	(502,253)	-	224,793	21,607,431		
Sewerage & waste management infrastructure	-	322,345	330,000	-	652,345	(554,619)	7,152	(547,467)	(232,274)	-	104,878	4,872,027		
Total	4,545,499	7,213,367	2,865,952	-	14,624,818	(17,114,155)	(137,049)	(17,251,204)	(5,355,290)	(2,626,386)	130,016,627			

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
Note	\$	\$
3 Revenue analysis		
(a) Rates and service charges		
Water	362,099	315,316
Sewerage	187,374	152,939
Garbage charges	200,334	169,407
	<u>749,806</u>	<u>637,661</u>

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

Where levy monies are received prior to the commencement of the service charge/levying period, the amount is recognised as revenue in the period in which they are received, otherwise service fees are recognised on the commencement of the levying period.

(b) Fees & charges		
Expenses reimbursement	-	1,588
Airport turnaround fees	24,332	74,690
Airport landing fees	213,346	208,641
	<u>237,678</u>	<u>284,919</u>

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.

(c) Rental Income		
Houses & offices rental income	477,932	326,985
	<u>477,932</u>	<u>326,985</u>

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

(d) Interest received		
Other sources	133,130	220,214
	<u>133,130</u>	<u>220,214</u>

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

(e) Sales revenue		
Sale of services		
Contract & recoverable works	1,864,622	4,962,647
Guest house accommodation	370,322	428,031
Guest house other revenue	101,565	21,799
Centrelink commissions	-	32,218
Post office sales	1,577	4,119
Post office commissions	54,213	53,148
Batching plant sales	-	93,660
	<u>2,392,299</u>	<u>5,595,621</u>
Sale of goods		
Guest house meals	2,327	3,973
Airport vending machine sales	-	156
	<u>2,327</u>	<u>4,129</u>
Total sales revenue	<u>2,394,626</u>	<u>5,599,750</u>

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.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

3 Revenue analysis (cont.)

The Council generates revenues from a number of services including water, sewerage, sanitation 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.

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

	Note	2019 \$	2018 \$
(f) Other income			
Burial assistance		200	1,100
Gain on revaluation of leased assets	11	4,224,564	-
Other income		60,878	142,738
		<u>4,285,642</u>	<u>143,838</u>

4 Grants, subsidies, and contributions

(a) Recurrent

State Government subsidies and grants	3,995,773	2,860,917
Commonwealth Government subsidies and grants	206,634	1,684,582
	<u>4,202,407</u>	<u>4,545,499</u>

(b) Capital

State Government subsidies and grants	2,107,742	2,865,952
Contributed assets	1,660,286	-
Donations	3,420	-
	<u>3,771,448</u>	<u>2,865,952</u>

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Restrictions that have been placed on Council's cash and cash equivalents are disclosed in Note 9.

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.

Grants and subsidies are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

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

Non-cash contributions

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

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	481,090	31,123
Non-reciprocal grants for expenditure on infrastructure	4,008,162	3,486,683
	<u>4,489,252</u>	<u>3,517,806</u>

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

	Note	2019 \$	2018 \$
5 Employee benefits			
Total staff wages and salaries		3,438,630	3,607,424
Councillors' remuneration		358,533	312,916
Annual, sick and long service leave entitlements		314,712	398,067
Superannuation	20	399,953	376,668
		<u>4,511,829</u>	<u>4,695,075</u>
Isolation leave airfares		15,014	13,575
Other employee related expenses		101,304	126,310
		<u>4,628,147</u>	<u>4,834,959</u>
Less: Capitalised employee expenses		(32,275)	(256,562)
		<u>4,595,872</u>	<u>4,578,398</u>

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

Total Council employees at the reporting date:

	2019 No:	2018 No:
Elected members	5	4
Administration staff	19	23
Depot and outdoors staff	44	46
Total full time equivalent employees	<u>68</u>	<u>73</u>

	2019 \$	2018 \$
6 Materials and services		
Administration supplies & consumables	36,302	67,971
Audit of annual financial statements by the Auditor-General of Queensland	87,700	127,500
Accounting services by other parties	36,207	156,785
Bad debts	155,630	12,476
Communications & IT	803,042	625,963
Consultants	508,674	380,388
Council donation and contribution	6,212	45,507
Electricity	279,108	223,108
Equipment hire	19,859	27,635
Fire equipment & servicing	3,900	9,916
Freight & postage	81,791	279,389
Guest House food purchases	10,379	8,771
Housing construction	-	38,982
Insurance	710,750	383,124
Legal fees	56,773	105,358
Parts & repairs, and freight	64,671	7,066
Private works expenses	2,613,244	3,872,142
Other materials & services	740,433	342,094
Operating costs - airport	46,235	15,809
Operating costs - rodeo	47,660	16,317
Operating costs - feral domestic animals	2,727	54,909
Operating costs - guest house	6,045	7,509
Operating costs - water	408,179	48,591
Repairs & maintenance - buildings	206,199	141,346
Repairs & maintenance - plant & equipment	322,777	215,790
Running costs - Plant & equipment	244,746	131,884
Staff training	1,733	16,442
Subscription & Advertising	137,567	22,810
Tools & consumables	2,399	8,317
Travel	117,074	385,020
Water expenses	6,377	17,063
Youth services	130,890	46,613
	<u>7,895,283</u>	<u>7,842,594</u>

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
	\$	\$
7 Finance costs		
Bank charges	34,888	12,067
	<u>34,888</u>	<u>12,067</u>
8 Capital expenses		
(a) Loss on disposal of non-current assets		
Proceeds from the sale of property, plant & equipment	177,364	90,000
Less: book value of property, plant & equipment disposed of	<u>(178,020)</u>	<u>(234,201)</u>
Total loss on disposal of non-current assets	<u>(656)</u>	<u>(144,201)</u>
		Restated
	2019	2018
	\$	\$
(b) Restoration costs	<u>654,406</u>	<u>7,152</u>
	2019	2018
	\$	\$
9 Cash and cash equivalents		
Cash on hand	2,869	1,731
Cash at bank	1,820,493	2,645,107
QTC - sport precinct	4,029	93,330
QTC - investment account	<u>3,097,235</u>	<u>8,124,369</u>
Balance per Statement of Cash Flows	<u>4,924,625</u>	<u>10,864,537</u>

Cash and cash equivalents includes cash on hand, all cash and cheques received 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.

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

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

Unspent government grants and subsidies	4,489,252	3,517,806
Total unspent restricted cash	<u>4,489,252</u>	<u>3,517,806</u>

Cash and cash equivalents are held at Commonwealth Bank of Australia (CBA) and Queensland Treasury Corporation (QTC) in normal interest-bearing cheque accounts (CBA) and a mix of at-call and fixed-term deposit accounts (QTC).

Commonwealth Bank of Australia (CBA) currently has a short-term credit rating of A-1+ and long term rating of AA-.

Queensland Treasury Corporation (QTC) currently has a short-term credit rating of A-1+ and long term rating of AA+.

10 Trade and other receivables

Current

Rates debtors	243,136	196,656
Avdata	-	21,849
Contractor debtors	901,901	744,109
Housing rental	194,453	194,453
Less impairment	(499,974)	(410,834)
Accrued revenue	5,626	16,069
ATO receivables	139,368	-
Prepayments	<u>27,977</u>	<u>88,415</u>
	<u>1,012,487</u>	<u>850,716</u>

No interest is charged on debtors.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

10 Trade and other receivables (cont.)

	2019	2018
	\$	\$
Movement in accumulated impairment losses (housing and other debtors) is as follows:		
Opening balance at 1 July	(410,834)	(401,726)
Additional impairments recognised	(89,140)	(9,108)
Closing balance at 30 June	<u>(499,974)</u>	<u>(410,834)</u>

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 materials and services. 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 are written-off at 30 June.

11 Other financial assets

Current assets

Finance leases	721,914	711,158
	<u>721,914</u>	<u>711,158</u>

Non-current assets

Finance leases	23,235,661	19,733,010
	<u>23,235,661</u>	<u>19,733,010</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	721,914	711,158
Later than one year but not later than five years	2,887,654	2,844,631
Later than five years	20,538,868	20,944,017
	<u>24,148,436</u>	<u>24,499,806</u>
Add: Estimated contingent rent	13,028,713	13,733,110
Less: Present value adjustment	(13,219,576)	(17,788,747)
Fair value of lease payments	<u>23,957,574</u>	<u>20,444,168</u>

The fair value of lease payments is receivable as follows:

Not later than one year	721,914	711,158
Later than one year but not later than five years	2,884,136	2,766,599
Later than five years	20,351,524	16,966,412
	<u>23,957,574</u>	<u>20,444,168</u>

Movements in finance leases were as follows:

Opening balance	20,444,168	23,039,340
Less: Lease receipts	(711,158)	(699,137)
Add: Gain/(loss) on revaluation	4,224,564	(1,896,036)
Closing balance	<u>23,957,574</u>	<u>20,444,168</u>

Council has leased 230 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the first 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 or losses on revaluation of finance lease assets are recognised as other income/expense.

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% for the current year, and 2.5% for the prior year being the RBA's target inflation rate. The discount rate applied to the current year is based on the Queensland Treasury Corporation's CQTCI Longest Bond Rate of 2.55%(2018: 3.65%).

Finance leases are to the State of Queensland, represented by Department of Housing and Public Works. The likelihood of this counterparty not having capacity to meet its financial commitment is considered low.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

12 Intangible assets	Note	2019	2018
		\$	\$
Software			
Opening gross carrying value		209,948	209,948
Additions		-	-
		<u>209,948</u>	<u>209,948</u>
Accumulated amortisation			
Opening value		83,979	27,781
Amortisation in the period		41,990	56,199
		<u>125,969</u>	<u>83,979</u>
Net carrying value at 30 June		<u>83,979</u>	<u>125,969</u>

Intangible assets

Intangible assets with a cost or other value exceeding \$10,000 are recognised as intangible assets in the financial statements, items with a lesser value being expensed.

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

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

**Doomadge Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

13 Property, plant and equipment

Council - 30 June 2019

Basis of measurement

Asset values
Opening gross value as at 1 July 2018
Additions
Contributed assets
Disposals
Revaluation adjustment to asset revaluation surplus
WIP transfer
Closing gross value as at 30 June 2019

Building	Houses		Plant & equipment		Furniture & equipment		Other structures		Road & drainage network		Water		Sewerage		Work in progress		TOTAL	
	Fair Value	Fair Value	Cost	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost			
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
37,238,861	14,002,717	4,638,425	639,838	6,321,000	43,289,925	28,045,302	7,379,067	2,442,574	143,997,710	4,007,924	3,157,123	1,660,286	(707,987)	3,473,729	(5,279,578)	320,119	152,431,662	
1,530,296	191,669	189,535	4,911,229	639,838	6,806,840	29,132,020	7,403,120	24,053	3,457,735	46,859,150	6,501,365	2,507,039	118,800	2,890,657	(529,968)	-	46,375,547	
1,705,607	191,669	189,535	4,911,229	639,838	6,806,840	29,132,020	7,403,120	24,053	3,457,735	46,859,150	6,501,365	2,507,039	118,800	2,890,657	(529,968)	-	46,375,547	
1,500,660	191,669	189,535	4,911,229	639,838	6,806,840	29,132,020	7,403,120	24,053	3,457,735	46,859,150	6,501,365	2,507,039	118,800	2,890,657	(529,968)	-	46,375,547	
41,975,424	14,383,920	4,911,229	4,911,229	639,838	6,806,840	29,132,020	7,403,120	24,053	3,457,735	46,859,150	6,501,365	2,507,039	118,800	2,890,657	(529,968)	-	46,375,547	
11,688,590	5,018,624	2,654,504	2,654,504	537,810	2,172,806	15,294,810	6,501,365	2,507,039	15,294,810	15,294,810	6,501,365	2,507,039	118,800	2,890,657	(529,968)	-	46,375,547	
600,280	217,861	428,632	34,574	34,574	161,590	362,028	362,028	118,800	966,892	966,892	362,028	118,800	118,800	2,890,657	(529,968)	-	2,890,657	
(487,123)	119,886	(529,968)	(529,968)	(529,968)	(358,286)	(2,595,889)	(161,357)	59,409	(2,595,889)	(2,595,889)	(161,357)	59,409	59,409	(3,423,360)	-	-	(3,423,360)	
11,801,747	5,356,371	2,553,168	2,553,168	572,384	1,976,110	13,665,813	6,702,037	2,685,248	13,665,813	13,665,813	6,702,037	2,685,248	59,409	45,312,876	-	-	45,312,876	
30,173,678	9,027,549	2,358,060	2,358,060	67,454	4,830,730	33,193,337	22,429,983	4,717,872	33,193,337	33,193,337	22,429,983	4,717,872	320,119	107,118,786	-	-	107,118,786	
-	-	1,071,956	1,071,956	-	-	-	-	-	-	-	-	-	-	-	1,071,956	-	-	1,071,956
15-50	54-79	3-10	3-10	2-46	15-180	20-120	20-100	15-150	20-100	20-100	20-100	15-150	-	-	-	-	-	-
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,473,870	-	-	2,473,870
1,530,296	-	980,791	980,791	-	-	-	-	-	-	-	-	-	-	683,253	-	-	683,253	
1,530,296	-	980,791	980,791	-	-	-	-	-	-	-	-	-	-	3,157,123	-	-	3,157,123	

Accumulated depreciation

Opening balance as at 1 July 2018
Depreciation provided in period
Depreciation on disposals
Revaluation adjustment to asset revaluation surplus
Accumulated depreciation as at 30 June 2019

Total written down value as at 30 June 2019

Residual value
Range of estimated useful life in years

Additions comprise:

Renewals
Other additions
Total additions

**Doomadge Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

13 Property, plant and equipment (cont.)

Basis of measurement Asset values	Note	Houses		Plant & equipment		Furniture & equipment		Other structures		Road & drainage network		Water		Sewerage		Work in progress		TOTAL
		Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	
Opening gross value as at 1 July 2017	24	13,260,073	4,419,936	1,032,396	5,928,958	40,446,664	27,394,389	7,272,189	833,592	132,905,817								3,563,299
Correction of error		2,323,266	-	-	-	1,240,034	-	-	-	-	-	-	-	-	-	-	-	3,563,299
Restated opening balance		13,260,073	4,419,936	1,032,396	5,928,958	41,686,698	27,394,389	7,272,189	833,592	136,469,117								136,469,117
Additions		-	338,187	-	-	-	-	-	-	2,432,908	-	-	-	-	-	-	-	2,771,094
Disposals		(113,555)	(119,698)	(3,499)	-	-	-	-	-	-	-	-	-	-	-	-	-	(236,752)
Revaluation adjustment to asset revaluation surplus	24	1,501,409	742,644	-	392,042	1,499,298	650,913	106,878	-	-	-	-	-	-	-	-	-	4,893,183
Correction of error on revaluation		46,465	-	-	-	54,604	-	-	-	-	-	-	-	-	-	-	-	101,069
WIP transfer		774,600	-	-	-	49,325	-	-	-	-	-	-	-	-	-	-	-	-
Transfer between classes		389,058	-	(389,058)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2018		37,238,861	14,002,717	4,638,425	6,321,000	43,289,925	28,045,302	7,379,067	2,442,574	143,997,711								143,997,711
Accumulated depreciation																		
Opening balance as at 1 July 2017	24	9,639,116	2,250,133	507,308	1,887,244	13,497,294	6,001,780	2,357,429	-	40,675,922								1,269,465
Correction of error		808,740	-	-	-	460,725	-	-	-	-	-	-	-	-	-	-	-	2,676,947
Depreciation provided in period	24	503,816	405,975	45,981	148,830	890,016	358,955	117,092	-	51,914								51,914
Correction of error on depreciation charge for the year	24	35,229	-	-	-	16,686	-	-	-	-								-
Depreciation on disposals		-	(1,604)	(946)	-	-	-	-	-	(2,551)								(2,551)
Revaluation adjustment to asset revaluation surplus	24	670,277	276,724	-	136,733	407,605	140,630	32,518	-	1,664,488								1,664,488
Correction of error on revaluation		16,879	-	-	-	22,485	-	-	-	-								39,364
Transfer between classes		14,533	-	(14,533)	-	-	-	-	-	-								-
Accumulated depreciation as at 30 June 2018		11,688,590	5,018,624	2,654,504	2,172,806	15,294,810	6,501,365	2,507,039	-	46,375,548								46,375,548
Total written down value as at 30 June 2018		25,550,271	8,984,093	1,983,921	4,148,193	27,995,116	21,543,937	4,872,027	2,442,574	97,622,161								97,622,161
Residual value		-	-	568,000	-	-	-	-	-	-								568,000
Range of estimated useful life in years		15-60	54-79	3-10	15-180	20-120	20-100	15-150	-	-								-
Additions comprise:		\$	\$	\$	\$	\$	\$	\$	\$	\$								\$
Renewals		105,200	5,219	338,187	-	970,250	45,622	-	-	1,464,478								1,464,478
Other additions		1,306,616	-	-	-	-	-	-	-	1,306,616								1,306,616
Total additions		1,411,816	5,219	338,187	-	970,250	45,622	-	-	2,771,094								2,771,094

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

13 Property, plant and equipment (cont.)

Each class of property, plant and equipment is stated at amortised cost or fair values, 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 & equipment
Furniture & equipment
Other structures
Road & drainage 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.

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

Capital and operating expenditure

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

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

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

Valuation

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

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for 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. The valuer then determines suitable indices which are applied to each of these asset classes.

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

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

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

Details of valuers and methods of valuations are disclosed in the fair value section of Note 14.

Capital work in progress

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

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

13 Property, plant and equipment (cont.)

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.

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 34I of the *Land Act 1994*. It comprises an area approximately 468km north west of Mount Isa and 100km west of Burketown.

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 230 properties is leased to the State Government pursuant to the Indigenous Housing Arrangement (40 year lease).

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.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

14 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 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 2019.

	Note	Level 3	
		(Significant other observable inputs)	
		2019	Restated 2018
Recurring fair value measurements		\$	\$
Buildings			
- Commercial buildings	13	27,536,600	23,551,648
- Residential buildings	13	2,637,078	1,998,623
Houses	13	9,027,549	8,984,093
Other structures	13	4,830,730	4,148,193
Road and drainage network	13	33,193,337	27,995,116
Water	13	22,429,983	21,543,937
Sewerage	13	4,717,872	4,872,027
Other financial assets	11	23,957,574	20,444,168
		<u>128,330,723</u>	<u>113,537,805</u>

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 reviews the valuation methodology annually to ensure compliance with the requirements of AASB13 *Fair Value Measurement*.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

14 Fair value measurements (cont.)

Specific valuation techniques used to value Council assets

(i) Buildings and houses (level 3)

The fair value of buildings and houses has been derived from a comprehensive revaluation performed by independent valuer, APV Valuers & Asset Management effective 30 June 2019.

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 the cost approach (current replacement cost). Under this approach the cost to replace the asset is calculated and then adjusted to take account of any obsolescence. The valuer disaggregated the building into different components to aid with asset management planning. The components were further split into the short-life and long-life parts representing the estimated cost of renewal and the balance of the component. The value of each part was determined based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life.

Buildings and houses were disaggregated into difference components such as sub structure, super structure, floor coverings, fit-out & fittings, roof, electrical services, hydraulic services, mechanical services, fire services, transport services and security services.

The cost approach method is based on determining the replacement cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed obsolescence.

In accordance with the depreciation requirements of AASB 116, 'complex assets' are to be disaggregated into the different parts with a different useful life and depreciated separately. This includes splitting each component into the short-life and long-life (recyclable) parts.

The unobservable inputs (such the relationship between condition and the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

(ii) Infrastructure assets (level 3)

The fair value of infrastructure assets has been derived from a comprehensive revaluation performed by APV Valuers & Asset Management as at 30 June 2019.

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.

The unit rates used by APV Valuers & Asset Management were derived from a range of sources as follows:

- Actual construction or purchase prices for recent projects paid by the specific entity;
- APV Valuers & Asset Management database where it records details of actual cost from recent projects that it sources directly from its clients;
- Rawlinson's Construction Handbook or similar guides such as Cordells;
- Development of costs using first principles based on a number of models for specific asset types such as fencing developed by the valuers; and
- Benchmarking against other valuations.

As per AASB13 allowance was then made to adjust for condition and comparability.

The physical inspection of the asset is a critical aspect of the valuation process. Apart from confirming condition, the process also involves validation of key attributes such as material type, dimensions, etc.

For assets valued using the cost approach, except where noted below, all were physically inspected. This included validation of physical dimensions and characteristics.

- roads, drainage, water, sewerage and other structures – above ground: these assets were valued on the basis of physical validation through 100% inspection
- roads, drainage, water, sewerage and other structures – underground: reliance was placed on age and condition information supplied by Council.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

14 Fair value measurements (cont.)

Some assets such as underground structures and pits were unable to be inspected due to their nature and the cost involved in undertaking extensive engineering assessments. Where available, reliance was placed on condition assessment and attribute data maintained within the Council's asset management and GIS systems. As this data is used on a day-to-day basis to manage these assets, it was the most reliable and available source of information.

Where such data was not readily available, the valuers developed a range of assumptions based on the expected physical condition and attributes given the age of the asset and typical design characteristics. These assumptions were reviewed and confirmed as reasonable by Council.

Road and drainage network

Current replacement cost

Council categorises its road and drainage 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. 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 roads 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 are disclosed in Note 13.

Water and sewer

Current replacement cost

Current replacement costs 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, deterioration and 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, 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.

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 current 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.

Doomadgee Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2019

14 Fair value measurements (cont.)

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.

Other structures

Other structures includes airport and recreation facilities which have been valued at fair value with a full comprehensive valuation performed at 30 June 2019 by APV Valuers & Asset Management.

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.

(iii) Finance leases (level 3)

These assets relate to the housing leases in place to the Queensland Government for 40 years. Whilst the lease payment amounts are documented in the lease agreements (level 2), the calculation of the fair value of these assets is at the net present value incorporating an average annual CPI increase and discount rate which are both unobservable inputs (level 3). It is considered that these other inputs are significant to the valuation therefore overall valuation has been classified as level 3.

Finance leases are recognised at the net present value of the expected future discounted cash flows relating to the 40 year lease payments receivable (fair value). The calculation of fair value has included an estimate of average annual CPI increases of 2.5% for current year, and 2.5% for prior year and a discount rate of 2.55% for current year, and 3.65% prior year. The estimates of Consumer Price Index and discount rate comprise unobservable inputs (Level 3).

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

(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, Director of Corporate Services and Manager of Finance. 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 13. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

	2019	2018
Note	\$	\$
15 Trade and other payables		
Current		
Creditors & accruals	1,293,505	1,795,864
ATO Payable	272,483	239,117
Annual Leave	85,052	221,867
	<u>1,651,040</u>	<u>2,256,848</u>

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

Liabilities 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.

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.

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 month are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense.

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

	2019	Restated 2018
Note	\$	\$
16 Provisions		
Current		
Long service leave	130,349	109,138
	<u>130,349</u>	<u>109,138</u>
Non-current		
Long service leave	47,708	30,824
Restoration of refuse dump	4,516,805	3,862,399
	<u>4,564,512</u>	<u>3,893,223</u>
Details of movements in provisions:		
Restoration of refuse dump		
Balance at beginning of financial year	3,862,399	3,869,551
Net increase/(decrease) due to change in discount rate and estimated cost	654,406	(7,152)
Balance at end of financial year	<u>4,516,805</u>	<u>3,862,399</u>
Long service leave		
Balance at beginning of financial year	139,961	76,342
Long service leave entitlement arising	65,444	68,166
Long service leave entitlement paid	(27,348)	(4,547)
Balance at end of financial year	<u>178,057</u>	<u>139,961</u>

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

16 Provisions (cont.)

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 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 Australian Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

Restoration of Refuse Dump

A provision is made for the cost of restoring refuse dumps where it is probable the Council will be liable, or required, to do this when the use of the facilities is complete.

Council currently operates a landfill site based immediately north of Doomadgee and also has four other unauthorised tipping areas around Doomadgee Community. Although Council has only a legal liability to rehabilitate the licensed landfill, it is considered that Council also has a constructive liability to remediate the four unauthorised sites.

The provision for refuse restoration is calculated as the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. 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 2021.

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The projected cost is \$2,423,129 for the authorised site and \$1,735,786 for the unauthorised sites and this cost is expected to be incurred in 2021. It is estimated that there will be further monitoring costs of \$10,000 per annum being incurred for a period of 30 years after closure.

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.

	2019	Restated 2018
Note	\$	\$
17 Asset revaluation surplus		
Balance at beginning of financial year	46,141,884	42,851,483
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings	2,192,730	860,719
Houses	69,649	465,919
Other structures	714,612	255,309
Road & drainage network	2,707,379	1,123,812
Water	1,248,075	510,283
Sewerage	(35,356)	74,360
	6,897,088	3,290,401
Balance at end of financial year	53,038,972	46,141,884

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

17 Asset revaluation surplus (cont.)

	Note	2019 \$	Restated 2018 \$
Asset revaluation surplus analysis			
The closing balance of the revaluation surplus comprises the following asset categories:			
Buildings		18,898,331	16,705,600
Houses		6,111,097	6,041,448
Other structures		1,892,742	1,178,131
Road & drainage network		16,125,360	13,417,981
Water		8,065,279	6,817,204
Sewerage		1,946,163	1,981,519
		<u>53,038,972</u>	<u>46,141,884</u>

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.

18 Commitments for expenditure

	Note	2019 \$	2018 \$
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.			
Within one year		26,164	26,164
One to five years		130,822	130,822
Later than five years		-	-
		<u>156,986</u>	<u>156,986</u>

Contractual commitments

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

IT Vision Annual Subscription

Within one year		35,048	34,927
One to five years		175,238	174,634
		<u>210,285</u>	<u>209,561</u>

Capital commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Property, plant and equipment

Road, drainage & bridge network		197,000	1,000,000
Buildings		4,665,512	2,260,000
Water		500,000	400,000
Sewerage		300,000	500,000
Other		2,000,000	5,800,000
		<u>7,662,512</u>	<u>9,960,000</u>

These expenditures are payable as follows:

Within one year		3,127,000	2,940,000
One to five years		4,535,512	7,020,000
		<u>7,662,512</u>	<u>9,960,000</u>

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

19 Contingent liabilities

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 2019 the financial statements of the pool reported an accumulated surplus and it is not anticipated any liability will arise.

Local Government Workcare

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

20 Superannuation

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

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

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

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

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

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

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

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

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

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. Doomadgee Aboriginal Shire Council made less than 4% of the total contributions to the plan in the 2018-19 financial year.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

20 Superannuation (cont.)

	Note	2019 \$	2018 \$
Superannuation contributions paid by Council to the scheme for the benefit of employees was:		359,960	320,168
Other superannuation contributions for employees		39,993	56,500
Total superannuation contributions paid by Council for employees	5	<u>399,953</u>	<u>376,668</u>

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.

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

	Note	2019 \$	Restated 2018 \$
Net result		138,917	(2,626,386)
Non-cash items:			
Depreciation and amortisation		2,932,647	2,785,060
(Gain) / loss on revaluation of finance leases		(4,224,564)	1,896,036
		<u>(1,291,917)</u>	<u>4,681,095</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets		656	144,201
Capital grants and contributions		(3,771,448)	(2,865,952)
		<u>(3,770,792)</u>	<u>(2,721,751)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(161,771)	(196,978)
(Increase)/decrease in inventories		67,202	(58,365)
Increase/(decrease) in payables		(605,808)	1,712,516
Increase/(decrease) in provision		692,497	56,466
		<u>(7,880)</u>	<u>1,513,638</u>
Net cash inflow/(outflow) from operating activities		<u>(4,931,673)</u>	<u>846,600</u>

22 Related parties

(a) Transactions with joint ventures

	2019 \$	2018 \$
Rental income received from Enterprise Management Group Pty. Ltd. for use of council buildings	65,655	64,558

(b) Transactions with key management personnel (KMP)

KMP are the Mayor, Deputy Mayor, Councillors, Chief Executive Officer, Director of Corporate Services, Director of Communities, Director of Engineering, and Governance Officer. The compensation paid to KMP for 2018/19 was as follows:

Details of transaction	2019 \$	2018 \$
Short-term employee benefits	1,164,956	1,140,906
Post-employment benefits	126,372	128,049
Long-term benefits	51,877	-
Termination benefits	-	-
Total	<u>1,343,205</u>	<u>1,268,955</u>
* Detailed remuneration disclosures are provided in the annual report		

(c) Transactions with other related parties

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

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

22 Related parties (cont.)

Details of transactions between council and other related parties are disclosed below:

Details of transaction	Add'l info	2019	2018
		\$	\$
Purchase of materials and services from entities controlled by close family members of KMP	22(c)(i)	-	-
Employee expenses	22(c)(ii)	467,484	517,270
Total		467,484	517,270

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

(ii) All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform:

The council employs 68 staff of which 14 are close family members of key management personnel.

(d) Outstanding balances of related parties

Receivables	Amounts owed by entities controlled by close family members to KMP	
	2019	2018
	\$	\$
Past due 31-60 days	-	-
Past due 61-90 days	-	-
More than 90 days overdue	10,791	10,791
Total	10,791	10,791

Receivables	Amounts owed by KMP	
	2019	2018
	\$	\$
Past due 31-60 days	-	-
Past due 61-90 days	-	-
More than 90 days overdue	-	-
Total	-	-

No expense has been recognised in the current year or prior year for bad or doubtful debts in respect to amounts owed by related parties.

(e) Loans and guarantees to/from related parties

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

(f) Commitments to/from other related parties

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

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

- Payment of rates
- Use of the Community Halls
- Borrowing of books from the Council libraries

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

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

23 Events after the reporting period

Since 30 June 2019 the following significant events have occurred that have an impact on the governance of Council and impacted on its ability to meet its statutory financial reporting deadlines.

Stephen Wilton who replaced Rod Richardson in June 2019 has resigned in October 2019 and was replaced by Mr Garry Jeffries as CEO.

Management have confirmed that Council is not seeking protection from creditors pursuant to laws and regulations and that assets and liabilities are recorded on the basis that Council can realise its assets and discharge its liabilities in the normal course of business.

We have not identified any external factors that cast doubts over Council's ability to continue as a going concern.

No other material adjusting events have taken place since the end of the year.

24 Correction of errors

Understatement of property, plant and equipment

In the process of valuing the Council's assets at 30 June 2019, it was discovered that certain community housing, stormwater and road assets had been omitted from previous financial reports. This error has been corrected by adjusting the opening balances at 1 July 2017 and the comparative amounts for 2017-18. The adjustments are as follows:

	As at 30 June 2018	As at 1 July 2017
	\$	\$
Gross value of assets added	3,664,369	3,563,299
Accumulated depreciation	(1,360,743)	(1,269,464)
Net value	<u>2,303,626</u>	<u>2,293,835</u>
	Period ended 30 June 2019	Period ended 30 June 2018
	\$	\$
Increase in depreciation charge	-	51,914
Decrease in net result attributable to council	-	51,914
Increase in property, plant and equipment	-	61,705
Increase to revaluation surplus	-	61,705
Increase in property, plant and equipment	-	2,241,921
Increase in retained surplus	-	2,293,835

The depreciation charge and increase to the revaluation surplus for the period ended 30 June 2019 was calculated after the error was discovered and therefore did not need correction.

A restated Statement of Financial Position has been included in these financial statements as at 1 July 2017.

Understatement of restoration provision for landfill

Council currently operates a licensed landfill site and four other unauthorised tipping areas around Doomadgee Community. In the 2016/2017 and 2017/2018 financial statements Council recognised a provision for landfill restoration. It appears that it was assumed that the calculations for the provision covered primarily the licensed site but also included the four unauthorised sites. During the preparation of the provision for the year ended 30 June 2019 Council identified that the calculations used in previous years actually related to the unauthorised sites only and the licensed site had been incorrectly excluded from the provision.

This error has been corrected by adjusting the opening balances at 1 July 2017 and the comparative amounts for 2017-18. The adjustments are as follows:

	As at 30 June 2018	As at 1 July 2017
	\$	\$
Increase to the restoration provision for landfill	1,954,026	1,918,687
Net value	<u>1,954,026</u>	<u>1,918,687</u>

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

24 Correction of errors (cont.)

	Year ended 30 June 2019	Year ended 30 June 2018
	\$	\$
Increase in provision due to change in estimates	-	35,339
Decrease in net result attributable to council	-	35,339
Increase in balance of provision	-	1,918,687
Decrease in retained surplus	-	1,918,687

The movement on the provision for the year ended 30 June 2019 was calculated after the error was discovered and therefore did not need correction.

A restated Statement of Financial Position has been included in these financial statements as at 1 July 2017.

25 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 or commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

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

Financial assets	Note	2019 \$	2018 \$
Cash and cash	9	4,924,625	10,864,537
Trade and other receivables	10	984,510	762,302
Other financial assets	11	23,957,574	20,444,168
Total Financial Assets		<u>29,866,709</u>	<u>32,071,007</u>

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

25 Financial instruments (cont.)

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.

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.

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

At 30 June 2019, the exposure to credit risk for receivables by type of counterparty was as follows:

	2019	2018
	\$	\$
Rates and service charges	243,136	188,448
Corporate organisation	280,159	274,849
Government	788,988	501,921
Others	172,200	208,187
Total	1,484,483	1,173,405

A summary of the Council's exposure to credit risk for trade receivables is as follows:

	2019		2018
	Not credit-impaired	Credit-impaired	\$
	\$	\$	\$
Not past due	684,423	-	557,959
Past due 31-60 days	2,486	-	12,083
Past due 61-90 days	3,266	-	4,080
More than 90 days	794,308	-	599,282
Total gross carrying amount	1,484,483	-	1,173,405
Loss allowance	(499,974)	-	(410,834)
	984,510	-	762,572

Expected credit loss assessment as at 1 July 2018 and 30 June 2019.

Council provides for known impaired receivables.

Council uses a provision matrix to measure the expected credit losses of all other trade receivables from individual customers, which comprise a large number of small balances. Council believes the impact to not be material due to the current impairments of the trade receivables balance.

Loss rates are calculated using a specific percentage method based on probability of a receivable progressing through successive stages of delinquency to write-off.

Other financial assets

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

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

**Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019**

25 Financial instruments (cont.)

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2019					
Trade and other payables	1,565,988	-	-	1,565,988	1,565,988
	<u>1,565,988</u>	<u>-</u>	<u>-</u>	<u>1,565,988</u>	<u>1,565,988</u>
2018					
Trade and other payables	2,034,982	-	-	2,034,982	2,034,982
	<u>2,034,982</u>	<u>-</u>	<u>-</u>	<u>2,034,982</u>	<u>2,034,982</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

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

Sensitivity

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

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

	Net carrying amount	Effect on Net Result		Effect on Equity	
		1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2019					
QTC cash fund	3,101,264	31,013	(31,013)	31,013	(31,013)
	<u>3,101,264</u>	<u>31,013</u>	<u>(31,013)</u>	<u>31,013</u>	<u>(31,013)</u>
2018					
QTC cash fund	8,217,699	82,177	(82,177)	82,177	(82,177)
	<u>8,217,699</u>	<u>82,177</u>	<u>(82,177)</u>	<u>82,177</u>	<u>(82,177)</u>

26 Joint Venture

The Council has a 50% (2018: 25%) joint venture interest in Enterprise Management Group (EMG), the principal activity of which is to provide delivery of services under the Remote Jobs and Communities Program (RJCP) in Doomadgee Region. The original joint venture agreement was signed in March 2014 to deliver services under RJCP and Doomadgee Aboriginal Shire Council (DASC) was entitled to 25% of net profit. The initial agreement was varied in June 2018 replacing RJCP with Community Development Program (CDP) and increasing Council's entitlement to 50% of net profit. In accordance with ownership interests, Council holds 50% (2018: 25%) voting rights in the joint venture.

Council has determined that this joint arrangement is a joint venture under AASB 11 Joint Arrangements and accounts for this investment using the equity method. Under the equity method the investment is initially recognised at cost and is adjusted each year to recognise Council's share of profit or loss. Council's share of movements in other comprehensive income of the venture are recognised in other comprehensive income. Distributions received are recognised as a reduction in the carrying amount of the investment.

Doomadgee Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2019

26 Joint Venture (cont.)

Doomadgee CDP (formally Doomadgee RJCP) is an organisation whose aim is to provide employment opportunities for indigenous people. There is no contractual or other arrangement, or circumstances which indicate that Council, or any of the joint venture, have rights to assets or obligations for the liabilities of the joint venture except as provided under the joint venture agreement

The following information has been extracted from Doomadgee CDP (formerly Doomadgee RJCP) Joint Venture financial statements. Council has only been provided with a profit and loss statement and it appears that a balance sheet has not been maintained.

	2019	2018
	\$	\$
Revenue	2,075,500	2,816,823
Expenses	(2,018,311)	(3,295,935)
Profit/(loss) for the year	57,188	(479,112)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>57,188</u>	<u>(479,112)</u>

The movement in the carrying amount of the Council's investment in the joint venture is as follows:

Carrying amount at the beginning of the financial year	-	4,140
Share of profit (loss)	28,594	(4,140)
Carrying amount at the end of the financial year	<u>28,594</u>	<u>-</u>

* Share of loss of joint venture in 2018 was \$119,778 but can only be recognised to the extent of the carrying amount of the investment. It has been confirmed by EMG that the Council are not expected to contribute towards the loss incurred in this year.

The joint venture has been identified for the first time in the 2019 financial year and therefore never previously recognised in the financial statements. The movement on investment for the year ended 30 June 2018 or balance as at either 1 July 2017 or 30 June 2018 is not considered material and a prior year adjustment has not therefore been made.


**Doomadgee Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2019**

**Management Certificate
For the year ended 30 June 2019**

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 3 to 37, 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



Chief Executive Officer

Date: 21/02/2020

Date: 21/02/2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Doomadgee Aboriginal Shire Council

Report on the audit of the financial report

Qualified opinion

I have audited the accompanying financial report of Doomadgee Aboriginal Shire Council.

In my opinion, except for the possible effects of the matters described in the *Basis for qualified opinion* section of my report, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2019, and its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Acting Mayor and Chief Executive Officer.

Basis for qualified opinion

Recoverability of amounts owing from the Australian Taxation Office (ATO) – prior year

The 2017 Receivables balance included an amount owing from the ATO of \$58,694. Evidence shows this balance was overstated by \$184,000, resulting in Council having a liability to the ATO instead of a receivable. As Council has not corrected the amounts previously disclosed, I remain unable to form an opinion on the amount of Receivables at 1 July 2017 reported as \$652,738 in the statement of financial position.

I obtained sufficient appropriate audit evidence that the amounts reported in the statement of financial position at 30 June 2018 and 30 June 2019 in relation to the ATO are fairly stated.

Matters related to comparatives for depreciation expense and revaluation adjustments

In 2016-2017, I was unable to determine whether property, plant and equipment was complete and accurate due to the absence of a current asset register. I was unable to obtain sufficient appropriate audit evidence that the following amounts disclosed in the financial report were fairly stated in accordance with Australian Accounting Standards: property, plant and equipment and asset revaluation surplus as at 1 July 2017, reported as \$94,523,730 and \$42,851,453 respectively in the statement of financial position; depreciation expense for the year ended 30 June 2018 reported as \$2,676,947 in Note 13; and the increase in the asset revaluation surplus for the year ended 30 June 2018 reported as \$3,290,401 in the statement of comprehensive income. The impact of these matters on the financial report is unable to be quantified due to the absence of reliable data.

Council prepared an asset register as at 30 June 2018, and the amounts reported in the statement of financial position at 30 June 2019 and 30 June 2018 are fairly stated.

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

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

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

Other information

Other information comprises the information included in Doomadgee Aboriginal Shire Council's annual report for the year ended 30 June 2019, but does not include the financial report and my auditor's report thereon. At the date of this auditor's report, the other information was the current year financial sustainability statement and long-term financial sustainability statement.

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

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

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

Responsibilities of the council for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, except for the matters described in the *Basis of qualified opinion* section of my report, for the year ended 30 June 2019:

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



Sri Narasimhan
as delegate of the Auditor-General

27 February 2020

Queensland Audit Office
Brisbane

Doomadgee Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2019

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2019 against key financial ratios and targets:			
Operating Surplus Ratio	Net result (excluding capital) divided by total operating revenue (excluding capital)	-24%	0% to 10%
Asset Sustainability Ratio	Capital expenditure on replacement of assets (renewals) divided by depreciation expense.	102%	> 90%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-3%	< 60%

Note 1 - Basis of Preparation

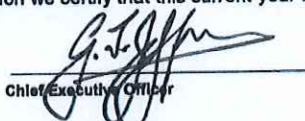
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2019.

Certificate of Accuracy
For the year ended 30 June 2019

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

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


 Mayor


 Chief Executive Officer

Date: 21/02/2020

Date: 21/02/2020

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Doomadgee Aboriginal Shire Council

Report on the current year financial sustainability statement

Opinion

I have audited the accompanying current year financial sustainability statement of Doomadgee Aboriginal Shire Council (the council) for the year ended 30 June 2019, comprising the statement, explanatory notes, and the certificate of accuracy given by the Acting Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Doomadgee Aboriginal Shire Council for the year ended 30 June 2019 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

Other information comprises the information included in Doomadgee Aboriginal Shire Council's annual report for the year ended 30 June 2019, but does not include the current year financial sustainability statement and my auditor's report thereon. At the date of this auditor's report, the other information was the general purpose financial statements and long-term financial sustainability statement.

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

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

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

Responsibilities of the council for the current year financial sustainability statement

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

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

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

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

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

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

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



Sri Narasimhan
as delegate of the Auditor-General

27 February 2020

Queensland Audit Office
Brisbane

**Doomadgee Aboriginal Shire
Unaudited Long-Term Financial Sustainability Statement
Prepared as at 30 June 2019**

Measures of Financial Sustainability	Measure	Target	Projected for the years ended										
			Actuals 30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029
Operating Surplus Ratio	Net result divided by total operating revenue	0% to 10%	-24%	-13%	-31%	-30%	-29%	-28%	-27%	-26%	-25%	-24%	-23%
Asset Sustainability Ratio	Capital expenditure on renewals divided by depreciation expense.	> 90%	102%	77%	69%	81%	71%	77%	75%	67%	77%	67%	70%
Net Financial Liabilities Ratio	Total liabilities less current assets divided by total operating revenue	< 60%	-3%	-71%	-79%	-79%	-80%	-79%	-78%	-77%	-77%	-78%	-78%

Doomadgee Aboriginal Shire Council's Financial Management Strategy

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

Certificate of Accuracy
For the year ended 30 June 2019

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


Chief Executive Officer

Date: 21/02/2020

Date: 21/02/2020