

Annual Report 2022–23



Cook Shire
COUNCIL

Yalada

Welcome (Kuku Yalanji)

Cook Shire Council acknowledges the Traditional Owners of Country throughout the Shire and recognises their continuing connection to lands, water and community. We pay our respects to the many Aboriginal and Torres Strait Islander peoples across our vast Shire and to Elders and leaders past, present and emerging.

COVER ART

Understanding Reconciliation

Reconciliation is a process that acknowledges the past wrongs to build relationships of mutual respect and understanding. The different skin toned dots in the top section of the painting acknowledges the diversity of people and cultures. They are surrounded by the rainbow serpent, which in my culture is a powerful symbol of connection. The footprints of animals symbolises our ancestors and our cultural ways – much of which has been lost since the colonisation of Australia. The black and white figures symbolise how far acknowledging the past can bring together culture and perspectives of many kinds.

Other aspects of my culture are celebrated in the large circles: culturally significant native animals of Australia; a white dot painting represents the Dreamtime and the importance of Indigenous cultures and spirit; the Great Barrier Reef, where many in my community go to connect and share knowledge, and a family walking towards the hope of Reconciliation and a future full of the merging of two different cultures.

If you look closer at my artwork, the circles and painting inside of them are not perfect. The shapes are not always clear and the colours are not harmonious. This was intentional, but at first, I did not know why this was important to me. Then I realised that Australia did not have peaceful treaty to Reconciliation. History is not perfect – so why should my painting be? We will all benefit by recognising and acknowledging our wrongs.

ABOUT THE ARTIST

Ilyaree Snider

A proud descendant of the KuKu Yalanji Nation from Laura, and the Guwamu and Yugambeh Nation from South Queensland, Ilyaree comes from a family of artists and creatives, and attributes much of her creative practice to her father Nash Snider, and her late mother Nefertiti Fogarty, both celebrated Indigenous artists, dancers and cultural leaders.

The second eldest of five sisters, Ilyaree aspires to become a Commercial Aviation Pilot with an international airline, so she can fulfil her dream of sharing her culture while seeing the world



Table of contents

Overview	3
Message from the Mayor	3
Message from the CEO	4
Cook Shire at a Glance 2023	5
Cook Shire's Councillors	6
Strategic and Operational Progress Assessment	7
Places for People	8
Wellbeing and Empowerment	9
Accessibility and Connectivity	11
Economic Development	12
Environmental Responsibility	13
Organisational Capability	14
Community Financial Report	15
Statement of Comprehensive Income	16
Operating Revenue	16
Operating Expenditure	17
Statement of Financial Position	17
What we Own	18
What we Owe	18
Statement of Changes in Equity	18
Statement of Cash Flows	19
Measures of Financial Sustainability	19
Legislated Reporting Requirements	20
Councillor Reporting Requirements	21
Councillors Remuneration	21
Council Meetings Attended	21
Councillor Conduct	22
Organisational Reporting Requirements	23
Beneficial Enterprises	23
Executive Remuneration	23
Community Grants and Sponsorship	24
Registers	25
Rating Concessions	26
Internal Audit Reporting	26
Excluded Reporting	27
Audited Financial Statements	28

Message from the Mayor



Cook Shire, often referred to as the “Heart of Cape York,” enjoys a unique and vital role in our regional economy, society, and environment. Our vast geographical reach encompasses the expanse from the Jardine River in the north to the Palmer River in the south, covering extensive regions along both the eastern and western coasts of Cape York Peninsula. We are proud to protect and steward a significant portion of the World Heritage Wet Tropics and the Great Barrier Reef.

Despite being Queensland’s largest land area shire, spanning 106,000 km², our population remains modest, with fewer than 6,000 residents. Consequently, we face challenges associated with limited political influence and a heavy reliance on grant funding, which covers approximately 85% of our operational costs and nearly 100% of our capital projects.

Our strategic partnerships, as outlined in the Torres Cape Indigenous Council Alliance (TCICA), Far North Queensland Regional Organisation of Councils (FNQROC), and Local Government Association Queensland (LGAQ), are robust. We maintain memorandums of understanding, work agreements, and collaborations with neighbouring shire councils. Together, we share responsibilities in areas such as social and disaster management, political advocacy, and regional welfare. We work closely with native title owners and ranger groups, national parks and landcare organisations, primary producers, local businesses, and numerous State and Federal government agencies, all of which contribute to the wellbeing of our vast, regional and remote shire.

Over the past year, our focus has been on enhancing our capacity and service provision throughout the shire. Cooktown, home to approximately 65% of our population, has seen significant infrastructure improvements, including water, sewerage, and urban development. To address the national housing and rental shortage, we’ve undertaken a land subdivision project in Cooktown, providing fully serviced and affordable building sites, coupled with a financial incentive program to encourage new housing.

Additionally, Government Employee Housing (GEH) is in the process of constructing up to 30 new units to accommodate the growing number of police, health, education and other government personnel. Private access to the rental market will benefit from this expansion.

We also anticipate substantial private investments to meet the growing demand for housing related to the planned expansion of the hospital, increased tourism, silica mining in Hope Vale, and the Lakeland Irrigation Area Scheme.

Our strength lies in our diverse and multicultural society. Our community comprises indigenous tourism and social welfare groups, Tongan and Samoan farm workers, individuals from various ethnic backgrounds in the hospitality and service industry, and the backpacker workforce, all of whom play a crucial role in our flourishing economy and vibrant social environment.

We bid farewell to long-time contributors including Wendy and Vince at Bramwell, Brad and Modena from Archer River, John and Mary at Musgrave, Sue and Gary at Lotus Bird and Peter and Francesca at Lakeland who are retiring, and extend our sincere gratitude for their dedicated service and contributions to our Shire’s success. Additionally, we pay tribute to those we’ve lost over the past year and honour their contributions towards our community’s development and ongoing success.

Looking ahead, the coming year will bring a new Council, and I extend my sincere appreciation to the current team for their diligent and collaborative efforts alongside the Council’s Executive Leadership Team and staff. Together, we have made remarkable strides in advancing our society and facilitating progress.

The heart of the Cape continues to beat with strength and vitality.

Cr Peter Scott
Mayor, Cook Shire Council

Message from the CEO



I am pleased to present the 2022–23 Annual Report on behalf of Cook Shire Council. This report signifies our commitment to transparency and accountability in our financial operations and governance during the past fiscal year.

Our efforts have yielded positive results, and highlight our unwavering dedication to cost control in a period marked by elevated inflation rates. Additionally, we have focused on enhancing our governance practices. These endeavours have allowed us to maintain rate increases well below the levels imposed by other councils in Queensland, alleviating cost pressures experienced by families and businesses nationwide.

Throughout the year, we have diligently pursued various community projects, including:

- Upgrades to the air conditioning system at the Cooktown Events Centre.
- Repairs to the Portland Roads Hall.
- General maintenance work at the pensioner units in Cooktown.
- Replacement of the water main on Helen Street in Cooktown.
- Expansion and lighting enhancements at Coen Airport.
- Upgrades at Coen Airport encompassing fuel facilities, parking areas, and signage.
- Jensens Crossing bridge renovation in Cooktown.

- Sealing of a segment of May Street in Cooktown.
- Replacement of the Battlecamp Road culvert.
- Numerous road seal improvements across the Cape York Peninsula.
- Disaster Recovery Funding Arrangement (DRFA) initiatives throughout Cape York Peninsula.

This list is by no means exhaustive, and our teams, both internal and contracted, have collaborated closely to ensure efficiency and value for every project. As this report goes to print, we anticipate the Charlotte Street Stage 5 works nearing completion, a development that will significantly enhance the Cooktown visitor experience and improve parking for recreational fishermen.

In my initial Annual Report message a year ago, I called upon our shire's communities to join us in shaping the future of this region. Our Community Scorecard results indicated room for improvement, but we have remained steadfast in becoming a more outward-facing organisation. While we acknowledge criticism for areas where we can improve, it has been gratifying to receive increasing support and recognition from our residents as the year has progressed. To my dedicated team, I extend my heartfelt appreciation for embracing this challenge.

The year ahead is poised to bring its own set of challenges, with local and state elections disrupting our usual business operations and limited funding opportunities constraining the work we can deliver. Regardless of the hurdles we face, rest assured that we are your council, and we remain resolute in our commitment to serving our communities.

Brian Joiner
CEO, Cook Shire Council

Cook Shire at a Glance 2023

4,673 people live in our region across 106,073 km²



2,934 km of road network[^]



- 238 km sealed[^]
- 2,165 km gravel[^]
- 215 km unpaved[^]
- 316 km unmaintained[^]

112 km of water and sewer mains^{*}



198 buildings^{*}

4 airports^{*}

346 businesses[^]

2,423 rateable properties

\$7,159,000 building approvals[^]

[^]Source: id.com.au

^{*}Source: Cook Shire Council Asset Management Strategy, June 2019

Cook Shire's Councillors



Cr Peter Scott, Mayor

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Cr Robyn Holmes, Deputy Mayor

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Cr Peter Burns

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Cr John Dessmann

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Cr Larissa Hale

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Cr Ross Logan

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Cr Marilyn Morris

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Strategic and Operational Progress Assessment

Section 190 of the Queensland *Local Government Regulation 2012* requires Council's Chief Executive Officer to provide an annual assessment of Council's progress in implementing our 2022–2027 Corporate Plan and 2022–23 Operational Plan.

Following is an overview of the progress made against the key priorities identified in the 2022–2027 Corporate Plan and the operational initiatives undertaken in the 2022–23 financial year that support the implementation of those priorities.





“ Creation of relaxed, welcoming and liveable places and spaces for all. ”

Places for People

Cook Shire Council has made significant strides in enhancing the quality of life for our residents through a range of projects and policies that enhance places for people throughout the shire. The focus has been on stimulating housing development, planning for future community needs, and improving existing infrastructure.

To encourage housing development, Council implemented a Residential Housing Development Incentive Policy. This strategic measure includes reduced infrastructure charges for multiple dwelling and dual occupancy projects, along with general rates relief for owner-occupied new house builds on vacant land. This initiative is designed to stimulate housing construction within the region..

In anticipation of future community growth in Lakeland, Council is proactively investing in comprehensive planning. This forward-looking approach encompasses housing, water and wastewater needs, community services, and public spaces. By addressing these fundamental aspects, our Council aims to create sustainable and inclusive communities that cater to the evolving needs of our residents.

Council’s capital works program remains pivotal in enhancing existing infrastructure to enhance functionality and enjoyment for the community. Projects encompassed various upgrades, including the air conditioning system at the Cooktown Events Centre and necessary repairs at the Portland Roads Hall.

Maintaining essential services such as water, wastewater, and waste removal involves ongoing investment in infrastructure maintenance and upgrades. As part of our capital works, we’ve upgraded the Cooktown water mains and made progress on the electrical/SCADA control system upgrade across all treatment plants..

Council’s commitment to “Places for people” is evident through strategic policies, community planning, and targeted infrastructure upgrades, aiming to create a vibrant, welcoming, and responsive environment for its residents.



“ Development of a resilient, healthy and compassionate Shire, united in community pride. ”

Wellbeing and Empowerment

Cook Shire Council demonstrated a strong commitment to wellbeing and empowerment through a range of initiatives across a broad range of focus areas.

In a noteworthy first, the Council engaged in a community survey, assessing community perceptions, well-being, customer experience, and satisfaction across the shire.

The survey emphasised Council’s strengths in acknowledging Indigenous peoples, culture, and heritage, along with its commendable performance in airport and library services. It also identified key community priorities, including access to housing, health and community services, and the improvement of local roads and bridges, which are now guiding enhancements in service delivery, positively impacting residents’ quality of life.

Council’s dedication to connecting with, promoting and preserving cultural knowledge was demonstrated when it became one of the first councils in Australia to endorse the Uluru Statement from the Heart. The adoption of Council’s inaugural Reconciliation Action Plan and the successful delivery of the Coen Yarning

Circle project further demonstrates the commitment Council has to developing respectful relationships with First Nations peoples across the shire.

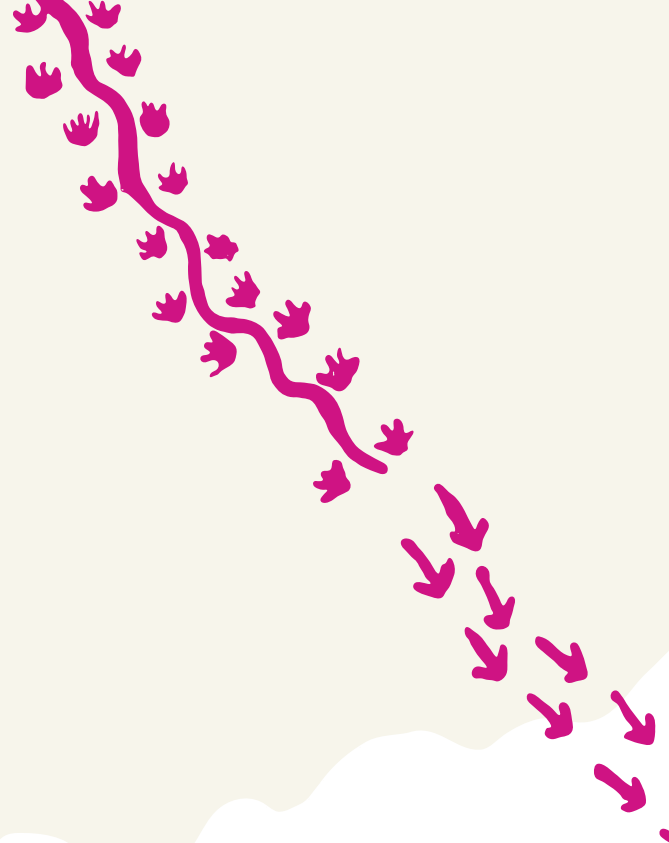
Acknowledging the significance of appropriate aged-care facilities, Council prioritised works to repair Cooktown’s pensioner units and continued to work with stakeholders to progress plans for a dedicated aged-care facility in Cooktown. Such initiatives aim to provide and enhance affordable independent living accommodation options to the shire’s ageing population.

Sustained backing for community groups like the Bloomfield River District River Association, Lakeland Progress Association, Rossville and Districts Citizens Association, as well as the interagency groups in Cooktown, Laura, and Coen, has led to the effective completion of several community projects. These include the development of a memorial wall in Bloomfield, strengthened connections with local stakeholders, and better coordination of services throughout the region.

A comprehensive evaluation of arts and cultural needs and interests throughout the entire shire led to the

creation of a series of arts initiatives planned for the upcoming year. This project, supported by Regional Arts Services Network (RASN), aims to involve artists from all communities in the region to implement various arts projects.

During the 2022–23 period, Council, as a founding partner, supported the development of the Country University Centre (CUC) Cape York. This dedicated study and learning space in Cooktown offers local students easy access to high-speed internet, modern learning facilities, and academic support for pursuing degrees or vocational education training. The CUC facilitates networking opportunities among students, fostering a sense of belonging to a nation-wide learning community that ultimately contributes to academic success.





“ A growing shire that supports active, connection and mobile communities. ”

Accessibility and Connectivity

Enhancing accessibility and connectivity is a responsibility Council takes very seriously as it works to ensure the shire is accessible to all and remains digitally connected.

In supporting active transport throughout Cooktown, Council released revised walking and cycling trail maps, promoted and supported the Big Run for Little Athletics as part of the 2023 Cooktown Discovery Festival and welcomed the annual Cardiac Challenge participants as they rode into Cooktown from Cairns in support of the Far North Queensland Hospital Foundation..

Council's comprehensive annual road program improves the level of accessibility and connectivity for community members, tourists, businesses and industries across Cook Shire and Cape York Peninsula. Including maintenance, betterment and capital projects, the program contributes significantly to the Shire's economy while delivering key road infrastructure such as Jensens Crossing bridge, the Sherrin Esplanade upgrade and significant work on Aurukun Road.

In a shire that stretches across 106km², air transport is vital for movement of people and goods and delivery of essential health services. The extension of the Coen runway and the upgrade to runway lighting are pivotal projects in ensuring Coen remains a place that meets community needs. The upgrades ensure that vital air services such as the Royal Flying Doctor Service and freight deliveries can continue to service the area. Additionally, in 2022–23 Council successfully delivered the parking and access road realignment projects at Cooktown Airport that not only provides immediate benefits for community members using the facility, it also facilitates Council's plan to develop the Cooktown Aviation Precinct that will further improve accessibility and connectivity throughout Cape York Peninsula and beyond.

In order to improve telecommunications across the shire, Council continues to advocate with Telstra and NBNCo. During the reporting period, a joint funding application with Telstra was lodged for improved mobile communication on the Mulligan Highway and the Peninsula Developmental Road and Council began trialling alternate service providers to improve connectivity and accessible for remote staff.



“ A sustainable, diverse and innovative economy that attracts investment and provides local employment all year round. ”

Economic Development

Council reaffirmed our commitment to developing and encouraging sustainable, economic development for the shire by supporting businesses and industries across the region, focusing on local business improvement through advocacy, networking, and campaigns. This dedication is evident in ongoing support for the Cooktown Chamber of Commerce and Tourism (CCCT), that includes initiatives such as Council's role as a Small Business Friendly Council and our support for Queensland's Business Launchpad service, which provides guidance and assistance to new and established businesses in the shire.

Council operations include an extensive invasive weeds and animals management program to protect prime agricultural land across the shire. Council also continues to advocate strongly with the Department of Agriculture and Fisheries for support for farmers and graziers in the shire, including the potential development of a specialist research facility in the region. Further underlining our support for the region's agricultural and food-business industries, Council continues to promote and support Cooktown Food Connect and the FNQ Food Incubator program that foster growth in the sector by providing mentorships and resources.

To guide future economic growth, Council initiated the development of an Economic and Trade Investment Strategy and a Tourism Marketing Strategy. The establishment of the Cook Shire Investment Roundtable, featuring influential members including the Assistant Tourism Minister, Regional Development Australia Tropical North, Advance Cairns, and Tourism Tropical North Queensland (TTNQ), further encourages regional development. Similarly, a tripartite partnership agreement between Council, TTNQ, and CCCT emphasises growing the regional tourism industry through enhanced marketing and promotional activities, extending the tourist season beyond traditional limits, and pursuing an event placement program and promoting Cooktown as a fly-drive destination.

Building further on this, Council has also been proactive in advocating for extending the Electric Super Highway to Cooktown and maintains membership in the Drive North Queensland program to cultivate the self-drive market in the region for continued growth and development opportunities.



“ To be recognised as a leader in environmental management, enhancing and sustainably managing our local natural areas and resources. ”

Environmental Responsibility

Reflecting Council’s commitment to environmental responsibility and dedication to sustainable practices and protection of the region’s ecosystems, key initiatives undertaken in 2022–23 focused on securing water resources, managing invasive species, and contributing to the conservation of the Great Barrier Reef.

Water is a precious resource, and in anticipation of future growth in Lakeland, Council has secured an appropriate water allocation. This forward-thinking measure ensures that the community’s needs will be met sustainably, mitigating potential water scarcity issues and supporting the region’s development in an environmentally responsible manner.

Council also documented and commenced implementation of a comprehensive Biomass Grass Management Strategy. This initiative focuses on identifying areas of risk posed by invasive species, offering strategies to minimise the impact. Through collaborative programs, Council has remained diligent in our efforts in pest control with a particular emphasis on invasive weeds of all varieties and the management of feral pigs, preserving the natural habitats and biodiversity within the Shire.

Recognising the interconnectedness of local actions with broader environmental concerns, Council actively collaborates with state and federal agencies on strategies to protect the Great Barrier Reef. A notable initiative is erosion control and road runoff. Council embarked on a program to reduce run off to the reef through sealing of roads and road shoulders within the Endeavour and Annan River catchment areas. This proactive measure prevents pollutants from entering waterways, contributing to the overall health and resilience of the Great Barrier Reef.

Reducing risks associated with natural disasters is another way Council demonstrated our dedication to protecting the environment and building community resilience. Funded by Get Ready Queensland and Queensland Risk Reduction and Resilience Fund, key initiatives included strategically installing Automatic External Defibrillators (AEDs) in vital community locations and conducting a schedule of hazard reduction burns in collaboration with Rural Fire, Fire & Rescue, Queensland National Parks, and the Department of Natural Resources.



“ An organisation characterised by strong leadership, good governance, effective community engagement and excellence in delivery. ”

Organisational Capability

Cook Shire Council’s initiatives in 2022–23 that focused on enhancing organisational capability, showcase a commitment to building a resilient and forward-looking organisation. Through strategic investments in staff development, IT infrastructure, and youth engagement, Council is well positioned to navigate the challenges of the future while fostering a culture of innovation and inclusivity.

One of the key initiatives undertaken by Cook Shire Council to enhance organisational capability is the implementation of a comprehensive staff development program. The program aims to enhance the skills of both current and new staff, fostering a versatile workforce equipped to tackle evolving challenges. It offers diverse development options including secondments, coaching, work experience, support and flexible work arrangement for staff undertaking training, certifications, diplomas, and degrees.

Workplace Health and Safety (WHS) is an integral part of our operations, and it is our duty to ensure the safety, health, and welfare of all who contribute to our community’s success. We have continued to invest in staff training, safety equipment, and health and safety systems. In the upcoming year, our goals include, enhancing safety protocols, establishing clear WHS performance metrics and utilising safety performance data to inform decisions that are proactive and ensure compliance.

To uphold our commitment to engaging and supporting young people, Cook Shire Council continues to collaborate closely with the Youth Council. This partnership serves as a platform for dialogue, ensuring that the voices of the young people are heard and considered in Council’s decision-making processes. By providing guidance and support to the Youth Council, Council aims to foster an environment where young people feel included, valued, and empowered to contribute to the community’s development.

Community Financial Report

The Community Financial Report is a summary of the information contained in Council's General Purpose Financial Statements for the period 1 July 2022 to 30 June 2023 and has been provided to enable community members to obtain an improved understanding of Council's financial performance over the last financial year.



Statement of Comprehensive Income

The Statement of Comprehensive Income (formerly the Profit and Loss Statement) shows the details of Council's operating and capital income as well as expenses for a specified reporting period. Revenue less expenses will result in either a net result (profit) or deficit (loss).

A Summarised Statement of Comprehensive Income for the year ended 30 June 2023 is shown in the table below:

	\$ '000
Operating Revenue	75,351
Less: Operating Expenses	-78,032
Operating Position*	-2,681
Plus: Capital Income	21,060
Less: Capital Expenses	245
Net Result	18,134

Operating Revenue

Total operating revenue for the year was \$75.3 million and this revenue is derived from various sources. The significant majority of Council's revenue is Grants and Contributions that account for 81.93% of total operating revenue. The following table and graph provide a breakdown of operating revenue categories and the relevant percentage of total revenue for the financial year.

	\$ '000	%
Rates, levies and charges	8,773	11.64%
Fees and charges	1,079	1.43%
Sales revenue	1,304	1.73%
Grants and contributions	61,734	81.93%
Rental income	691	0.92%
Interest received	584	0.77%
Other income	1,186	1.57%
Total Operating Revenue	75,351	100%



Operating Expenditure

Total operating expenses of \$78.03 million were incurred during the year 1 July 2022 to 30 June 2023. The largest portion of funds was spent on materials and services and totalled \$49.5 million or 63.55% of total operating expenditure.

Materials and services expenditure typically includes but is not limited to, administration, project delivery, repairs and maintenance of Council's roads, drainage and bridge network, water and wastewater services, parks and open spaces and various community services.

Of the \$49.5 million of materials and services, \$37.56 million related to the restoration of flood-damaged road assets.

	\$ '000	%
Employee benefits	14,421	18.48%
Materials and services	49,588	63.55%
Finance costs	660	0.85%
Depreciation and amortisation	13,363	17.13%
Total Operating Expenditure	78,032	100%



Statement of Financial Position

The Statement of Financial Position (formerly known as the Balance Sheet) shows Council's assets and liabilities at a point in time. The statement measures what Council owns (assets) and what Council owes (liabilities). The difference between these two components is the net equity of Council and our community, referred to as Community Equity.

	\$ '000	%
Assets - What Council owns		
Cash assets	43,728	7.18%
Receivables	2,447	0.40%
Inventories	914	0.15%
Contract assets	14,350	2.36%
Other assets	-	0.00%
Non current assets held for sale	505	0.08%
Property, plant and equipment	546,888	89.83%
Total Assets	608,831	100%
Less: Liabilities - What Council Owes		
Payables	5,040	12.38%
Contract liabilities	19,868	48.80%
Borrowings	2,695	6.62%
Provisions	12,187	29.93%
Other liabilities	923	2.27%
Total Liabilities	40,713	100%
Net Community Assets - What Council is Worth	568,118	

What we Own

As at 30 June 2023 Council assets were valued at \$608.5 million, of which, \$546.8 million related to Council's major assets being property, plant and equipment. Property, plant and equipment consist of various fixed asset classes that are detailed in the following table:

	\$ '000	%
Land	15,912	2.91%
Buildings	51,486	9.41%
Plant and equipment	3,132	0.57%
Furniture and equipment	106	0.02%
Road, drainage and bridge network	371,882	68.00%
Water	38,106	6.97%
Sewerage	24,177	4.42%
Other structures	26,416	4.83%
Works in progress	15,671	2.87%
Total Property, Plant and Equipment	546,888	100%



What we Owe

Council's recognised total liabilities at 30 June 2023 of \$40.7 million. The majority of this balance provision is \$12.1 million, being the amount for expected costs in employee entitlements and rehabilitating its rubbish tips and gravel quarries in the long term. Council's borrowing are \$2.69 million.

Statement of Changes in Equity

The equity in Council's operation, which is commonly referred to as Community Equity, is its net assets derived from the difference between total assets and total liabilities at the end of the financial year. The change in equity reflects the variance in Council's net assets between the start of the financial year (1 July) to the end of the financial year (30 June).

As at 30 June 2023, Total Community Equity was \$568.119 million representing an increase of \$212.890 million from the start of the financial year.

Community Equity comprises of the following components:

	2023 \$'000	2022 \$'000
Asset revaluation surplus	455,180	273,283
Retained surplus/(deficiency)	109,806	78,813
Reserves	3,132	3,132
Total Community Equity	568,119	355,228

Statement of Cash Flows

The Statement of Cash Flows measures the inflow and outflow of cash during the reporting period. The statement is categorised into three groups:

- **Net cash from operating activities:** These are normal day-to-day functions of Council. This would include receipts such as rates, fees and charges, interest received on investments and payments of employee wages, materials and services.
- **Net cash from investing activities:** Including capital grants for the purchase and construction of property, plant and equipment and proceeds from the sale of assets.
- **Net cash from financing activities:** These are repayments of loans, as well as the inflows from new loans drawn down in the year (if any). The inflow represents the drawdown from the working capital facility to fund flood damage works.

	\$ '000
Cash and cash equivalent beginning balance	22,881
Net cash from operating activities	30,087
Net cash from investing activities	-8,703
Net cash from financing activities	-537
Cash and Cash Equivalents Closing Balance	43,728

Cash at the end of the year was \$43.7 million. This is represented in note 9 of the Financial Statements as the cash and cash equivalents less the amount of the overdraft facility.

Measures of Financial Sustainability

The *Local Government Regulation 2012* requires Council to report its results for the financial year against selected financial sustainability ratios. The financial ratios are shown below:

Ratio	What the ratio provides	How the ratio is calculated	Ratio	Target
Operating surplus ratio	The operating surplus ratio is an indicator of how well revenue raised can cover operating expenditure.	Net result divided by total operating revenue	-4%	0 - 10%
Asset sustainability ratio	This ratio shows the level that Council is replacing assets as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	137%	> 90 %
Net financial liabilities ratio	The net financial liabilities ratio is an indicator of the extent to which the net financial liabilities can be serviced by operating revenue.	Total liabilities less current assets divided by total operating revenue	-26%	< 60%

Legislated Reporting Requirements

The Queensland *Local Government Act 2009* and associated *2012 Regulation* requires Council to include in our Annual Report specific information that promotes an informed community and a transparent Council. The following sections detail information required to be included in the Annual Report relevant to both Council and the Shire.



Councillor Reporting Requirements

Section 186 of the *Local Government Regulation 2012* requires Council's Annual Report to include information regarding its Councillors as follows:

Councillors Remuneration

For each Councillor the Annual Report must detail facilities provided to, expenses incurred by, and the total remuneration, including superannuation contributions, paid to each Councillor during the financial year.

Mayor and Councillor	Gross Salary	Superannuation Contribution	Expenses Incurred
Mayor Peter Scott	\$110,385.78	\$13,246.22	\$20,699.58*
Deputy Mayor Robyn Holmes	\$63,684.22	\$7,642.09	\$5,627.07
Cr Peter Burns	\$55,192.71	\$5,795.14	\$136.92
Cr John Dessmann	\$55,192.71	\$6,622.98	\$0.00
Cr Larissa Hale	\$55,192.71	\$6,622.98	\$0.00
Cr Ross Logan	\$55,192.71	\$5,795.14	\$1,086.25
Cr Marilyn Morris	\$55,192.71	\$5,795.14	\$2,317.60

* Mayoral expenses include \$4,528.80 which has been offset from external sources.

Facilities provided to Cook Shire's Councillors during the 2022–23 financial year include meeting rooms and other spaces, technology as required to undertake official Council business, administrative facilities, uniforms and personal protective equipment, insurance cover, appropriate professional development and use of Council vehicles when required for Council business.

Section 186 (1)(a)&(b) Local Government Regulation 2012

Council Meetings Attended

Elected representatives are expected to attend the relevant Council and committee meetings as part of their commitment to the Shire and as part of their official duties. Section 186 (c) of the *Local Government Regulation 2012* requires Council to report on the number of meetings attended by each Councillor during the 2022–23 financial year.

In the 2022–23 financial year, the following Council meetings were held:

- 12 Ordinary Council Meetings
- 1 Planning and Environment Meeting
- 6 Special Council Meetings

Mayor and Councillors	Ordinary Council Meetings	Planning and Environment Meetings	Special Council Meetings
Mayor Peter Scott	11	1	5
Deputy Mayor Robyn Holmes	12	1	6
Cr Peter Burns	11	1	6
Cr John Dessmann	10	1	5
Cr Larissa Hale	10	1	5
Cr Ross Logan	11	1	6
Cr Marilyn Morris	12	1	6

Section 186 (1)(c) Local Government Regulation 2012

Councillor Conduct

Councillor conduct is regulated through the Queensland *Local Government Act 2009* and the associated *2012 Regulation*.

Section 186 of the Regulation requires Cook Shire Council to include in the Annual Report particulars of any decisions, orders, recommendations, complaints, referrals, or notifications made with reference to Councillor Conduct as follows:

The number of orders and recommendations made under section 150I(2) of the Local Government Act 2009:

No orders made regarding unsuitable meeting conduct

The number of orders made under section 150AH(1) of the Local Government Act 2009:

No orders made regarding inappropriate conduct

The number of decisions, orders and recommendations made under section 150AR(1) of the Local Government Act 2009:

No decisions, orders or recommendations made regarding inappropriate conduct or misconduct

*Section 186 (1) (d) (i-iii) Local Government Regulation 2012
Section 186 (1) (e) (i-iii) Local Government Regulation 2012 Not Applicable*

The number of complaints referred to the assessor under section 150P(2)(a) of the *Local Government Act 2009* by the local government, a councillor of the local government, or the Chief Executive Officer of the local government:

One complaint was referred to the Assessor by the local government, a Councillor of the local government, or the Chief Executive Officer of the local government

The number of matters, mentioned in section 150P(3) of the Local Government Act 2009, notified to the Crime and Corruption Commission:

No matters notified to the Crime and Corruption Commission

The number of notices about misconduct given under section 150R(2) of the Local Government Act 2009:

No notices regarding indicated Councillor misconduct sent to the Assessor

The number of notices given under section 150S(2)(a) of the Local Government Act 2009:

No notices regarding Councillors disciplined for misconduct sent to Assessor

Section 186 (1)(f)(i)-(iv) Local Government Regulation 2012

The number of decisions made under section 150W(1)(a), (b) and (e) of the *Local Government Act 2009* relating to Councillor conduct:

*One complaint was dismissed by the Assessor in accordance with section 150W(1)(a)
No complaints referred by the Assessor to the local government to deal with under section 150W(1)(b)
No complaints decided by the Assessor under section 150W(1) (b) and (e)*

Section 186 (1)(f)(v)

The number of referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Local Government Act 2009:

No referral notice was issued to Cook Shire Council under section 150AC(3)(a) of the Act relating to suspected inappropriate conduct

The number of occasions information was given under section 150AF(4)(a) of the Local Government Act 2009:

No information was sent the assessor under section 150AF(4)(a) relating to suspected inappropriate conduct

The number occasions the local government asked another entity to investigate, under Chapter 5A, Part 3, Division 5 of the Local Government Act 2009, suspected inappropriate conduct of a Councillor:

Cook Shire Council did not ask another entity to investigate suspected inappropriate conduct of a Councillor

The number of applications heard by the conduct tribunal under Chapter 5A, Part 3, Division 6 of the *Local Government Act 2009* about whether a Councillor engaged in misconduct or inappropriate conduct:

No matter was referred to the conduct tribunal under Chapter 5A, Part 3, Division 6 of the Act

Section 186 (1)(f)(vi)-(ix) Local Government Regulation 2012

Organisational Reporting Requirements

Cook Shire Council's Annual Report must contain information relating to specific legislative activities, decisions, resolutions and policy as follows. Where information is required to be included in the Annual Report but that information does not pertain to Cook Shire Council, the exclusion has been noted at the end of the section.

Beneficial Enterprises

A local government's Annual Report must itemise all beneficial enterprises conducted by the local government. Beneficial enterprises are enterprises that benefit all or part of the local government area. Through the contribution of annual funding, Cook Shire Council conducted three beneficial enterprises during the 2022–23 financial year:

- The Barrier Reef Childcare Centre
- Nature's Powerhouse Visitor Information Centre
- The PCYC Community Events Centre

Section 41 Local Government Regulation 2012

Executive Remuneration

The *Local Government Act 2009* requires Council to report on the total remuneration packages payable to its senior executive employees.

Council employs four full-time senior executives including Council's Chief Executive Officer. The total remuneration paid in the 2022–23 financial year to executives was \$1,048,343. All four of our senior executives receive salary packages within the salary band of \$200,000 and \$300,000.

Section 201 Local Government Act 2009

Community Grants and Sponsorship

The Annual Report of a local government must contain a summary of the local government's expenditure on grants to community organisations made during the financial year. The following tables details all grants funded by Cook Shire Council during the financial year:

Sponsorship and In-Kind Support Program

The Annual Report of a local government must contain a summary of the local government's expenditure on grants to community organisations made during the financial year. The following tables details all grants funded by Cook Shire Council during the financial year:

Recipient	Amount	Purpose
Cooktown Amateur Swimming Club	\$5,000	Sponsorship for the Cooktown Swimming Club members to fly to Darwin and compete in the 2022 Country Championships
Far North Queensland Hospital Foundation	\$3,000	Sponsorship to support the annual QSuper Cardiac Challenge
Cape York Folk Club	\$3,000	Sponsorship for First Aid at the 2022 Wallaby Creek Festival
Conquer the Corrugations	\$5,000	Sponsorship for the 2-day mental health awareness walk. Funding provided temporary fencing, signage, construction materials to improve infrastructure and COVID safety items.
Cooktown Amateur Turf Club	\$3,188	Sponsorship for a water truck to water the track leading up to the 148th Annual Cooktown Race Day
Coen Regional Aboriginal Corporation	\$5,000	Sponsorship towards Troy Cassar-Daley performance for 2023 NAIDOC Week
Cooktown Amateur Swimming Club	\$236.36	In-kind support of an annual pool pass donation for their Monster Christmas Raffle
Cooktown District Community Centre	\$1,000	Sponsorship towards the annual Christmas hampers for vulnerable families.
Cooktown Underwater Hockey	\$5,000	Sponsorship for 9 competitors to travel and compete at the 2023 National Finals competition in Bunbury, Western Australia
South Cape York Catchments	\$1,818.18	Sponsorship for venue hire at the PCYC for Wellbeing and Mental Health Big Day Out.
Ang-Gnarra Aboriginal Corporation	\$4,000	Sponsorship to assist with the costs of temporary infrastructure and in-kind support for the temporary event permit
Yuku Baja Muliku Landowner & Reserves	\$3,700	Sponsorship to assist in purchasing a PA System, marquee, official event shirts, flags, sashes and sponsorship banner
Bloomfield River District Residents Association Inc.	\$4,000	Sponsorship for the Bloomfield Cultural Bazaar, community and cultural event to bring the wider community together. The event included a live stage for performances, stalls and other activities
Cooktown Little Athletics	\$4,000	Sponsorship to assist with the cost of a marquee, shirts and trophies for the Stage 3 Fun Run during the Cooktown Discovery Festival.
Cooktown Kindergarten Association Inc.	\$4,983	Sponsorship for their fundraising event. Funding supported purchasing food, stationary, IT equipment, chairs, eskys, BBQ and equipment, volunteer t-shirts, trolley and COVID safe equipment
Friends of the Foundation	\$122	In-kind support of PA System for fundraising fete
Lakeland Horse Sports Association Inc.	\$600	In-kind support of 12 barrels for the Lakeland Horse Sports event
Total	\$53,647	

Regional Arts Development Fund (RADF) Program

Recipient	Amount	Purpose
Cooktown Creative Arts Association	\$4,000	Art workshops and school holiday program
Cooktown Re-enactment Association	\$4,000	A series of free weaving workshops held by local Indigenous artists
Rachel R Wright	\$4,175	Introduction to resin art workshop
Total	\$12,175	

Community Grants

Recipient	Amount	Purpose
Laura & District Rodeo & Campdraft Association Inc	\$5,000	Purchase of two Solar Street Lights to place at main entry gate and stock loading ramp and purchase of a new safety vest and two helmets for the safety of junior rough stock riders
Bloomfield Beach Camp	\$4,760	Purchase of equipment for weekly outdoor cinema nights and website upgrades
Cooktown P-12 State School P&C	\$5,000	Installation of two water bubblers
Rossville Retreat	\$5,000	Promote Rossville Retreat and the First Nations tourism experience through development of a website platform and online booking system
Mossman & District Gymnastics Club	\$2,636	Free community gymnastics classes in Cooktown during the 2023 School holidays for children of all ages.
Artisan Bay	\$5,000	Art and craft workshops for children and adults. Workshops were run by local Cooktown artists
Cooktown School of Arts Association	\$4,100	The project included working with local professional and emerging artist to develop a new body of portraiture work. The work was then exhibited during the 150 year celebrations of the settlement of Cooktown in October 2023.
Hill Top Farm Pty Ltd	\$4,850	Production of a short video of Hilltop Farm for tourists to preview what they can experience when visiting the farm
Total	\$36,346	

Section 189 (former version) & 354 Local Government Regulation 2012

Registers

Council's registers take different forms to align with various corresponding legislative requirements and to provide for operational functionality. Where required, Council's registers are published and made available for purchase. Registers kept and maintained by Council are presented below:

A	L
Abandoned Vehicles Register	Land Liable to Flooding Register (Mapped)
Administrative Action Complaints Register	Local Heritage Identification (Mapped)
Asbestos Register	Local Laws Register
Asset Register	M
B	Market Stalls Register/s
Backflow Device Register	P
C	Procurement Register
Cemetery Register	Property Register
Community Grants Register	R
Conflict of Interest Register	Register of Cost-Recovery Fees and Schedule of Fees and Charges
Corporate Strategic Risk Register	Register of Interests
Council Grants and Funding Agreements Register	Roads Map and Register
Councillor Conduct Register	S
D	Sewerage and Greywater Use Facilities Register
Delegations Registers	Swimming Pool Registers
Development and Change Applications Register	T
Dog Registry	Trade Waste Register
E	W
Employee Register	WHS Hazard Register
F	WHS Incident and Accidents Register
Flood Damage Register	
Food Business Licence Register	

Section 190 (1)(f) Local Government Regulation 2012

Rating Concessions

Cook Shire Council granted a range of rebates and concessions for rates and charges to assist the community through the 2022–23 financial year. These included:

- Home dialysis concession
- Rates relief for charitable organisations
- Rates relief for residential ratepayers
- State and local government pensioner subsidy scheme
- Concession for concealed water leaks

In the first half of 2022–23, 254 pensioners received rates concessions at a cost of \$23,088.83. In the second half of the financial year, 246 pensioners received a rates concession at a cost of \$23,364.53.

The total cost of rates concessions for the 2022–23 financial year was \$46,453.36.

Section 190 (1)(g) Local Government Regulation 2012

Internal Audit Reporting

Council has a legislative responsibility to establish an Internal Audit function, which includes undertaking an internal audit plan each financial year. The purpose of the Internal Audit function is to objectively evaluate the organisation's business processes, work practices and systems of internal control, report on opportunities for improvement, and to recommend enhancements to the effectiveness of internal controls and business practices.

To ensure the independence and objectivity of the internal audit function, Council has outsourced this function to appropriately qualified internal audit consultants. For the financial year ended 30 June 2023, these internal audit activities were undertaken by the Mead Perry Group.

In establishing the Annual Internal Audit Plan, management considers all areas of its operations and prioritises internal audit reviews where potential benefits are seen to enhance the effectiveness and efficiencies of operation. For the 2022–23 financial year, the following areas were reviewed by the internal auditors:

Rates

- Scope of work: Review the processes, procedures and controls in place to manage rate and property records processes ensuring compliance with legislation and relevant policies

Purchasing

- Review the processes, procedures and controls in place to manage accounts payable for suitability with business needs and compliance

The report on this internal audit review was presented to Council's Audit and Risk Committee in May 2023. The Audit and Risk Committee continues to receive updates from management on progress in implementing the recommendations of this review.

Section 190(1) (h) Local Government Regulation 2012

Excluded Reporting

The following reporting requirements, as prescribed by the *Local Government Act 2009* and *2012 Regulation* are not applicable to Cook Shire Council:

Non- Current Physical Assets

During the 2022–23 financial year Council made no resolution adopting a Non-Current Assets Policy

Section 185 (a) Local Government Regulation

Expense Reimbursement Policy

During the 2022–23 financial year Council made no resolution adopting an Expense Reimbursement Policy

Section 185(a) Local Government Regulation

List of Business Activities

During the 2022–23 financial year Council undertook no significant business activities.

Section 45 Local Government Act 2009

Discretionary Funds

During the 2022–23 financial year Cook Shire Councillors were not provided with a budget for discretionary funds.

Section 189(2)(c) Local Government Regulation 2012

Commercial Business Units

During the 2022–23 financial year Council did not maintain any commercial business units.

Section 190(1)(c) Local Government Regulation 2012

Joint Local Government Activity

During the 2022–23 financial year Council undertook no joint local government activity.

Section 190 (1)(d)(i) Local Government Regulation 2012

Change to Tenders

Cook Shire Council issued no requests for tenders to be changed during the 2022–23 financial year.

Section 190 (1)(e) Local Government Regulation 2012

Competitive Neutrality

No complaints under section 49 of the *Local Government Regulation 2012* in relation to competitive neutrality were received by Council during the 2022–23 financial year.

Section 190 (1)(i) & (j) Local Government Regulation

Overseas Travel

No Councillors or Cook Shire Council employees travelled overseas on Council business in the 2022–23 financial year.

Section 188 Local Government Regulation 2012

Audited Financial Statements



Cook Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2023

a *dynamic* team supporting a *vibrant* community



Cook Shire Council

General Purpose Financial Statements

For the year ended 30 June 2023

Contents	Page
Primary Financial Statements:	
Statement of Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3
Statement of Cash Flows	4
Notes to the Financial Statements	
1 Information about these financial statements	5
2a Council functions – component descriptions	6
2b Council functions – analysis of results by function	7
3 Revenue	8
4 Capital income	10
5 Employee benefits	10
6 Materials and services	11
7 Finance costs	11
8 Capital expenses	11
9 Cash and cash equivalents	12
10 Receivables	13
11 Property, plant and equipment	15
12 Contract balances	21
13 Payables	21
14 Borrowings	21
15 Provisions	22
16 Other liabilities	23
17 Asset revaluation surplus	24
18 Commitments for expenditure	24
19 Contingent liabilities	24
20 Superannuation - regional defined benefit fund	25
21 Reconciliation of net result for the year to net cash inflow/(outflow) from operating activities	26
22 Reconciliation of liabilities arising from finance activities	26
23 Events after the reporting period	26
24 Financial instruments and financial risk management	27
25 National competition policy	29
26 Transactions with related parties	30
27 Correction of prior period error	31
Management Certificate	32
Independent Auditor's Report	33
Current Year Financial Sustainability Statement	36
Certificate of Accuracy - Current Year Financial Sustainability Statement	37
Independent Auditor's Report - Current Year Financial Sustainability Statement	38
Unaudited Long Term Financial Sustainability Statement	40
Certificate of Accuracy - Unaudited Long Term Financial Sustainability Statement	41

Cook Shire Council

Statement of Comprehensive Income for the year ended 30 June 2023

	<u>Notes</u>	<u>2023</u> \$'000	<u>2022</u> (Restated) \$'000
Income			
Revenue			
Recurrent revenue			
Rates, levies and charges	3a	8,773	8,188
Fees and charges	3b	1,079	1,317
Sales revenue	3c	1,304	1,103
Grants, subsidies, contributions and donations	3d	61,734	58,809
Total recurrent revenue		<u>72,890</u>	<u>69,417</u>
Capital revenue			
Grants, subsidies, contributions and donations	3d	15,388	14,763
Total capital revenue		<u>15,388</u>	<u>14,763</u>
Other income			
Rental income		691	517
Interest received		584	141
Other income		1,186	430
Other capital income	4	5,672	-
Total other income		<u>8,133</u>	<u>1,088</u>
Total income		<u>96,412</u>	<u>85,268</u>
Expenses			
Recurrent expenses			
Employee benefits	5	14,421	14,726
Materials and services	6	49,588	43,268
Finance costs	7	660	194
Depreciation - Property, plant and equipment	11	13,363	11,134
Total recurrent expenses		<u>78,032</u>	<u>69,322</u>
Other expenses			
Capital expenses	8	245	1,144
Total capital expenses		<u>245</u>	<u>1,144</u>
Total expenses		<u>78,277</u>	<u>70,465</u>
Net result		<u>18,134</u>	<u>14,803</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	11	181,169	35,680
Total other comprehensive income for the year		<u>181,169</u>	<u>35,680</u>
Total comprehensive income for the year		<u>199,303</u>	<u>50,483</u>

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

Cook Shire Council

Statement of Financial Position

as at 30 June 2023

	Notes	2023 \$'000	2022 * \$'000
Assets			
Current assets			
Cash and cash equivalents	9	43,728	23,872
Receivables	10	2,447	5,048
Inventories		914	405
Contract assets	12	14,350	4,970
Other assets		-	16
Non Current Assets Held for Sale		505	-
Total current assets		61,943	34,312
Non-current assets			
Property, plant and equipment	11	546,888	363,827
Total non-current assets		546,888	363,827
Total assets		608,831	398,139
Liabilities			
Current liabilities			
Payables	13	5,040	2,818
Contract liabilities	12	19,868	4,158
Borrowings	14	513	1,505
Provisions	15	2,746	2,766
Other liabilities	16	129	135
Total current liabilities		28,297	11,382
Non-current liabilities			
Borrowings	14	2,182	2,719
Provisions	15	9,441	14,493
Other liabilities	16	793	729
Total non-current liabilities		12,416	17,941
Total liabilities		40,712	29,323
Net community assets		568,119	368,815
Community equity			
Asset revaluation surplus	11	455,180	274,011
Retained surplus		109,806	91,672
Reserves		3,132	3,132
Total community equity		568,119	368,815

The above statement should be read in conjunction with the accompanying notes and accounting policies.

(* In preparing the financial statements for the year ended 30 June 2023, Council identified and corrected an error relating to a previous period. Refer to Note 27 for details of the error and corrections made.

Cook Shire Council

Statement of Changes in Equity for the year ended 30 June 2023

	Note	Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
Balance as at 1 July 2022		274,011	91,672	3,132	368,815
Net result		-	18,134	-	18,134
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	11	181,169			
Total comprehensive income for the year		181,169	18,134	-	199,303
Transfers from reserves		-	-	-	-
Balance as at 30 June 2023		455,180	109,806	3,132	568,119
	Note	Asset revaluation surplus \$'000	Retained surplus \$'000	Other reserves \$'000	Total equity \$'000
Balance as at 1 July 2021		237,603	64,010	3,132	304,745
Correction of prior period error		-	12,859	-	12,859
Balance as at 1 July 2021 (restated)		237,603	76,869	3,132	317,604
Net result		-	14,803	-	14,803
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	11	36,408	-	-	35,880
Total comprehensive income for the year		36,408	14,803	-	51,211
Balance as at 30 June 2022		274,011	91,672	3,132	368,815

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Cook Shire Council

Statement of Cash Flows

for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers		12,348	11,793
Payments to suppliers and employees		(62,220)	(58,602)
		<u>(49,872)</u>	<u>(46,809)</u>
Receipts			
Interest received		584	141
Rental income		691	517
Non capital grants and contributions		72,902	60,761
Payments			
Borrowing costs		(203)	(225)
Net cash inflow (outflow) from operating activities	21	<u>24,102</u>	<u>14,385</u>
Cash flows from investing activities			
Receipts			
Proceeds from sale of property plant and equipment		280	-
Proceeds from sale of land		816	-
Grants, subsidies, contributions and donations		13,577	16,815
Payments			
Payments for property, plant and equipment		(17,390)	(18,508)
Net cash inflow (outflow) from investing activities		<u>(2,717)</u>	<u>(1,693)</u>
Cash flows from financing activities			
Repayments			
Repayment of borrowings		(537)	(506)
Net cash inflow (outflow) from financing activities		<u>(537)</u>	<u>(506)</u>
Net increase (decrease) for the year		<u>20,848</u>	<u>12,186</u>
Cash and cash equivalents at the beginning of the financial year		<u>22,881</u>	<u>10,695</u>
Cash and cash equivalents at end of the financial year	9	<u>43,728</u>	<u>22,881</u>

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 1. Information about these financial statements

(1.a) Basis of preparation

The Cook 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 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the Local Government Regulation 2012.

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

These financial statements have been prepared under the historical cost convention, except for the revaluation of certain classes of property, plant and equipment, and inventory held at the lower of cost or net realisable value.

(1.b) New and revised Accounting Standards adopted during the year

The Cook Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022. There was no impact to the reported position, performance and cash flows as a result of applying these standards.

(1.c) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards which are not effective at 30 June 2023. These standards have not been adopted by Council and will be included in the financial statements at their effective dates. Once effective, these standards are not expected to have a significant impact on the reported position, performance and cash flows of Council.

(1.d) Estimates and Judgements

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

- Valuation and depreciation of property, plant & equipment - Note 11
- Impairment of property, plant and equipment - Note 11
- Provisions - Note 15
- Contingent liabilities - Note 19
- Financial instruments and financial assets - Note 24
- Revenue - Note 3

(1.e) Rounding and Comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less to zero, unless otherwise stated. Comparative information is stated on the same basis as the prior year.

(1.f) Taxation

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

(1.g) Impacts from the COVID-19 pandemic

Council has assessed the impact of the COVID-19 global pandemic and found whilst there were significant impacts on some local business and individuals, there were no material financial implications for Council the financial year ending 30 June 2023.

No changes were made to supplier payment terms. Council did not experience significant difficulties or delays in carrying out capital and operational works.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 2(a). Council functions - component descriptions

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

Executive Services

The objective of executive services is to be open, accountable, and transparent and deliver value for money community outcomes. This function focuses on strategic and operational planning, risk management, legal and administrative support.

This function also includes the human resources and workplace health and safety functions of Council.

Corporate Services

Provides the administrative services of Council including financial management, budget control, asset management, building maintenance, records management and customer service.

Economic Development & Community Services

The goal of economic development and community services is to ensure Cook Shire is a vibrant community and remains attractive to visitors and investors.

This function is also responsible for providing community facilities including libraries and recreation facilities.

Engineering Services

Engineering services are responsible for management of the engineering department and ensuring that the community is serviced by a high quality and effective road and drainage network. When applicable, the department also oversees the restoration works as approved by the Disaster Recovery Funding Arrangements (DRFA).

The provision of a healthy, safe community through the provision of sustainable water services through the supply of potable water, the maintenance of sewerage infrastructure assets and management of Council's waste and recycling programs and processes.

The department also manages the operations of the Cooktown, Coen and Laura aerodromes, including refueling facilities, maintenance of parks and gardens, and various gravel pits throughout Cook Shire.

Planning & Environmental Services

This function facilitates the Shire's growth through well planned and quality development through management of the planning and building practices and standards and to ensure that Cook Shire preserves the natural character of the region while overseeing environmental protection programs and effective animal control by enforcing Council's local laws.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 2(b) Council Function - Analysis of results by function

Year ended 30 June 2023

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
Executive Services	45	18	-	-	63	(5,195)	-	(5,195)	(5,131)	(5,131)	-
Corporate Services	13,238	6,002	9,676	821	29,637	(6,004)	(246)	(6,249)	13,237	23,388	100,989
Economic Development and Community Services	247	581	764	-	1,592	(62,535)	-	(62,535)	(61,707)	(60,943)	19,410
Engineering Services	48,204	6,957	5,049	4,852	65,062	(3,563)	-	(3,563)	51,598	81,497	485,578
Planning and Environmental Services	-	59	-	-	59	(736)	-	(736)	(677)	(677)	2,857
Total	61,734	13,618	15,388	5,673	96,412	(78,032)	(245)	(78,277)	(2,681)	16,134	606,831

Year ended 30 June 2022

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net result	Assets
	Recurrent		Capital			Recurrent	Capital				
	Grants	Other	Grants	Other							
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Executive Services	-	117	-	-	117	(3,619)	-	(3,619)	(3,502)	(3,502)	1
Corporate Services	16,519	5,240	8,978	-	30,737	(6,777)	(1,143)	(7,920)	14,962	22,817	81,932
Economic Development and Community Services	583	298	54	-	935	(3,159)	-	(3,159)	(2,277)	(2,224)	18,143
Engineering Services	41,706	5,966	5,732	-	53,404	(54,928)	-	(54,928)	(7,257)	(1,524)	282,343
Planning and Environmental Services	1	75	-	-	76	(838)	-	(838)	(762)	(836)	2,732
Total	59,809	11,696	14,763	-	86,268	(69,322)	(1,143)	(70,465)	1,183	14,728	384,551

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue

(a) Rates, levies and charges

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

Note	2023	2022
	\$'000	\$'000
General rates	4,804	4,412
Separate rates	287	274
Water	910	884
Water consumption, rental and sundries	830	921
Sewerage	1,434	1,356
Waste management	97	92
Garbage charges	532	498
Total rates and utility charge revenue	8,885	8,417
Less: Discounts	(175)	(180)
Less: Pensioner remissions	(47)	(49)
Total Rates, Levies and Charges	8,773	8,188

(b) Fees and charges

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

Building and development fees	181	185
Airport landing fees	148	144
Other statutory fees and charges	113	88
Waste management and transfer fees	469	537
Swimming pool fees	54	66
Halls and community centre fees	46	34
Other fees and charges	86	263
Total Fees and Charges	1,078	1,317

(c) Sales revenue

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

Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees.

This revenue and the associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Where consideration is received for the service in advance it is included in contract liabilities and is recognised as revenue in the period when the service is performed. There are no contracts in progress at the year end. The contract work carried out is not subject to retentions.

Rendering of services

Contract and recoverable works	47	6
Airport services	848	652
Total Sale of services	894	658

Sale of goods

Other sale of goods	410	445
	410	445

Total Sales Revenue

	1,304	1,103
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Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

Performance obligations vary in each agreement but include stage of completion, performance achieved, time or cost incurred. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others. Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract. Where control is transferred over time, revenue is recognised using either costs or time incurred.

Grant income under AASB 1068

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

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

Donations and contributions

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the council. Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Physical assets contributed to council by developers in the form of road works, stormwater, water and wastewater infrastructure and park equipment are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

Note	2023 \$'000	2022 \$'000
(i) Operating		
General purpose grants	16,985	15,095
State government subsidies and grants	1,053	1,314
Commonwealth government subsidies and grants	41	121
Donation	0	-
Contributions	124	58
Disaster Recovery Funding Arrangements (DRFA)	43,531	42,220
Total Recurrent Grant, Subsidies, Contributions and Donations	61,734	58,809

(ii) Capital

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

State government subsidies and grants	12,255	10,764
Commonwealth government subsidies and grants	3,117	3,914
Contributions	16	85
Total Capital Grant, Subsidies, Contributions and Donations	15,388	14,763

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 3. Revenue (continued)

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

	Note	2023		2022	
		Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000	Revenue recognised at a point in time \$'000	Revenue recognised over time \$'000
Grants and subsidies	3d	17,333	59,649	15,954	57,478
Contributions	3d	140	-	58	85
		<u>17,473</u>	<u>59,649</u>	<u>16,012</u>	<u>57,561</u>

Note 4. Capital income

	Note	2023 \$'000	2022 \$'000
(a) Gain/Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment	11	280	-
Less: Carrying value of disposed property, plant and equipment		(55)	-
		<u>225</u>	<u>-</u>
(b) Provision for restoration of land			
Provision and discount rate adjustment to refuse restoration provision	15	5,447	-
		<u>5,447</u>	<u>-</u>
Total Capital Income		<u>5,672</u>	<u>-</u>

Note 5. Employee benefits

Accounting Policy

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

Wages and salaries		11,161	11,295
Councillors' remuneration		451	443
Annual, sick and long service leave entitlements		2,731	2,575
Superannuation	20	1,541	1,520
		<u>15,885</u>	<u>15,833</u>
Other employee related expenses		320	508
		<u>16,204</u>	<u>16,339</u>
Less: capitalised employee expenses		(1,783)	(1,613)
Total Employee Benefits		<u>14,421</u>	<u>14,726</u>

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

Additional Information

Total Council employees at the reporting date:

	2023 Number	2022 Number
Elected members	7	7
Administration staff	87	87
Depot and outdoors staff	67	74
Total full time equivalent employees	<u>161</u>	<u>168</u>

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 6. Materials and services

Accounting Policy

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

	Note	2023 \$'000	2022 \$'000
Advertising, marketing and promotion		42	44
Audit of annual financial statements by the Auditor-General of Queensland*		128	94
Consultants		646	719
Contractors		3,497	3,582
Cost of Sales - Land		736	-
Disaster Recovery Funding Arrangements (DRFA)		37,587	33,138
Donations paid		115	86
Fuel and oils		1,318	970
Insurance		700	613
IT - software and hardware		373	341
Legal costs		212	245
Management fees		199	148
Other materials and services		2,564	1,763
Royalties		230	411
Subscriptions and registrations		174	156
Travel		227	209
Utilities		860	757
Total Materials and Services		49,588	43,267

*Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$126,000 (2022:\$110,000).

Note 7. Finance costs

Finance costs charged by the Queensland Treasury Corporation	163	183
Bank charges	50	42
Impairment of receivables	74	(190)
Quarry and tip rehabilitation	372	180
Total Finance Costs	660	194

Note 8. Capital expenses

(a) Loss on disposal of non-current assets

Proceeds from the disposal of property, plant and equipment	-	-
Less: Carrying value of disposed property, plant and equipment	-	17
Loss on disposal of non-current assets	-	17

(b) Provision for restoration of land

Additional provision and discount rate adjustment to refuse restoration provision		-	-
Discount Rate adjustment to rehabilitation liability	15	-	1,127
		-	1,127

(c) Impairment loss

Non-current assets classified as held for sale		245	-
		245	-
Total Capital Expenses		245	1,144

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Cash and cash equivalents

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

	2023 \$'000	2022 \$'000
	<u>Note</u>	
Cash and cash equivalents		
Cash at bank and on hand	20,563	19,468
Deposits at call	23,165	4,404
Balance per Statement of Financial Position	<u>43,728</u>	<u>23,872</u>
Less bank overdraft	-	(992)
Balance per Statement of Cash Flows	<u>43,728</u>	<u>22,881</u>
Total Cash and Cash Equivalents	<u>43,728</u>	<u>22,881</u>

Council is exposed to credit risk through its investments in the QTC cash fund and QTC working capital facility. The QTC cash fund is an asset management portfolio investing in 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-", the likelihood of the counterparty not having capacity to meet its financial commitments is low.

Cash and cash equivalents		43,728	23,872
Less: Externally imposed restrictions on cash	(i)	<u>(22,074)</u>	<u>(5,868)</u>
Unrestricted cash		<u>21,654</u>	<u>18,006</u>

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

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

Unspent government grants and subsidies	20,409	4,260
Unspent loan monies	1,284	1,284
Unspent Headworks	381	324
Total externally imposed restrictions on cash assets	<u>22,074</u>	<u>5,868</u>

(ii) Internal allocations of cash at the reporting date

Future asset replacement / purchases	1,897	1,851
Total internally allocated cash	<u>1,897</u>	<u>1,851</u>

Cash and deposits at call are held in the Westpac Bank in term deposits and business cheque accounts. At call accounts are held with QTC.

Cash at bank and on hand at 30 June 2023 includes \$540,284 received from the State Government to mitigate the direct impacts on households of the State Waste Levy. Council was provided upfront payment to cover the next four financial years to 2026-2027.

Trust funds

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include those funds from the sale of land for arrears in rates, deposits for the contracted sale of land, security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 9. Cash and cash equivalents (continued)

	Note	2023 \$'000	2022 \$'000
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out		194	217
Security deposits		1	1
		<u>195</u>	<u>218</u>

Note 10. Receivables

Receivables, loans and advances are amounts owed to Council at year end and are recognised at the amount due at the time of sale of service delivery or advance. Settlement of receivables is required within 30 days after the invoice is issued. Terms for loans and advances are usually a maximum of five years with interest charged at non-commercial rates. Security is not normally obtained.

Receivables are measured at amortised cost which approximates fair value at reporting date. Trade debtors are recognised at the amounts due at the time of sale of service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June 2023. If an amount is recovered in a subsequent period it is recognised as revenue. The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

	Note	2023 \$'000	2022 \$'000
Current			
Rates and charges		1,598	1,825
Statutory charges		-	80
Water charges not yet levied		352	425
Other debtors		899	3,282
GST recoverable		-	(16)
Total		<u>2,849</u>	<u>5,376</u>
Less: Loss Allowance			
Rates and charges		(403)	(328)
Other debtors		-	-
Total provision for impairment - receivables		<u>(403)</u>	<u>(328)</u>
Total Current Receivables		<u>2,447</u>	<u>5,048</u>

Accounting policies - Grouping

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of debt written off exceeds the loss allowance, the excess is recognised as an impairment loss.

Accounting for impairment losses is dependent upon the individual group of receivables subject to impairment. The loss allowance for grouped receivables reflects lifetime expected credit losses and incorporates reasonable and supportable forward-looking information. Economic changes impacting debtors, and relevant industry data form part of the impairment assessment.

Council has identified 5 distinctive groupings of its receivables: Rates & Charges, Statutory Charges, Grants, Lease Receivables and Other Debtors.

Rates and Charges: Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts and therefore the expected credit loss is immaterial. Impairment of rates and charges will occur only if arrears are deemed to be greater than the proceeds Council would receive from the sale of the respective property.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 10. Receivables (continued)

Statutory charges: In some limited circumstances Council may write off impaired statutory charges, on this basis Council calculates an ECL for statutory charges (non-rates & utility charges). Although not material, disclosure is being made for the purposes of public interest and transparency.

Grants: Payable by State and Commonwealth governments and their agencies. A credit enhancement exists as these payments are effectively government guaranteed and both the State and Commonwealth governments have high credit ratings, accordingly Council determines the level of credit risk exposure to be immaterial and therefore does not record an Expected Credit Loss for these counterparties.

Lease receivables: Council has elected to use the simplified approach for lease receivables. Internal historical data shows no defaults have occurred, Council has determined expected credit losses for this receivables grouping to be immaterial, accordingly an expected credit loss of lease receivables is not calculated.

Other debtors: Council identifies other debtors as receivables which are not rates and charges; statutory charges; lease receivables; or grants.

The exposure to credit risk for receivables by type of counterparty was as follows:

	2023 \$'000	2022 \$'000
Rates and Utility Charges	1,548	1,722
State & Commonwealth Government	458	2,881
Other	441	445
Total	2,447	5,048

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment

	Land	Buildings	Plant and equipment	Furniture and equipment	Road, drainage and bridge network	Water	Sewerage	Other structures	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2023										
Basis of measurement	17,512	63,643	11,227	1,114	324,761	59,140	30,473	29,687	8,341	545,888
Opening gross value as at 1 July 2022										
Additions:										
- Renewals	-	-	-	-	-	-	-	-	2,755	2,755
- Other additions	221	-	-	-	-	-	-	-	14,380	14,601
Disposals	(221)	-	(369)	-	-	-	-	-	-	(590)
Revaluation adjustment to asset revaluation surplus	-	4,488	-	-	149,601	4,179	2,133	2,076	-	162,479
Work in progress transfers	-	1,934	374	13	5,588	577	-	1,341	(9,805)	(0)
Transfer land to inventory	(850)	-	-	-	-	-	-	-	-	(850)
Transfer land to held for sale	(750)	-	-	-	-	-	-	-	-	(750)
Total gross value of property plant and equipment	15,912	70,064	11,232	1,128	479,927	63,896	32,608	33,106	15,671	723,542
Opening accumulated depreciation	-	15,698	7,798	965	122,031	22,820	7,223	5,537	-	182,071
Depreciation expense	-	1,454	616	57	8,582	1,282	855	716	-	13,383
Disposals	-	-	(314)	-	-	-	-	-	-	(314)
Revaluation adjustment to asset revaluation surplus	-	1,200	-	-	(22,567)	1,857	551	437	-	(18,692)
Other adjustments and transfers	-	228	-	-	-	-	-	-	-	228
Total accumulated depreciation of property, plant and equipment	-	18,878	8,100	1,021	108,048	26,790	8,428	6,690	-	176,664
Total net book value of property, plant and equipment	15,912	51,486	3,131	106	371,881	38,108	24,178	26,416	15,671	546,888
Range of estimated useful life in years	Not depreciated.	30-100	3-20	3-10	15-180	20-80	12-100	50-100	Not depreciated.	Not depreciated.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

	Land	Buildings	Plant and equipment	Furniture and equipment	Road, drainage and bridge network	Water	Sewerage	Other structures	Work in progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2022										
Basis of measurement	Note	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
Opening gross value as at 1 July 2021		18,922	59,632	10,821	1,081	274,707	28,919	23,342	6,928	478,517
Correction of prior period error					16,741					16,741
Opening gross value as at 1 July 2021		18,922	59,632	10,821	1,081	291,448	28,919	23,342	6,928	495,258
Additions:										
- Renewals		-	645	-	14	-	-	-	-	847
- Other additions		632	-	606	-	-	-	-	16,560	17,798
Disposals		-	(108)	-	-	(28)	-	-	-	(138)
Revaluation adjustment to asset revaluation surplus		(2,042)	258	-	-	23,183	1,515	4,659	-	32,131
Work in progress transfers		-	3,218	-	20	10,130	39	1,688	(15,145)	-
Total gross value of property plant and equipment		17,512	63,643	11,227	1,114	324,761	30,473	29,687	8,341	545,896
Opening accumulated depreciation		-	26,385	7,021	910	101,658	24,118	8,070	3,151	171,313
Correction of prior period error		-	-	-	-	3,882	-	-	-	3,882
Opening gross value as at 1 July 2021		-	26,385	7,021	910	105,540	24,118	8,070	3,151	175,195
Depreciation expense		-	1,247	777	55	7,452	535	457	-	11,412
Disposals		-	(91)	-	-	(29)	-	-	-	(120)
Revaluation adjustment to asset revaluation surplus		-	(11,843)	-	-	9,039	(1,382)	1,929	-	(4,416)
Total accumulated depreciation of property, plant and equipment		-	15,888	7,798	965	122,031	7,223	6,537	-	182,071
Total net book value of property, plant and equipment		17,512	47,945	3,429	150	202,730	23,260	24,160	8,341	363,827
Range of estimated useful life in years		Not depreciated.	30-100	3-20	3-10	15-180	12-100	50-100	Not depreciated.	

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold (\$5,000) or maintenance expenditure.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

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

(b) Measurement

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

Property, plant and equipment received in the form of contributions, for significantly less than fair value or as offsets to infrastructure charges are recognised as assets and revenue at fair value.

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised against asset revaluation surplus.

(c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land, work in progress, certain cultural and heritage assets with heritage listing, road formations and formation work associated with the construction of dams, levee banks and reservoirs are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Depreciation methods, estimated useful lives and residual values 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.

Key judgements and estimates:

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets, certain software and IT equipment.

(d) Impairment

Property, plant and equipment held at cost 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.

(e) Valuation

Key judgements and estimate

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary. For the period ending 30 June 2023 Council considered key indices for road and civil construction industry to assess whether there has been a significant change in the fair value of its road, drainage and bridge assets. Council has performed a full comprehensive revaluation for all other major asset classes.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 11. Property, plant and equipment *(continued)*

(e) Valuation *(continued)*

(i) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3-5 years, Council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes:

- A management valuation using internal engineers and asset managers to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.
- A "desktop" valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

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.

Fair values are classified into three levels as follows:

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

There were no transfers between levels during the year.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation technique used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Land (level 2)	Market value	30th June 2022	Cardno (Old) Pty Ltd	The most significant inputs into this valuation approach are price per square meter. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size.	N/A	Nil
Buildings (level 3)	Current replacement cost	30th June 2022	Cardno (Old) Pty Ltd	Gross replacement cost has been derived with reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Each asset has been disaggregated into significant components which exhibit useful lives. Useful lives are based on typical asset lifecycles based on past experience. In determining accumulated depreciation physical characteristics as well as holistic factors such as functionality, capability, utilization and obsolescence have been considered.	7%	Nil
Roads, drainage and bridge networks (level 3)	Current replacement cost	30th June 2023	Cardno (Old) Pty Ltd	Gross replacement cost has been derived with reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Each asset has been disaggregated into significant components which exhibit useful lives. Useful lives are based on typical asset lifecycles based on past experience. In determining accumulated depreciation physical characteristics as well as holistic factors such as functionality, capability, utilization and obsolescence have been considered.	N/A	Nil

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 11. Property, plant and equipment (continued)

(e) Valuation (continued)

(ii) Valuation technique used to derive fair values (continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in Index recognised this year)	Other Interim revaluation adjustment
Water and sewerage assets (level 3)	Current replacement cost	30th June 2022	Cardno (Old) Pty Ltd	Gross replacement cost has been derived with reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Each asset has been disaggregated into significant components which exhibit useful lives. Useful lives are based on typical asset lifecycles based on past experience. In determining accumulated depreciation physical characteristics as well as holistic factors such as functionality, capability, utilization and obsolescence have been considered. Where site inspections are not possible the remaining useful life was calculated on an age basis after taking into consideration current and planned maintenance records.	7%	Nil
Other infrastructure assets (level 3)	Current replacement cost	30th June 2022	Cardno (Old) Pty Ltd	Gross replacement cost has been derived with reference to market data for recent projects and costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook). Each asset has been disaggregated into significant components which exhibit useful lives. Useful lives are based on typical asset lifecycles based on past experience. In determining accumulated depreciation physical characteristics as well as holistic factors such as functionality, capability, utilization and obsolescence have been considered.	7%	Nil

(iii) Changes in Fair Value Measurements using significant unobservable inputs (Level 3)
There are no transfers into or out of level 3 of the fair value hierarchy.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 12. Contract balances

Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

(a) Contract assets

	2023 \$'000	2022 \$'000
Contract assets	14,350	4,970
Total Contract Assets	14,350	4,970

(b) Contract liabilities

Funds received upfront to construct or remediate Council controlled assets	3,439	3,728
Non capital performance obligations not yet satisfied	16,429	433
Total Contract Liabilities	19,868	4,158

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

Funds received upfront to construct or remediate Council controlled assets	1,697	2,315
Non capital performance obligations not yet satisfied (including deposits received in advance)	583	299
Total revenue included in the contract liability	2,280	2,614

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the asset. Council expects to recognise the contract liability as income in the next 1 to 2 years.

Note 13. Payables

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

	2023 \$'000	2022 \$'000
Current		
Creditors and accruals	4,037	2,104
Prepaid rates	279	231
Accrued wages and salaries	185	327
Employee related accruals	374	108
Other creditors	165	48
Total Current Payables	5,040	2,818

Note 14. Borrowings

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

All borrowings are in \$A denominated amounts and interest is expensed as it accrues. No interest has been capitalised during the current or comparative reporting period. Expected final repayment dates vary from 15 December 2025 to 15 March 2036. There have been no defaults or breaches of the loan agreement during the period.

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

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 14. Borrowings (continued)

	<u>Note</u>	<u>2023</u> <u>\$'000</u>	<u>2022</u> <u>\$'000</u>
Current			
Loans - Queensland Treasury Corporation		513	513
Working Capital Facility - Queensland Treasury		-	992
Total Current Borrowings		<u>513</u>	<u>1,505</u>
Non-current			
Loans - Queensland Treasury Corporation		2,182	2,719
		<u>2,182</u>	<u>2,719</u>

The QTC loan market value at the reporting date was \$2,636,247.78 (2022: \$3,266,696.75). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

No assets have been pledged as security by the council for any liabilities, however all loans are guaranteed by the Queensland Government. There have been no defaults or breaches of the loan agreement during the 2023 or 2022 financial years.

Note 15. Provisions

Liabilities are recognised for employee benefits such as annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

Long Service Leave

The provision for long service leave represents 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 liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

Landfill restoration and quarry rehabilitation

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

The calculation of the provisions use assumptions including application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provisions are reviewed at least annually and updated based on the facts and circumstances available at the time.

Refuse restoration provision represents the present value of anticipated future costs associated with the closure of the dump sites, decontamination and monitoring of historical residues and leaching on these sites. The expected closure dates range from 2034 to 2069 with a 30-year post closure monitoring period.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 15. Provisions (continued)

Quarry rehabilitation provision represents the present value of the anticipated future costs associated with the closure of the quarries, refilling the basin, and reclamation and rehabilitation of these sites.

Quarries are situated on Council controlled land and are classified as land and improvement assets. The provision for restoration is, therefore, included in the cost of the land and amortised over the expected useful life of the quarry. Changes in the provision not arising from the passing of time are added to or deducted from the asset revaluation surplus for land. If there is no available revaluation surplus, increases in the provision are treated as an expense and recovered out of future decreases (if any). Changes to the provision resulting from the passing of time (the unwinding of the discount) are treated as a finance cost.

	Current		Non-current	
	2023	2022	2023	2022
Note	\$'000	\$'000	\$'000	\$'000
Annual leave	1,203	1,363	-	-
Long service leave	1,461	1,323	241	219
Sick leave	38	35	-	-
Refuse restoration	-	-	8,076	13,061
Gravel pit sites	-	-	1,123	1,213
Other	45	45	-	-
	<u>2,746</u>	<u>2,766</u>	<u>9,441</u>	<u>14,493</u>

Movements in non-employee benefit provisions:

	Note	2023	2022
		\$'000	\$'000
Gravel pit sites			
Balance at beginning of financial year		1,213	1,978
Additional provision		-	-
Increase/(decrease) in provision due to unwinding of discount		(26)	(765)
Increase/(decrease) in provision due to change in discount rate		(64)	-
Balance at end of financial year		<u>1,123</u>	<u>1,213</u>
Landfill sites			
Balance at beginning of financial year		13,061	11,009
Additional provision		-	-
Increase/(decrease) in provision due to unwinding of discount		438	160
Increase/(decrease) in provision due to change in discount rate		(5,421)	1,892
Balance at end of financial year		<u>8,076</u>	<u>13,061</u>
Other			
Balance at beginning of financial year		45	45
Additional provisions / (Reversal of provision)		-	-
Balance at end of financial year		<u>45</u>	<u>45</u>

Note 16. Other liabilities

	Current		Non-current	
	2023	2022	2023	2022
Note	\$'000	\$'000	\$'000	\$'000
Waste Levy refund received in advance	129	135	412	399
Headworks	-	-	381	330
	<u>129</u>	<u>135</u>	<u>793</u>	<u>729</u>

The State Government made advance payments to Council during the 2022 & 2023 financial years to mitigate the impact on households for the financial years 2023 to 2027 of the State Waste Levy. The Council will be liable to the State for payment of the Levy on most forms of commercial and household waste delivered to its disposed sites. The state is required to make an annual subsidy payment to the Council for the portion of the Levy that relates to domestic waste. Council has recognised as a liability the portion of the advance payments that relates to future financial years.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 17. Asset revaluation surplus

Movements in the asset revaluation surplus:

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

	2023 \$'000	2022 \$'000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	11,999	11,999
Buildings	27,837	24,627
Roads, drainage and bridge network	368,363	196,195
Water	29,839	27,347
Sewerage	9,956	8,373
Other structures	7,187	5,469
	<u>455,181</u>	<u>274,011</u>

Note 18. Commitments for expenditure

Capital commitments relating to infrastructure works projects

2023 \$'000	2022 \$'000
<u>8,555</u>	<u>2,864</u>

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

Kerbside garbage collection	3,631	4,042
Transportation and Disposal of Bulk Waste	706	1,059
Parks and open space maintenance	764	-
	<u>5,101</u>	<u>5,101</u>

Note 19. Contingent liabilities

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

Local Government Mutual

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

As at 30 June 2023 the financial statements 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. The Council's maximum exposure to the bank guarantee is \$459,650.87.

Other matters

Council is party to a legal matter relating to regarding unpaid gravel royalties. The estimated liability on Council at the conclusion of this matter is \$265,404.83 comprising of principal and interest payments. However, possible offsets are available for outstanding rates. This matter remains ongoing and the settlement date is unknown at the time of this report.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

Note 20. Superannuation - Regional Defined Benefit Fund

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 managed by the LGIASuper trustee as trustee for LGIASuper trading as Brighter Super.

This scheme is a pooled defined benefits plan and it is not in accordance with the deed to allocate obligations, but has not been recognised as an asset or liability of the Council.

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

Council may 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 as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. 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 salary or wages and there are no known requirements to change the rate of contributions.

The next triennial actuarial review is not due until 1 July 2024.

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.

	Note	2023 \$'000	2022 \$'000
Superannuation contributions made to the Regional Defined Benefits Fund		29	29
Other superannuation contributions for employees		1,513	1,490
Total superannuation contributions paid by Council for employees	5	1,541	1,520

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2023

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

	2023 \$'000	2022 \$'000
Net result	18,134	14,803
Non-cash items:		
Depreciation and amortisation	13,363	11,134
	<u>13,363</u>	<u>11,134</u>
Losses/(gains) recognised on fair value re-measurements through the income statement		
Revaluation adjustments (restoration provision)	(5,075)	1,287
	<u>(5,075)</u>	<u>1,287</u>
Investing and development activities:		
Net (profit)/loss on disposal of assets	535	17
Non cash capital grants and contributions	(13,577)	(16,815)
	<u>(13,042)</u>	<u>(16,798)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	2,527	(1,636)
(Increase)/ decrease in provision for doubtful debts	74	190
(Increase)/decrease in inventories	(509)	(101)
(Increase)/ decrease in contract assets	(9,380)	4,282
(Increase)/ decrease in other assets	16	271
Increase/(decrease) in payables and accruals	2,222	(913)
Increase/(decrease) in contract liabilities	15,710	1,365
Increase/(decrease) in employee provisions	2	(57)
Increase/(decrease) in other liabilities	59	558
	<u>10,721</u>	<u>3,959</u>
Net Cash Inflow from Operating Activities	<u>24,102</u>	<u>14,385</u>

Note 22. Reconciliation of liabilities arising from finance activities

	As at 30 June 2022 \$'000	Change in accounting policy \$'000	Cash flows \$'000	Non-cash changes (new leases) \$'000	As at 30 June 2023 \$'000
Borrowings	4,224	-	(1,529)	-	2,695
	<u>4,224</u>	<u>-</u>	<u>(1,529)</u>	<u>-</u>	<u>2,695</u>
	As at 30 June 2021 \$'000	Change in accounting policy \$'000	Cash flows \$'000	Non-cash changes (new leases) \$'000	As at 30 June 2022 \$'000
Borrowings	6,619	-	(2,395)	-	4,224
	<u>6,619</u>	<u>-</u>	<u>(2,395)</u>	<u>-</u>	<u>4,224</u>

Note 23. Events after the reporting period

There were no material adjusting events after the balance date.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 24. Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

- Credit Risk
- Liquidity Risk
- Market Risk

Risk management framework

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

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

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

Council oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. Council is assisted in this role by internal audit.

Internal audit undertakes ad hoc reviews of risk management control and ad hoc reviews of risk management controls and procedures, the results of which are reported to management and Council. Council does not enter into derivatives.

Credit risk

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

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

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

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

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

Liquidity risk

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

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

Exposure to liquidity risk

Council is exposed to liquidity risk through its normal course of business and through its borrowings with QTC and other financial institutions.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows. These facilities are disclosed in Note 14. The following lines of credit were available at the end of the reporting period.

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2023

Note 24. Financial instruments and financial risk management (continued)

	2023 \$'000	2022 \$'000
Overdraft - QTC working capital facility - limit	5,000	5,000
Current balance	-	(992)
Available at 30 June	<u>5,000</u>	<u>4,008</u>

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
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Payables	4,761	-	-	4,761	4,761
Loans - QTC	690	1,385	1,110	3,186	2,696
Other - Working capital	-	-	-	-	-
	<u>5,451</u>	<u>1,385</u>	<u>1,110</u>	<u>7,947</u>	<u>7,457</u>
2022					
Payables	2,587	-	-	2,587	2,587
Loans - QTC	690	1,935	1,250	3,876	3,233
Other - Working capital	992	-	-	992	992
	<u>4,269</u>	<u>1,935</u>	<u>1,250</u>	<u>7,454</u>	<u>6,811</u>

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

Market risk

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

Interest rate risk

Council is exposed to interest rate risk through investments and borrowings with Queensland Treasury Corporation.

The 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

There is no reasonable possible movement that would cause a material impact to profit or equity.

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

In relation to the QTC loans held by the Council, the following has been applied:

QTC fixed rate loan - financial instruments with fixed interest rates which are carried at amortised cost are not subject to interest rate sensitivity.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 25. National competition policy

Business activities to which the code of competitive conduct is applied

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

- Aerodromes
- Water and sewerage
- Waste management

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

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

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

	Aerodrome \$'000	Water and sewerage \$'000	Waste management \$'000
2023			
Revenue for services provided to the Council	1,097	3,378	1,589
Less : Expenditure	(1,628)	(5,611)	(2,430)
Surplus/(deficit)	(531)	(2,233)	(861)
2022			
Revenue for services provided to the Council	861	3,349	1,625
Less : Expenditure	(1,306)	(5,188)	(2,513)
Surplus/(deficit)	(445)	(1,840)	(888)

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 26. Transactions with related parties

(a) Transactions with key management personnel (KMP)

KMP includes the Mayor, Councillors, Council's Chief Executive Officer, Director Community Economy and Innovation, Director Infrastructure and Director Organisational Business Services.

The compensation paid to KMP comprises:

	2023 \$'000	2022 \$'000
Short-term employee benefits	1,364	1,332
Post-employment benefits	167	143
Long-term benefits	25	17
Termination benefits	98	-
Total	1,654	1,492

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

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

	2023 \$'000	2022 \$'000
Employee expenses for close family members of key management personnel	690	284
Purchases of materials and services from entities controlled by key management personnel	127	-

Council employs 161 staff of which four are a close family member of a KMP. These staff occupy non-executive position, and are employed under the same terms and conditions as other employees of Council.
(2021: 160 employees, 4 close family members of KMP)

(c) 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 Cook Shire Council local government area. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payment of rates
- use of Cooktown swimming pool
- animal registration
- use of Library facilities

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

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2023

Note 27. Correction of Prior Period Error

Council undertook a comprehensive revaluation of its road and drainage assets in 2022/23. As part of this process, a number of assets were identified with commission dates prior to 1 July 2021 which had not been previously recorded on Council's fixed asset register. This has resulted in an understatement of property, plant and equipment. These assets should have been accounted for by Council in years prior to 2021/22.

To correct this error, Council has adjusted the 2021/22 comparative figures in the Statement of Financial Position, Statement of Changes In Equity and applicable notes to the financial statements. Due to the immaterial value of omitted depreciation expense in relation to these assets, Council has not retrospectively adjusted the Statement of Comprehensive Income.

Adjustments impacting the financial statement line items for the 2021/22 comparative year are presented below:

	Actual 2022 \$'000	Adjustment 2022 \$'000	Restated Actual 2022 \$'000
Statement of Financial Position (Extract)			
Non-current assets			
Property, plant and equipment	350,240	13,587	363,827
Total non-current assets	350,240	13,587	363,827
Total assets	384,551	13,587	398,138
Net community assets			
Community equity			
Retained surplus	78,813	13,587	92,400
Total community equity	355,228	13,587	368,815
Statement of Changes In Equity (Extract)			
Prior period adjustment relating to recognition of non-current assets	-	13,587	13,587
Balance of retained surplus	78,813	12,859	91,672
Asset revaluation surplus	237,603	728	238,331
Total equity	355,228	13,587	368,815
Note 2B Analyse by Function			
Function Assets - Engineering Services	282,343	13,587	295,930
Total Assets	384,551	13,587	398,138
Note 11 Property, Plant and Equipment			
Opening gross value at 1 July 2021 (roads and drainage assets)	274,707	-	274,707
Prior period adjustment relating to recognition of non-current assets		16,741	16,741
Total opening gross value at 1 July 2021	274,707	16,741	291,448
Opening accumulated depreciation at 1 July 2021 (roads and drainage assets)	101,658	-	101,658
Prior period adjustment relating to recognition of non-current assets		3,882	3,882
Total opening accumulated depreciation at 1 July 2021	101,658	3,882	105,540
Revaluation adjustment to asset revaluation surplus - gross replacement cost	21,843	1,339	23,183
Revaluation adjustment to asset revaluation surplus - accumulated depreciation	8,706	333	9,039
Depreciation expense	7,173	278	7,452
Written down value at 30 June 2022 - Roads and Drainage	189,143	13,587	202,730
Written down value at 30 June 2022 - Total	350,240	13,587	363,827

Cook Shire Council

General Purpose Financial Statements

for the year ended 30 June 2023

Management Certificate for the year ended 30 June 2023

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 1 to 31, 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
Peter Scott

Date: 14 / 12 / 2023



Chief Executive Officer
Brian Joiner

Date: 14 / 12 / 2023

INDEPENDENT AUDITOR'S REPORT

To the councillors of Cook Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Cook Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, 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 material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Cook Shire Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



15 December 2023

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cook Shire Council
Current Year Financial Sustainability Statement
for the year ended 30 June 2023

Measures of Financial Sustainability	How the measure is calculated	Actual -Council	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-4%	between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	21%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-28%	not greater than 60%

Note 1 - Basis of Preparation

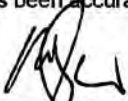
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2023.

Cook Shire Council
Current Year Financial Sustainability Statement
for the year ended 30 June 2023

Certificate of Accuracy
for the year ended 30 June 2023

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

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



Mayor
Peter Scott
Date: 14 / 12 / 2023



Chief Executive Officer
Brian Joiner
Date: 14 / 12 / 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Cook Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Cook Shire Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s. 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Cook Shire Council for the year ended 30 June 2023 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

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

At the date of this auditor's report, the available other information in Cook Shire Council's annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

- Evaluate the appropriateness of material accounting policy information 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.



David Adams
as delegate of the Auditor-General

15 December 2023

Queensland Audit Office
Brisbane

Cook Shire Council

Unaudited Long-Term Financial Sustainability Statement

for the year ended 30 June 2023

Measures of Financial Sustainability

Measure	Projected for the years ended										
	Actuals at 30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Operating surplus ratio		-4%	-5%	-8%	-6%	-5%	-9%	-8%	-10%	-10%	-11%
Asset sustainability ratio	Target	Between 0% and 10%	greater than 90%								
Net result divided by total operating revenue		21%	14%	18%	20%	21%	20%	19%	18%	18%	18%
Capital expenditure on the replacement of assets (renewals) divided by depreciation expense		-28%	-31%	-37%	-32%	-29%	-23%	-18%	-13%	-8%	8%
Net financial liabilities ratio	not greater than 60%										
Total liabilities less current assets divided by total operating revenue											

Cook Shire Council Financial Management Strategy

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

Council aims to operate within a set of conservative guide-posts to ensure we are financially sustainable in the short, medium and long term. As part of our financial strategy, we have adopted seven key financial performance indicators to guide our financial health. In addition to the financial indicators, we have the above three sustainability indicators that have been set by the Department of State Development, Infrastructure, Local Government and Planning to help monitor the long-term sustainability of all councils across Queensland.

Throughout the financial year, these indicators are calculated and reported on monthly at Council meetings, as part of a full suite of financial reports. Should there be any deviation outside these parameters, the executive management and Council will be fully informed and may take corrective action as required.

The table above summarises how we performed against set targets for the seven key financial performance indicators established in our financial strategy. In summary, we achieved or bettered six of the financial targets, performing strongly in our ability to generate cash from day-to-day operations, meeting all financial commitments in the financial year, and keeping debt to conservative and manageable levels. This was achieved while maintaining community services and making ongoing investment in community infrastructure. Our operating result in this period was adversely affected by the impacts of water reform and this issue is outlined in more detail in the coming pages.

Cook Shire Council

Unaudited Long-Term Financial Sustainability Statement


for the year ended 30 June 2023

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2023

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
Peter Scott

Date: 14 / 12 / 2023



Chief Executive Officer
Brian Joiner

Date: 14 / 12 / 2023



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