



Cook Shire
COUNCIL

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Annual Report

Respecting People, Place and Progress

Waantharra

Welcome (Guugu Yimithirr)

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.

Cook Shire Council acknowledges the many clan groups that are the Traditional Owners of the lands on which we operate. We also acknowledge the richness and diversity of their cultures, languages and lore, including:

Ayapathu	Lama Lama
Balnggarrawarra	Northern Kaanju
Gugu Bayan	Nyungkal
Jalunji	Olkola
Juunjuwarra	Southern Kaanju
Ku Ku Pussom	Waymburr Warra
Kuku Nyungul	Western Yalanji
KuKu Thay Pan	Wik
KuKu Warra	Yuku Baja Muliku

Under the *Local Government Act 2009*, Council must publish an Annual Report, which provides an update to the community about Cook Shire Council's finances, performance and how Council has delivered against the Corporate and Operational Plans. Legislation requires particular information to be included in an Annual Report. This report also includes a summary of the performance against Council's Operational Plan 2021–22.

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Message from the Mayor



This Annual Report for 2021–22 is a congratulatory reflection on the dedication and ability of our community, our staff and our councillors, in not only keeping the Cook Shire operation on track, but in positively progressing our large and diverse community across the social, business, environmental and cultural spheres.

Challenges have been pronounced. COVID and global political issues, extreme weather and cost of living increases, combined with the broad shift to regional areas from interstate and the capital cities is placing so much pressure on housing affordability and availability. Ongoing trades and material shortages further compound this.

Our reported financial position for financial year ended on 30 June 2022 shows a \$1.1 million operating profit after depreciation of \$11.1 million that is a result of increased revenue, advance payments of grants and a close control of expenditure.

Covering a land area of 106,000 km² we are the largest local government area in in Queensland and we have a vast road network of almost 3,000 km. However, our small population means that rate income is inadequate to cover administrative costs and we rely heavily on Government grants for over 80% of our revenue.

Cook Shire obtained an unqualified audit this year and we are seen as an exemplar for governance and liveability in the regional /remote context. This is achieved primarily by our wonderful workforce but also in partnership with the lobby and operational collaboration of

Far North Queensland Regional Organisation of Councils (FNQROC), The Torres Cape Indigenous Council Alliance (TCICA) and the Local Government Association Queensland (LGAQ) as well as the State and Federal Government Departments and Agencies.

We thank those who have been contributors to our Council and our community who have moved on and welcome those coming aboard.

We are heading into a challenging time – both financially and climatically – but with confidence in the proven resilience and support demonstrated over our many years of working together.

CR PETER SCOTT
MAYOR, COOK SHIRE COUNCIL

Message from the CEO



I am proud to present the Annual Report for Financial Year 2021–22 on behalf of former CEO Linda Cardew and the whole team at Cook Shire Council. The financial results and auditor's reports reflect well on the governance and administration of the Shire. This is especially pleasing considering the low rate base of the Shire and the need to maintain aging infrastructure across the largest Shire in Queensland.

Administration of a Shire Council is a thankless job and requires many people who must be resilient by nature. Many of our residents and ratepayers will only have contact with us when they have an issue or a complaint. The vast and silent majority do not notice our work as we become part of the landscape, quietly going about our day to day tasks. As a newcomer to town I have noticed how well our parks are maintained and what great assets we have across multiple small to medium sized towns.

There are, however, a lot of projects that were delivered across the Shire over the course of the year that are of a higher profile. These include:

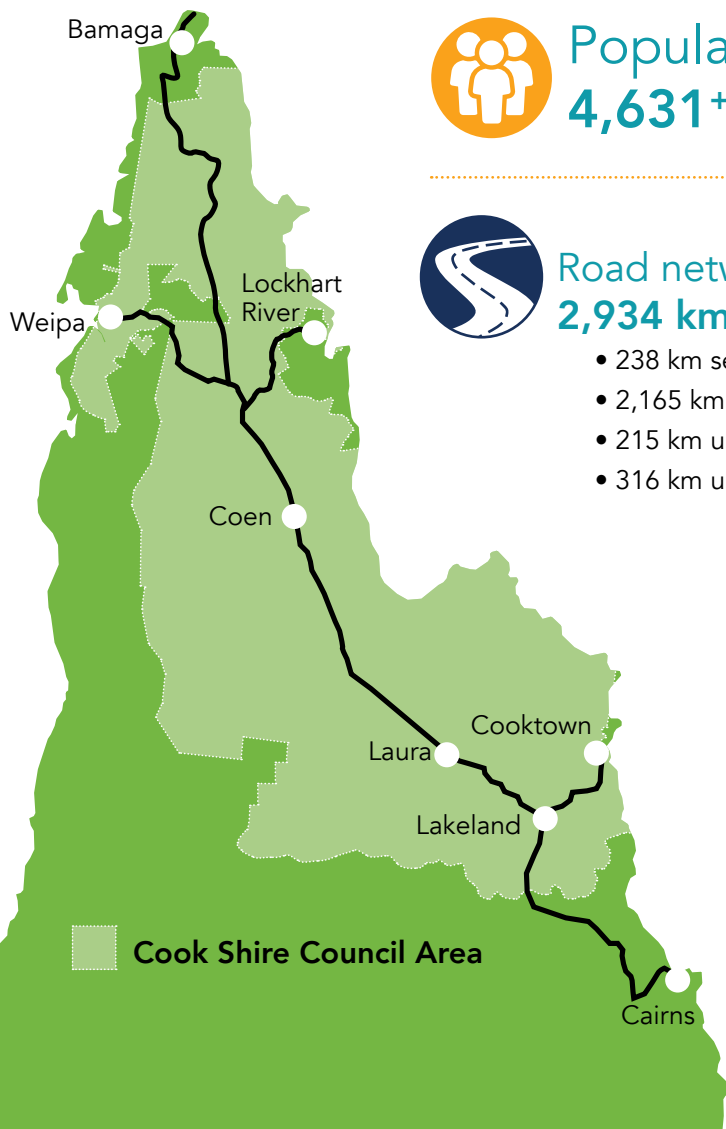
- Gateway to Cape York, Lakeland.
- Digital signs in Cooktown, Laura and Coen to support sharing of disaster and other community specific information.
- Coen Airport Facilities Upgrade to solar power and buildings.
- Installation of the new purpose built Coen Depot building.
- Commencement of the Charlotte Street Revitalisation Program.
- Completion of the Cooktown Shire Hall Refurbishment
- Restoration of the Grassy Hill Lighthouse.
- Cooktown Pool heating including solar power offset.
- Cooktown State School safety improvements – Charles St/May St.

The Shire has delivered these projects and maintained its good governance while the COVID pandemic continued to disrupt day-to-day life across the Cape. The ability of the residents and workers of our region to triumph through this adversity is a testament to the FNQ spirit of matching adversity head on and getting on with business. On behalf of my administration, I thank everyone for their efforts during the difficulties faced during COVID. I also acknowledge the Palaszczuk Government for their work during the pandemic. Although we may not have agreed with every measure that was taken, there was a tireless effort by the State Government to keep Queenslanders safe.

An Annual Report is a backward looking document that focusses on the achievements and results of a year that has just been completed. I'd like to complete this report by asking the communities of Cook Shire Council to work with us for the future of this region. I've taken on a big task and I will be more successful if the community work with us to continue to make this a great place to live and work now, and into the future.

BRIAN JOINER
CHIEF EXECUTIVE OFFICER

Cook Shire at a Glance 2022



Population:
4,631⁺



Land Area:
106,073 km²⁺



Road network:
2,934 km⁺

- 238 km sealed⁺
- 2,165 km gravel⁺
- 215 km unpaved⁺
- 316 km unmaintained⁺



Water & sewer mains:
112 km^{*}



Buildings:
198^{*}



Airports:
4^{*}



Businesses:
313⁺



Rateable properties:
2,403



Value of building
approvals:
\$8,518,000

⁺ Source: id.com.au

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



Cook Shire Councillors



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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 towards implementing its 2017-2022 Corporate Plan and 2021-22 Operational Plan.

The following section provides an overview of the progress made against the key priorities identified in the 2017-2022 Corporate Plan and the operational initiatives undertaken in the 2021-22 financial year that support the implementation of those priorities. Overwhelmingly the works undertaken have generated real value for Cook Shire, its communities, and its residents.



Community

“A sense of common purpose, whilst retaining local diversity, with the goals and aspirations of individual communities reflected in localized strategy and planning.”

Council is committed developing a resilient, healthy and caring Shire, united in community pride. Following the development of its 10-year Community Plan, Council developed a Corporate Plan which is intended to guide the realisation of high priority strategies and initiatives in the first 5-year period of the Community Plan.

Council recognises the importance of supporting, acknowledging and celebrating the rich Indigenous cultural heritage and history of the First Nation's people of the Shire. To guide Council on this journey, Council has committed to developing its first Reconciliation Action Plan (RAP). A Working Group supported by the State Member for Community, Ms Cynthia Lui, was established and the RAP drafted. The document was provided to Reconciliation Australia for review, comment and has received conditional endorsement before being submitted to Council for adoption.

Council has worked with the Department of Transport and Main Roads to continue the Local Fare airfare subsidy scheme in Coen, which provides residents with social connectivity and access to essential services.

Council continued its focus during the year on improving the health and wellbeing of its residents across the age spectrum. To support the development of babies and young children, Council runs the First 5 Forever program through its libraries. The program provides parents with the skills for interacting with the children during everyday activities, which contributes to their on-going development. Council also participates the MoveIT North

Queensland program, which involves the delivery of place-based community physical activities across the Shire, which is driving positive health-related outcomes. Additionally, Council continues to support the development of youth and young adults through the activities of the Youth Council, which acts as a conduit to the elected Council on the views, aspirations and needs of young people.

To support the Shire's aging population, a significant body of work was led by Council in the form of a detailed Regional Aged Care Prescribed Business Case (PBC).

The project, funded by Council, involved a collaboration with neighbouring Aboriginal Shire Councils of Wujal Wujal and Hope Vale, supported by relevant State Government agencies. The PBC examines four primary project components, which will be used for advocacy purposes: the need and case for change, site concept masterplan options studies, indicative cost estimates and provides detailed financial and economic appraisals of the proposed project.

The Lakeland Gateway to Cape York and sculpture park was officially opened by the Mayor of Cook Shire, Cr Peter Scott and other dignitaries. An important aspect of the project was to highlight what makes the Cape so historically, culturally and ecologically unique and to educate visitors as to what they can do to help Council preserve and conserve our spectacular part of the world. The sculpture park features 16 artworks designed and developed by communities across

the Cape. Designed in the shape of a map of Cape York with the park's footpaths symbolising the region's iconic roads, each sculpture reflects the spirit of the community that designed it, as well as the community's geographic position on the map.

In a demonstration of its commitment to supporting its various communities across our large Shire, Council staged several well-attended events, including a Christmas event in Coen, the ever-popular Sunset with Santa in Cooktown and an Easter event in Rossville.

Council's Australia Day Awards provide an opportunity to recognise the outstanding achievements of Shire residents across a range of categories.



Environment

“Respect for the unique natural environment of the Cape, its history and the provision of sustainable, safe access for the enjoyment of the Cape’s communities and visitors.”

During the 2021–22 financial year Council completed many operational initiatives that positively impact our environment including disaster management, weed control and animal management.

An aim of the Cook Shire Council disaster management operations in this financial year has been to build resilience within our communities. Education on disaster preparedness, and increasing community pride were the focus of an arts project which saw the community come together to design and install public art in Coen. To support preparedness, a number of “Get Ready” events and activations were held across the Shire, working with local communities to prepare for bushfire and cyclone seasons. To assist in improving responsiveness during a disaster or emergency, Council undertook a rural road numbering audit and where necessary, replacement of rural road numbers. Council’s biosecurity team surveyed and treated in excess of 900km of the region’s road network with a focus on high biomass grasses. Support for feral pig and wild

dog management was provided to landholders that collectively manage in excess of 2.5 million hectares within the Cook local government area. These activities support the Cook Shire Local Area Biosecurity Plan 2022-2026.

The Healthy Dogs – Healthy Communities program has provided a much-needed service for the townships of Laura and Coen. The three visits made in this financial year have assisted to improve the general health of domestic dogs and greatly reduce parasite loads. This is likely to have had positive flow-on effects on community health as local residents are now eagerly anticipating veterinary visits.



Economy

“Locality specific economic growth, understanding and development of potential for primary industries, including agriculture and aquaculture opportunities, appropriate to each community and the Shire as a whole.”



Council continues to support the growth of the regional economy through its active support of the Cooktown Chamber of Commerce and Tourism and membership of Tourism Tropical North Queensland. Council entered into a three-way Partnership Marketing Agreement with Tourism Tropical North Queensland (TTNQ) and the Chamber. As a result of these activities, the recent Census data indicates that tourism in the Shire is growing at a rate of 3.3% per annum.

Council is also committed to supporting the growth of small businesses more generally and has signed up to the Queensland Small Business Friendly Program, which is changing the way Council does business to align more effectively with small business and their needs. Council has also signed up to the Queensland Business Launchpad service, which is a digital tool designed to make it easier to start a business in Queensland by providing tailored access to relevant licencing, permit and regulatory information from Federal, State and local governments.

A key success factor for business is access to a pool of job-ready staff. To assist in developing that talent pool, Council has supported the

Federal Government to establish and operate a vocational and tertiary study hub in Cooktown, the Country University Centre (CUC) Cape York. The CUC model is designed and developed by regional people for regional people and their communities to provide equitable access to higher education. CUC Cape York will be owned, governed, and driven by our local community through an independent Board of Directors. This framework provides for place-based learning solutions. The CUC will support any student, studying any course, at any Australian institution offering higher education. The wrap-around model of student support will provide face-to-face academic, wellbeing, technology, and administrative support. The CUC will provide quiet study spaces with high-speed internet and face-to-face student support away from the distractions of home for the students.

To further stimulate the local economy, Cook Shire is developing a partnership with Sports Marketing Australia (SMA) to access its events placement program. The program provides access to over 700 event owners nationally and internationally. The program will enable the region to attract and host a range of events that contribute to the growth and



development of the economy and community. SMA has conducted an assessment of capacity and capability of the region to host events, which will enable events to effectively matched to those attributes.

A comprehensive review of Council's leases has been undertaken and a database created to assist in better management of these agreements. Likewise, a review of all land owned by Council has been completed and a database created, which contains the property description, zoning and any associated existing or future development on the land.

The database will assist Council in its longer-term endeavours to alleviate housing pressures. At the same time, Council has formed a Housing Working Group of local stakeholders to identify existing needs and constraints and lead the development of local solutions.

Council established an Innovation Task Force earlier in the year, comprised of Councillors and staff, supported by members from academia, State Government and the business community. The Task Force is focused on pursuing initiatives in the area of innovation that reduce costs, increase own-source revenue and improve organisational efficiency.

Governance

“Accountable, responsible and appropriate governance and management, reflected in responsible long-term financial sustainability and clear strategic direction built around core local government business and affordable levels of service.”

In the 2021–22 year, council adopted its Corporate Plan 2022–2027 that will help guide the activities of Council over the next five years. The plan is structured around six strategic themes derived from the Ten Year Community Plan 2021–2031.

Council's specific Governance objectives include improved long-term sustainable financial management of Council's assets, resources and infrastructure, ongoing and improved communication to better inform employees and the community, improved organisational service provision and compliance through reviewed management systems and procedures and periodic

reviews of Council's organisational structure and resourcing. This work is ongoing as council strives to meet its strategic objectives for the management of Council and the benefit of the Shire.

Queensland Audit Office have audited Council's 2021–22 financial report. The audit opinion is that the report

- a) gives a true and fair view of the council's financial position as at 30 June 2022, 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.





Capital Works Overview

Sitting across all of these key priorities, Council delivered an extensive capital works program that included project that either renewed, upgraded or built new assets for the community. Some of the key capital works projected completed in the 2021–22 year included:

Project	\$
Shire Hall Refurbishment	2,111,928
Coen Airport Redevelopment	1,136,516
Cooktown Lions Park – Shade Shelter over Playground	556,490
Gateway to the Cape - Lakeland	1,081,387
Aurukun Road Bitumen Seal (Ch. 5.1 to 13.1km) Upgrade	2,848,317
Aurukun Road Bitumen Seal (Ch. 13.1km to 19.1) Upgrade	2,519,143
Coen – Depot Building construction	500,528

Results of the Workplace Health and Safety Audit

Cook Shire Council achieved an overall score of 63% with 5 non-conformances and 21 partial conformances across 108 criteria. This result improves upon previous audit results from 2014 of 15.5% and then in 2016 of 41.8% and represents significant progress made by council. Cook Shire Council has committed to a WHS Action Plan to further improve safety across the whole of Council.

Statistics provided by Councils' Insurer, Local Government Workcare, indicate that Council's Lost Time Injury Rates (LTI)

continue to trend downwards. Council will continue to monitor, review and improve rehabilitation processes in the coming year, focusing on proactive engagement with employees and medical practitioners to assist staff return to work as soon as possible following an injury.

Council's commitment to WHS, an improved safety management system, increased training and ongoing engagement with staff will contribute towards the continued provision of a safe workplace for all employees. Work Safe. Home Safe.

Cook Shire Councils WHS Performance

Cook Shire Council is a member of the Local Government Workcare (LGW) Scheme. LGW provides workers compensation cover to Local Government entities in Queensland. In 2020-21, LGW launched a Mutual Risk Obligations Program to ensure members fully complied with their legislative obligations and maintain a compliant and effective safety management system. It aims to do this by requiring that all members adhere to the following five Mutual Risk Obligations as a commitment of the LGW Membership:

- Make work health and safety a priority in your Council
- Undertake an accredited audit every four years
- Develop a WHS Management System Plan to identify key strategies and review it annually
- Report annually on the Safety Audit Action Plan, Project Report, incidents and Investigations
- Conduct annual self-assessments surveillance audits

In 2022 Cook Shire Council completed the LGW Audit to determine the current level of compliance against National self-Audit Tool (NAT) criteria. The audit assessed the management system for compliance and effectiveness across all operational areas.



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 2021 to 30 June 2022 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

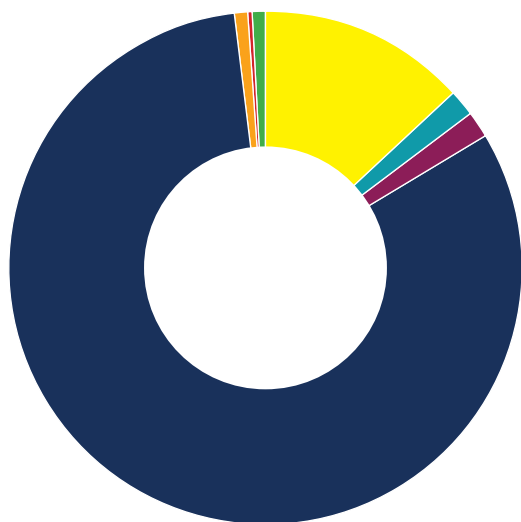
The Statement of Comprehensive Income (formerly the Profit and Loss Statement) shows the details of Council's operating and capital income as well as expenses for a specified reporting period. Revenue less expenses will result in either a net result (profit) or deficit (loss).

A Summarised Statement of Comprehensive Income for the year ended 30 June 2022 is shown in the table below:

Summary of Statement of Comprehensive Income	\$ '000
Operating Revenue	70,505
Less: Operating Expenses	(69,322)
Operating Position *	1,183
Plus: Capital Income	14,763
Less: Capital Expenses	(1,144)
Net Result	14,803

OPERATING REVENUE

Total operating revenue for the year was \$70.505 million and this revenue is derived from various sources. The majority of Council's revenue is Grants and Contributions which account for 83.41% of total operating revenue. The following table and graph provide a breakdown of these revenue categories and the relevant percentage of total operating revenue for the financial year.



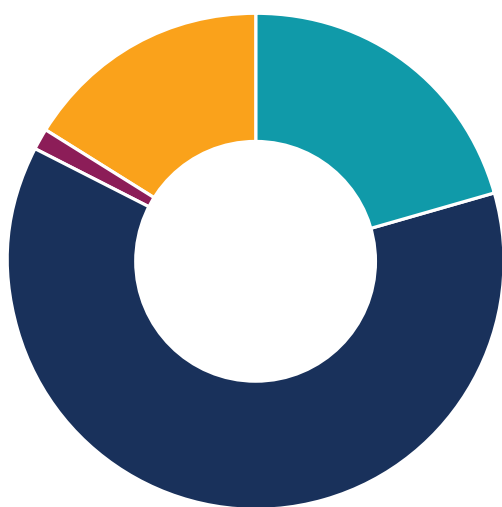
Operating Revenue Sources	\$ '000	%
Rates, Levies and Charges (net)	8,188	11.61%
Fees and Charges	1,317	1.87%
Sales Revenue	1,103	1.56%
Grants and Contributions - Operating	58,809	83.41%
Rental Income	517	0.73%
Interest Received	141	0.20%
Other Income	430	0.61%
Total Operating Revenue	70,505	

OPERATING EXPENDITURE

Total operating expenses of \$69 million were incurred during the year 1 July 2021 to 30 June 2022. The largest portion of funds was spent on materials and services and totalled \$43.268 million or 62.69% 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 \$43.268 million of materials and services, \$33.1 million related to the restoration of flood-damaged road assets.



Operating Expenditure	\$ '000	%
Employee Benefits	14,726	20.9%
Materials and Services	43,268	62.69%
Finance Costs	194	0.28%
Depreciation and Amortisation	11,134	16.13%
Total Operating Expenditure	69,322	



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

Statement of Financial Position	\$ '000	%
Assets - What Council owns		
Cash Assets	23,872	6.21%
Receivables	5,048	1.31%
Inventories	405	0.11%
Contract Assets	4,970	1.29%
Other Assets	16	0.00%
Property, Plant and Equipment	350,240	91.08%
Total Assets	384,551	
Less: Liabilities - What Council Owes		
Payables	2,818	9.61%
Contract Liabilities	4,158	14.18%
Borrowings	4,224	14.41%
Provisions	17,259	58.86%
Other Liabilities	864	2.95%
Total Liabilities	29,323	
Net Community Assets - What Council is Worth	355,228	

WHAT DO WE OWN?

As at 30 June 2022 Council assets were valued at \$384 million, of which, \$350 million related to Council's major assets being property, plant and equipment. Property, plant and equipment consist of various fixed asset classes which are detailed in the following table.



Property, Plant and Equipment	\$ '000	%
Assets - What Council owns		
Land	17,512	5.00%
Buildings	47,945	13.69%
Plant and equipment	3,429	0.98%
Furniture and equipment	150	0.04%
Road, drainage and bridge network	189,143	54.00%
Water	36,320	10.37%
Sewerage	23,250	6.64%
Other structures	24,150	6.90%
Works in progress	8,341	2.38%
Total Property, Plant and Equipment	350,240	

WHAT DO WE OWE?

Council's recognised total liabilities at 30 June 2022 of \$29.3 million. The majority of this balance is \$17.2 million, being the amount provided for expected costs in rehabilitating its landfills and gravel quarries in the long term. Council's borrowings are \$4.2 million plus an overdraft facility for \$0.9 million. The overdraft facility assists Council to manage flood damage projects where Council must spend the money before subsequently claiming it back from the funding provider. The overdraft facility is typically repaid in the short term once Council has paid for the completed works.

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 2021) to the end of the financial year (30 June 2022).

As at 30 June 2022, Total Community Equity was \$355.228 million representing an increase of \$50.4 million from the start of the financial year.

Community Equity comprises of the following components:

Description	2022 \$,000	2021 \$,000	Movement \$,000	Explanation for movement
Asset Revaluation Surplus	273,283	237,603	35,680	Increase is due to Council's asset revaluation undertaken in FY22.
Retained surplus/(deficiency)	78,813	64,010	14,803	Movement is the FY22 Result.
Reserves	3,132	3,312	-	
Total Community Equity	355,228	304,745		

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.

Statement of Cash Flows	\$ '000
Cash and Cash Equivalents Beginning Balance	10,695
Net cash from operating activities	14,385
Net cash from investing activities	-1,693
Net cash from financing activities	-506
Cash and Cash Equivalents Closing Balance	22,881

Cash at the end of the year was \$22.8 million which 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

Cash at the end of the year was \$22.8 million which 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	2%	0 - 10%
Asset Sustainability Ratio	This ratio shows the level that Council is replacing assets as they reach the end of their useful lives.	43.20%	> 90 %	
	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	8%	> 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	-7%	< 60%





Legislated Reporting Requirements



The Queensland *Local Government Act 2009* and associated 2012 Regulation requires Council to include in its 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	\$108,221.88	\$12,986.74	\$13,938.77
Deputy Mayor Robyn Holmes	\$62,435.10	\$7,492.41	\$945.28
Cr Peter Burns	\$54,109.90	\$5,400.71	\$483.31
Cr John Dessmann	\$54,109.90	\$6,493.24	\$1,734.02
Cr Larissa Hale	\$54,109.90	\$6,493.24	\$504.55
Cr Ross Logan	\$54,109.90	\$5,400.71	\$1,271.02
Cr Marilyn Morris	\$54,109.90	\$5,400.71	\$1,913.12

Facilities provided to Cook Shire's Councillors during the 2021–22 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 2021–22 financial year.

In the 2021–22 financial year, the following Council meetings were held:

- 12 Ordinary Council Meetings
- 3 Planning and Environment Meetings
- 5 Special Council Meetings

Mayor and Councillors	Ordinary Council Meetings	Planning and Environment Meetings	Special Council Meetings
Mayor Peter Scott	11	3	5
Deputy Mayor Robyn Holmes	12	3	5
Cr Peter Burns	12	3	5
Cr John Dessmann	10	3	5
Cr Larissa Hale	11	3	2
Cr Ross Logan	12	3	4
Cr Marilyn Morris	12	3	5

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:

No complaints 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:

No complaints were referred to the Assessor in accordance with section 150W(1)(a), (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 2021–22 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 2021–22 financial year to executives was \$991,708. 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

Councillor Expense Reimbursement Policy

Cook Shire Council's Annual Report must contain a list of any resolution made under S250(1) of the *Local Government Regulation 2012*. At the Ordinary Council Meeting held on 28 September 2021, Council resolved the following:

16.3 COUNCILLOR EXPENSE REIMBURSEMENT POLICY

RESOLUTION 2021/15

Moved: Councillor Marilyn Morris

Seconded: Councillor Peter Burns

That Council adopt the Councillor Expense Reimbursement Policy dated September 2021. **CARRIED**

Section 185(b) Local Government Act 2009

Administrative Action Complaints

Cook Shire Council is committed to providing the highest level of customer service. To constantly improve these services, Council acknowledges the public's right to provide feedback and welcomes their comments. This includes the right to lodge a complaint about a decision made by Council, an action undertaken by Council, or an action Council failed to undertake.

Council has adopted and implemented a Customer Service Charter, which provides guidance across the organisation in relation to the standard of service the public can rightfully expect in their dealings with Council. Council's Customer Service Charter supports and aligns with Council's complaints management process, which has been developed and implemented to ensure complaints are managed in a way that is efficient, effective, objective and fair. During the 2021–22 financial year, Council has centralised its system of complaint management, enabling improvement in terms of timeframes for resolution across of range of complaints.

During the 2021–22 financial year, Council received fifteen administrative action complaints and all were resolved under Council's complaints management process by June 30 2022. All complainants were given the option of escalating their matter within Council or to the Queensland Ombudsman for review. One complaint received in the 2020–21 financial year remained outstanding and the complainant chose to escalate their complaint for external review.

Section 187 Local Government Regulation 2012



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

Recipient	Amount	Purpose
South Cape York Catchments	\$360	Hire of chairs for Buubu Gujin Aboriginal Corporation meeting to discuss future plans.
Endeavour Lions Club	\$201	To purchase 3120L wheelie bins for recyclables
Scripture Union - Father & Sons Bike Ride	\$1,000	Hire of council vehicle to drive to Wakooka with the father and sons bike riders
South Cape York Catchments -North Shore Beach Clean-up	\$501	Use of marquees, chairs and skip bin for annual beach clean-up
Conquer the Corrugations	\$3,000	To assist Conquer the Corrugations in purchasing a cold room for their event
Cape York Folk Club - 2021 Wallaby Creek Festival	\$5,000	To assist with first aid cost, delivery and pick up of a skip bin, hire of 25 x 240L bins and development application fee support for their event
RUOK? Day Cricket Match	\$2,151	Purchase of merchandise and event equipment, waiver of oval hire fees and waiver of hire fees for 6 wheelie bins
Far North Queensland Hospital Foundation - QSuper Cardiac Challenge	\$5,000	To assist with venue and equipment hire for the event
Cooktown Amateur Turf Club - Cooktown Races 2021	\$4,500	Water truck hire to water track daily 10 days prior to event, temporary event permit, hire of 30 wheelie bins, hire of 60 chairs and dumping recyclables
Cape York Folk Club - Wallaby Creek Tree Planting	\$412	Delivery of mulch to Wallaby Creek Festival
Cooktown Hospital - Carols – Good King Wenceslas	\$515	Hire of PA System
Cooktown School of Art Society 43rd Annual Art Exhibition 2022	\$3,000	Awards and advertising for annual event
Scripture Union - Fathers and Sons Bike Ride	\$4,000	Purchase of shipping container to house equipment and hire of Council vehicle, water pod and trailer to drive to Wakooka
Cooktown RSL Sub Branch – Anzac Day Ceremonies	\$600	Hire of equipment for Anzac Day Ceremonies
Cooktown Amateur Swimming Club	\$3,000	Flights, accommodation, meals for 6 athletes to compete at the Underwater Hockey Nationals Competition 2022
Total	\$33,240	

Regional Arts Development Fund (RADF) Program

Recipient	Amount	Purpose
Cape York Folk Club	\$5,000	Craft Workshops and activity space during June Discovery Festival 2022
Black Cockatoo Gallery – Laini Franz	\$3,600	Mural at Ayton Library (creating a border) with a series of Workshops
Peninsula Signers – Carol Fossett	\$5,000	Signing workshops with renowned choir director Rachel Hoare from Canberra. Held during the Cooktown Discovery Festival 2022
Total	\$13,600	



Round 1 Community Grants

Recipient	Amount	Purpose
Cooktown State School P & C	\$5,000	Purchase shade marquees for students at Cooktown P-12 State School
Cooktown Kindergarten Association	\$3,550	Purchase of equipment for the kindergarten
Cooktown Community Church	\$5,000	Purchase of equipment for Annual Christmas Carols in the Endeavour Lions Park
Endeavour Lions Club	\$3,374	Purchase of equipment for Endeavour Lions Club events
QCWA Cooktown	\$5,000	Establishment of a community garden behind the QCWA building
The Royal Historical Society of QLD	\$5,000	The production of a book about Captain Cook in 1770
Douglas Hockey Association	\$5,000	Purchase of hockey equipment for Hockey games at PCYC in Cooktown
Laura & District Rodeo & Campdraft Association	\$4,492	Purchase of gates, security cameras, signage and crowd control barriers for COVID compliance and public safety
Total	\$34,416	

Registers

Cook Shire Council is required to include in its Annual Report a list of all registers kept and maintained by Cook Shire Council. 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

Abandoned Vehicles Register
Asbestos Register
Asset Register

B

Backflow Device Register

C

Cemetery Register
Community Grants Register
Council Grants and Funding Agreements Register
Councillor Conduct Register

D

Delegations and Authorisations Registers
Development and Change Applications Register
Dog Registry

E

Employee Register

F

Flood Damage Register
Food Business Licence Register

L

Land Liable to Flooding Register (Mapped)
Local Heritage Identification (Mapped)
Local Laws Register

M

Market Stalls Register/s

P

Procurement Register
Property Register

R

Register of Cost-Recovery Fees and Schedule of Fees and Charges
Register of Interests
Roads Map and Register

S

Sewerage and Greywater Use Facilities Register
Swimming Pool Registers

T

Trade Waste Register

W

WHS Hazard Register
WHS Incident and Accidents 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 2021–22 financial year:

- 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

During 2021–22, 261 pensioners received rates concessions at a cost of \$46,843.

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 2022, 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 2021–22 financial year, the internal auditors reviewed the following areas:

- Fleet Management
 - o Scope of work: Review of the suitability and adherence to fleet management policies, procedures and practices. Review fleet management system against best practice. Review decision-making process in relation to selection and allocation of vehicles.
- Stores
 - o Scope of work: Review of stores operations for efficiency and effectiveness of service provision to the organisation. Review of decision-making processes in relation to inventory. Review of content and application of policy and procedures. Review of operational relationships with significant business units to provide responsive customer service.

The report on these internal audit reviews were presented to Council's Audit and Risk Committee in December 2021 and May 2022, respectively. The Audit and Risk Committee continues to receive updates from Management on progress in implementing the recommendations of these reviews.

Section 105(1) Local Government Act 2009



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 2021–22 financial year Council made no resolution adopting a Non- Current Assets Policy

Section 185 (a) Local Government Regulation

List of Business Activities

During the 2021–22 financial year Council undertook no significant business activities.

Section 45 Local Government Act 2009

Discretionary Funds

During the 20221-22 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 2021–22 financial year Council did not maintain any commercial business units.

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

Joint Local Government Activity

During the 2021–22 financial year Council undertook no joint local government activity.

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

Change to Tenders

Cook Shire Council issued no requests for tenders to be changed during the 20221-22financial year.

Section 190 (1)(e) Local Government Regulation

Competitive Neutrality

No complaints under section 49 of the *Local Government Regulation 2012* in relation to competitive neutrality were received by Council during the 2021–22 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 2021–22 financial year

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



Cook Shire Council's 2021–22 Financial Statements

In accordance with the Queensland *Local Government Regulation 2012*, a local government's Annual Report must contain:

- a) the general purpose financial statement for the financial year, audited by the auditor-general; and
- b) the current-year financial sustainability statement for the financial year, audited by the auditor-general; and
- c) the long-term financial sustainability statement for the financial year; and
- d) the auditor-general's audit reports about the general purpose financial statement and the current-year financial sustainability statement

*Section 183
Local Government Regulation*



Cook Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



Cook Shire Council

General Purpose Financial Statements

For the year ended 30 June 2022

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Cook Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 \$'000	2021 \$'000
Income			
Revenue			
<i>Recurrent revenue</i>			
Rates, levies and charges	3a	8,188	7,783
Fees and charges	3b	1,317	1,118
Sales revenue	3c	1,103	867
Grants, subsidies, contributions and donations	3d	58,809	49,151
<i>Total recurrent revenue</i>		<u>69,417</u>	<u>58,919</u>
Capital revenue			
Grants, subsidies, contributions and donations	3d	14,763	15,780
<i>Total capital revenue</i>		<u>14,763</u>	<u>15,780</u>
Other Income			
Rental income		517	566
Interest received		141	149
Other income		430	400
Other capital income	4	-	3,630
<i>Total other income</i>		<u>1,088</u>	<u>4,745</u>
Total income		<u>85,268</u>	<u>79,444</u>
Expenses			
<i>Recurrent expenses</i>			
Employee benefits	5	14,726	14,427
Materials and services	6	43,268	44,669
Finance costs	7	194	672
Depreciation - Property, plant and equipment	11	11,134	11,098
<i>Total recurrent expenses</i>		<u>69,322</u>	<u>70,866</u>
Other expenses			
Capital expenses	8	1,144	973
<i>Total capital expenses</i>		<u>1,144</u>	<u>973</u>
Total expenses		<u>70,465</u>	<u>71,839</u>
Net Result		<u>14,803</u>	<u>7,605</u>
Other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Increase / (decrease) in asset revaluation surplus	11	35,680	-
<i>Total other comprehensive income for the year</i>		<u>35,680</u>	<u>-</u>
Total comprehensive income for the year		<u>50,483</u>	<u>7,605</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 2022

	Notes	2022 \$'000	2021 \$'000
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	9	23,872	13,574
Receivables	10	5,048	3,601
Inventories		405	304
Contract assets	12	4,970	9,252
Other assets		16	287
Total current assets		34,312	27,018
Non-current assets			
Property, plant and equipment	11	350,240	307,204
Total non-current assets		350,240	307,204
Total assets		384,551	334,222
LIABILITIES			
<i>Current liabilities</i>			
Payables	13	2,818	3,731
Contract liabilities	12	4,158	2,793
Borrowings	14	1,505	3,392
Provisions	15	2,766	2,729
Other liabilities	16	135	-
Total current liabilities		11,382	12,645
Non-current liabilities			
Borrowings	14	2,719	3,226
Provisions	15	14,493	13,300
Other liabilities	16	729	306
Total non-current liabilities		17,941	16,832
Total liabilities		29,323	29,477
Net community assets		355,228	304,745
COMMUNITY EQUITY			
Asset revaluation surplus	11	273,283	237,603
Retained surplus		78,813	64,010
Reserves		3,132	3,132
Total community equity		355,228	304,745

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

Cook Shire Council

Statement of Changes in Equity

for the year ended 30 June 2022

		Asset revaluation surplus	Retained surplus	Other Reserves	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2021		237,603	64,010	3,132	304,745
Net result		-	14,803	-	14,803
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	11	35,680	-	-	35,680
Total comprehensive income for the year		35,680	14,803	-	50,483
Transfers from reserves		-	-	-	-
Balance as at 30 June 2022		273,283	78,813	3,132	355,228

		Asset revaluation surplus	Retained surplus	Other Reserves	Total equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2020		237,603	56,405	3,132	297,140
Net result		-	7,605	-	7,605
Other comprehensive income for the year					
Increase / (decrease) in asset revaluation surplus	11	-	-	-	-
Total comprehensive income for the year		-	7,605	-	7,605
Balance as at 30 June 2021		237,603	64,010	3,132	304,745

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 2022

	Note	2022 \$'000	2021 \$'000
<i>Cash flows from operating activities</i>			
Receipts from customers		11,793	10,132
Payments to suppliers and employees		(58,602)	(56,854)
		<u>(46,809)</u>	<u>(46,722)</u>
<i>Receipts</i>			
Interest received		141	149
Rental Income		517	566
Non capital grants and contributions		60,761	47,046
<i>Payments</i>			
Borrowing costs		(225)	(273)
Net cash inflow (outflow) from operating activities	21	<u>14,385</u>	<u>766</u>
<i>Cash flows from investing activities</i>			
<i>Receipts</i>			
Proceeds from sale of property plant and equipment		-	134
Grants, subsidies, contributions and donations		16,815	9,020
<i>Payments</i>			
Payments for property, plant and equipment		(18,508)	(17,953)
Net cash inflow (outflow) from investing activities		<u>(1,693)</u>	<u>(8,799)</u>
<i>Cash flows from financing activities</i>			
<i>Repayments</i>			
Repayment of borrowings		(506)	(479)
Net cash inflow (outflow) from financing activities		<u>(506)</u>	<u>(479)</u>
Net increase (decrease) for the year		<u>12,186</u>	<u>(8,512)</u>
<i>Cash and cash equivalents at the beginning of the financial year</i>		<u>10,695</u>	<u>19,207</u>
Cash and cash equivalents at end of the financial year	9	<u>22,881</u>	<u>10,695</u>

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

Notes to the Financial Statements
for the year ended 30 June 2022

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 2021 to 30 June 2022. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

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

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

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

Cook Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021. 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 2022. 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, 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 2022.

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

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, 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

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 maintenance and refueling facilities, as well as the maintenance and refueling facilities, as well as the 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 2022

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

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	
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)	14,982	22,817	81,332
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)	(762)	2,732
Total	58,809	11,696	14,763	-	85,269	(69,322)	(1,143)	(70,465)	1,183	14,804	384,551

Year ended 30 June 2021

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring operations	Net Result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Executive Services	-	26	-	-	26	(3,431)	-	(3,431)	(3,405)		1
Corporate Services	8,744	4,660	15,568	3,630	32,602	(5,637)	-	(5,637)	7,767	26,965	68,109
Economic development and community services	603	327	-	-	930	(4,614)	-	(4,614)	(3,684)	(3,684)	12,037
Engineering Services	39,626	5,813	212	-	45,651	(56,380)	(973)	(57,353)	(10,942)	(11,702)	252,044
Planning and Environmental Services	177	58	-	-	235	(804)	-	(804)	(569)	(569)	2,032
Total consolidated	49,150	10,883	15,780	3,630	79,444	(70,866)	(973)	(71,839)	(10,832)	7,605	334,223

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

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	2022 \$'000	2021 \$'000
General rates		4,412	3,934
Separate rates		274	291
Water		864	874
Water consumption, rental and sundries		921	1,072
Sewerage		1,356	1,368
Waste management		92	97
Garbage charges		498	468
Total rates and utility charge revenue		8,417	8,104
Less: Discounts		(180)	(272)
Less: Pensioner remissions		(49)	(49)
TOTAL RATES, LEVIES AND CHARGES		8,188	7,783

(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	185	178
Airport landing fees	144	131
Other statutory fees and charges	88	94
Waste management and transfer fees	537	480
Swimming pool fees	66	55
Halls and community centre fees	34	19
Other fees and charges	263	161
TOTAL FEES AND CHARGES	1,317	1,118

(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 other 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	6	6
Airport Services	652	610
Total Sale of services	658	616

Sale of goods

Other sale of goods	445	251
	445	251
TOTAL SALES REVENUE	1,103	867

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

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 1058

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 income then is recognised for any remaining asset value at the time that the asset is received.

Capital grants

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

Donations and contributions

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

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	2022 \$'000	2021 \$'000
(i) Operating			
General purpose grants		15,096	10,443
State government subsidies and grants		1,314	780
Commonwealth government subsidies and grants		121	99
Contributions		58	70
Disaster Recovery Funding Arrangements (DFRA)		42,220	37,759
TOTAL RECURRENT GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS		58,809	49,151

(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	10,764	14,455
Commonwealth government subsidies and grants	3,914	1,325
Contributions	85	-
TOTAL CAPITAL GRANTS, SUBSIDIES, CONTRIBUTIONS AND DONATIONS	14,763	15,780

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

Note 3. Revenue (continued)

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

		2022		2021	
		Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
	Note	\$'000	\$'000	\$'000	\$'000
Grants and subsidies	3d	15,954	57,476	11,853	53,008
Contributions	3d	58	85	70	-
		<u>16,012</u>	<u>57,561</u>	<u>11,923</u>	<u>53,008</u>

Note 4. Capital Income

	Note	2022 \$'000	2021 \$'000
Gain/Loss on disposal of non-current assets			
Proceeds from the disposal of property, plant and equipment	11	-	-
Less: Carrying value of disposed property, plant and equipment		-	-
Adjustment of discount rate relating to rehabilitation liability	15	-	3,630
TOTAL CAPITAL INCOME		<u>-</u>	<u>3,630</u>

Note 5. Employee Benefits

Accounting Policy

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

Wages and salaries		11,409	10,788
Councillors' remuneration		443	443
Annual, sick and long service leave		2,575	2,308
Superannuation	20	<u>1,520</u>	<u>1,498</u>
		<u>15,947</u>	<u>15,037</u>
Other employee related expenses		<u>506</u>	<u>488</u>
		<u>16,454</u>	<u>15,525</u>
Less: capitalised employee expenses		<u>(1,728)</u>	<u>(1,098)</u>
TOTAL EMPLOYEE BENEFITS		<u>14,726</u>	<u>14,427</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:

	2022 \$'000	2021 \$'000
Elected members	7	7
Administration staff	87	81
Depot and outdoors staff	<u>74</u>	<u>79</u>
Total full time equivalent employees	<u>168</u>	<u>167</u>

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

Note 6. Materials and services

Accounting Policy

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

	Note	2022 \$'000	2021 \$'000
Advertising, marketing and promotion		44	94
Audit of annual financial statements by the Auditor-General of Queensland*		94	112
Consultants		719	616
Contractors		3,582	3,600
Donations paid		86	90
Subscriptions and registrations		156	148
Travel		203	261
Insurance		613	544
Fuel and oils		970	856
IT - software and hardware		341	276
Legal costs		245	66
Management fees		148	342
Royalties		411	197
Utilities		757	829
Disaster Recovery Funding Arrangements (DRFA)		33,136	34,351
Other materials and services		1,763	2,287
TOTAL MATERIALS AND SERVICES		43,268	44,669

*Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$110,000 (2021: \$125,000.)

Note 7. Finance Costs

Finance costs charged by the Queensland Treasury Corporation	183	222
Bank charges	42	51
Impairment of receivables	(190)	96
Quarry and tip rehabilitation	160	303
TOTAL FINANCE COSTS	194	672

Note 8. Capital Expenses

(a) Loss on disposal of non-current assets

Proceeds from the disposal of property, plant and equipment	-	134
Less: Carrying value of disposed property, plant and equipment	17	1,107
Loss on disposal of non-current assets	17	973

(b) Provision for restoration of land

Discount Rate adjustment to rehabilitation liability	1,127	-
	1,127	-
TOTAL CAPITAL EXPENSES	1,144	973

Cook Shire Council
Notes to the Financial Statements
for the year ended 30 June 2022

Note 9. Cash and cash equivalents

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

	Note	2022 \$'000	2021 \$'000
Cash and cash equivalents			
Cash at bank and on hand		19,468	7,972
Deposits at call		4,404	5,602
Balance per Statement of Financial Position		<u>23,872</u>	<u>13,574</u>
Less bank overdraft		(992)	(2,879)
Balance per Statement of Cash Flows		<u>22,881</u>	<u>10,695</u>
TOTAL CASH AND CASH EQUIVALENTS		<u>22,881</u>	<u>10,695</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		23,872	10,695
Less: Externally imposed restrictions on cash	(i)	(5,868)	(4,383)
Unrestricted cash		<u>18,005</u>	<u>6,312</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	4,260	2,793
Unspent loan monies	1,284	1,284
Unspent Headworks	324	306
Total externally imposed restrictions on cash assets	<u>5,868</u>	<u>4,383</u>

(ii) Internal allocations of cash at the reporting date

Future asset replacement / purchases	1,851	1,845
Total internally allocated cash	<u>1,851</u>	<u>1,845</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 2022 includes \$533,711 received from the State Government to mitigate the direct impacts on households of the State Waste Levy. Council was provided an upfront payment to cover the next four financial years to 2025-2026.

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 2022

Note 9. Cash and cash equivalents (continued)

	Note	2022 \$'000	2021 \$'000
Trust funds held for outside parties			
Monies collected or held on behalf of other entities yet to be paid out		217	271
Security deposits		1	1
		<u>218</u>	<u>272</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 or 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 or 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 2022. If an amount is recovered in a subsequent period it is recognised as revenue. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

	Note	2022 \$'000	2021 \$'000
Current			
Rates and charges		1,625	1,472
Statutory Charges		60	60
Water charges not yet levied		425	357
Other Debtors		3,282	1,928
GST recoverable		(16)	302
Total		<u>5,376</u>	<u>4,119</u>
Less: Loss Allowance			
Rates and charges		(328)	(468)
Other Debtors		-	(50)
Total provision for impairment - receivables		<u>(328)</u>	<u>(518)</u>
TOTAL CURRENT RECEIVABLES		<u>5,048</u>	<u>3,601</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, 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 2022

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:

	2022	2021
	\$'000	\$'000
Rates and Utility Charges	5,332	3,757
State & Commonwealth Government	(16)	302
Other	60	60
Total	5,376	4,119

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment

30 June 2022	Note	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Furniture and equipment \$'000	Road, drainage and bridge network \$'000	Water Fair Value \$'000	Sewerage Fair Value \$'000	Other Structures Fair Value \$'000	Work in progress \$'000	Total \$'000
Basis of measurement		Fair Value	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	10,621	1,081	274,707	54,367	28,919	23,342	6,926	478,517
Additions:		-	-	-	-	-	-	-	-	-	-
- Renewals		-	645	-	14	-	188	-	-	-	847
- Other additions		632	-	606	-	-	-	-	-	16,560	17,798
Disposals		-	(108)	-	-	-	(28)	-	-	-	(136)
Revaluation adjustment to asset revaluation surplus		(2,042)	258	-	-	21,843	4,558	1,515	4,659	-	30,792
Work in progress transfers		-	3,216	-	20	10,130	55	39	1,686	(15,145)	-
Adjustments and other transfers		-	-	-	-	-	-	-	-	-	-
Total gross value of property plant and equipment		17,512	63,643	11,227	1,114	306,681	59,140	30,473	29,687	8,341	527,818
Opening accumulated depreciation		-	26,385	7,021	910	101,658	24,118	8,070	3,151	-	171,313
Depreciation expense		-	1,247	777	55	7,173	890	535	457	-	11,134
Disposals		-	(91)	-	-	-	(29)	-	-	-	(120)
Revaluation adjustment to asset revaluation surplus		-	(11,843)	-	-	8,706	(2,159)	(1,382)	1,929	-	(4,748)
Total accumulated depreciation of property, plant and equipment		-	15,698	7,798	965	117,538	22,820	7,223	5,537	-	177,578
Total net book value of property, plant and equipment		17,512	47,945	3,429	150	189,143	36,320	23,250	24,150	8,341	350,240
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.	

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

Note 11. Property, plant and equipment (continued)

30 June 2021	Basis of measurement	Note	Land \$'000	Buildings \$'000	Plant and Equipment \$'000	Furniture and equipment \$'000	Road, drainage and bridge network \$'000	Water \$'000	Sewerage \$'000	Other Structures \$'000	Work in progress \$'000	Total \$'000
			Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
	Opening gross value as at 1 July 2020		18,922	57,165	10,604	1,000	268,126	53,766	28,811	20,961	3,452	462,807
	Additions:											
	- Renewals											
	- Other additions				408	81					4,405	4,405
	Disposals			(774)	(391)		(1,004)	(74)			13,180	13,669
	Work in progress transfers			3,241			7,585	675	108	2,381	(13,990)	(2,243)
	Adjustments and other transfers										(121)	-
	Total gross value of property plant and equipment		18,922	59,632	10,621	1,081	274,707	54,367	28,919	23,342	6,926	478,517
	Opening accumulated depreciation		-	25,581	6,423	868	94,939	23,251	7,539	2,750	-	161,351
	Depreciation expense		-	1,256	861	42	7,117	890	531	401	-	11,098
	Disposals		-	(452)	(263)	-	(398)	(23)	-	-	-	(1,136)
	Total accumulated depreciation of property, plant and equipment		-	26,385	7,021	910	101,658	24,118	8,070	3,151	-	171,313
	Total net book value of property, plant and equipment		18,922	33,247	3,600	171	173,049	30,249	20,849	20,191	6,926	307,204
	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.	

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

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 obsolescence that may change the utility of 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 2022 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.

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

(e) Valuation (*continued*)

(i) Valuation

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.

Notes to the Financial Statements

for the year ended 30 June 2022

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)
Land (level 2)	Market value	30th June 2022	Cardno (Qld) 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
Buildings (level 3)	Current replacement cost	30th June 2022	Cardno (Qld) 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
Roads, drainage and bridge networks (level 3)	Current replacement cost	30th June 2018	Cardno (Qld) 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.	Following an internal assessment Council have applied indexation of 8% at 30 June 2022.

Notes to the Financial Statements

for the year ended 30 June 2022

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)
Water and sewerage assets (level 3)	Current replacement cost	30th June 2022	Cardno (Qld) 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.	N/A
Other infrastructure assets (level 3)	Current replacement cost	30th June 2022	Cardno (Qld) 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

(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 2022

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

	2022 \$'000	2021 \$'000
Contract assets	4,970	9,252
TOTAL CONTRACT ASSETS	4,970	9,252

(b) Contract liabilities

Funds received upfront to construct or remediate Council controlled assets	3,726	2,405
Non capital performance obligations not yet satisfied	433	388
TOTAL CONTRACT LIABILITIES	4,158	2,793

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	2,315	6,680
Non capital performance obligations not yet satisfied	299	406
Total revenue included in the contract liability	2,614	7,086

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.

	2022 \$'000	2021 \$'000
Current		
Creditors and accruals	2,104	3,328
Prepaid rates	231	210
Accrued wages and salaries	327	139
Employee related accruals	108	9
Other creditors	48	45
TOTAL CURRENT PAYABLES	2,818	3,731

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 2038. 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 2022

Note 14. Borrowings (*continued*)

	Note	2022 \$'000	2021 \$'000
Current			
Loans - Queensland Treasury Corporation		513	513
Working Capital Facility - Queensland Treasury		992	2,879
TOTAL CURRENT BORROWINGS		1,505	3,392
Non-current			
Loans - Queensland Treasury Corporation		2,719	3,226
		2,719	3,226

The QTC loan market value at the reporting date was \$3,266,696.75 (2021: \$4,242,895.85). 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 2022 or 2021 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 period.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2022

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.

Note	Current		Non-current	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Annual leave	1,363	1,503	-	-
Long service leave	1,323	1,088	219	313
Sick leave	35	93	-	-
Refuse restoration	-	-	13,061	11,009
Gravel pit sites	-	-	1,213	1,978
Other	45	45	-	-
	<u>2,766</u>	<u>2,729</u>	<u>14,493</u>	<u>13,300</u>

Movements in non-employee benefit provisions:

Gravel pit sites	Note	2022 \$'000	2021 \$'000
Balance at beginning of financial year		1,978	1,978
Additional provision		-	-
Increase/(decrease) in provision due to unwinding of discount		(765)	-
Balance at end of financial year		<u>1,213</u>	<u>1,978</u>

Landfill sites

Balance at beginning of financial year	11,009	14,336
Additional provision	-	-
Increase/(decrease) in provision due to unwinding of discount	160	303
Increase/(decrease) in provision due to change in discount rate	1,892	(3,630)
Balance at end of financial year	<u>13,061</u>	<u>11,009</u>

Other

Balance at beginning of financial year	45	199
Additional provisions / (Reversal of provision)	-	(154)
Balance at end of financial year	<u>45</u>	<u>45</u>

Note 16. Other Liabilities

Note	Current		Non-current	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Waste Levy refund received in advance	135	-	399	-
Headworks	-	-	330	306
	<u>135</u>	<u>-</u>	<u>729</u>	<u>306</u>

The State Government provides the Waste Levy refund to Council to cover the estimated cost of household waste. In June 2022 the State Government made an advance payment to cover the next four financial years to 2025-2026.

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2022

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.

	2022 \$'000	2021 \$'000
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	11,999	14,041
Buildings	24,627	12,531
Roads, drainage and bridge network	195,467	182,191
Water	27,347	20,725
Sewerage	8,373	6,136
Other structures	5,469	1,979
	<u>273,283</u>	<u>237,603</u>

Note 18. Commitments for expenditure

Capital commitments relating to infrastructure works projects	<u>2,864</u>	<u>3,386</u>
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Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

Kerbside garbage collection	4,042	4,531
Transportation and Disposal of Bulk Waste	1,059	1,410
	<u>5,101</u>	<u>5,941</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 2021 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 \$251,192.04 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 2022

Note 20. Superannuation - Regional Defined Benefit Fund

Council contributes to the LGLAsuper 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 LGLAsuper 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*.

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 LGLAsuper 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 LGLAsuper 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	2022 \$	2021 \$
Superannuation contributions made to the Regional Defined Benefits Fund		29	26
Other superannuation contributions for employees		1,490	1,472
Total superannuation contributions paid by Council for employees	5	1,520	1,498

Cook Shire Council

Notes to the Financial Statements
for the year ended 30 June 2022

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

	2022 \$'000	2021 \$'000
Net result	14,803	7,605
Non-cash items:		
Depreciation and amortisation	11,134	11,098
	<u>11,134</u>	<u>11,098</u>
Losses/(gains) recognised on fair value re-measurements through the income statement		
Revaluation adjustments (restoration provision)	1,287	(3,327)
	<u>1,287</u>	<u>(3,327)</u>
Investing and development activities:		
Net (profit)/loss on disposal of assets	17	973
Non cash capital grants and contributions	(16,815)	(9,020)
	<u>(16,798)</u>	<u>(8,047)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(1,636)	(730)
(Increase)/ decrease in provision for doubtful debts	190	(105)
(Increase)/decrease in inventories	(101)	157
(Increase)/ decrease in contract assets	4,282	(3,822)
(Increase)/ decrease in other assets	271	(149)
Increase/(decrease) in payables and accruals	(913)	2,571
Increase/(decrease) in contract liabilities	1,365	(4,293)
Increase/(decrease) in employee provisions	(57)	(241)
Increase/(decrease) in other liabilities	558	49
	<u>3,959</u>	<u>(6,563)</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>14,385</u>	<u>766</u>

Note 22. Reconciliation of liabilities arising from finance activities

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

	As at 30 June 2020	Change in accounting policy	Cash flows	Non-cash changes (new leases)	As at 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings	8,082	-	(1,463)	-	6,619
	<u>8,082</u>	<u>-</u>	<u>(1,463)</u>	<u>-</u>	<u>6,619</u>

Note 23. Events after the reporting period

Council was issued a notice of industrial dispute by the Queensland Services, Industrial Union of Employees. The dispute was settled on 26th September 2022.

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

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 followings 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 2022

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

	2022 \$'000	2021 \$'000
Overdraft - QTC working capital facility - limit	5,000	5,000
Available at 30 June	(992)	(2,879)
	<u>4,008</u>	<u>2,121</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:

\$'000	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
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>7,455</u>	<u>6,812</u>
2021					
Payables	3,521	-	-	3,521	3,521
Loans - QTC	690	2,485	1,391	4,566	3,739
Loans - other	2,874	-	-	2,874	2,879
	<u>7,085</u>	<u>2,485</u>	<u>1,391</u>	<u>10,961</u>	<u>10,139</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 2022

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
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)
2021			
Revenue for services provided to the Council	737	3,453	1,638
Less : Expenditure	(1,185)	(5,042)	(2,607)
Surplus/(deficit)	(448)	(1,589)	(969)

Cook Shire Council

Notes to the Financial Statements

for the year ended 30 June 2022

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:

	2022	2021
	\$'000	\$'000
Short-term employee benefits	1,326	1,235
Post-employment benefits	143	148
Long-term benefits	17	20
Termination benefits	-	-
Total	1,486	1,403

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:

	2022	2021
	\$'000	\$'000
Employee expenses for close family members of key management personnel	284	325

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)

The Finance Manager during the period July 2019 to February 2021 was a close family member of the Deputy Mayor.

The Finance Manager was employed through an arms length process by Leading Roles and was compensated at a market salary.

(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

General Purpose Financial Statements


for the year ended 30 June 2022

Management Certificate for the year ended 30 June 2022

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 x to x, 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: 11/10/22



Chief Executive Officer
Brian Joiner
Date: 11/10/2022

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 2022, 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 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

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

At the date of this auditor's report, the available other information in Cook Shire Council's annual report for the year ended 30 June 2022 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

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

Prescribed requirements scope

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



13 October 2022

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 2022

Measures of Financial Sustainability

	How the measure is calculated	Actual -Council	Target
Council's performance at 30 June 2022 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	2%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	8%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-7%	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 2022.

Cook Shire Council

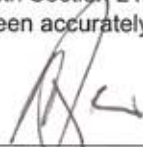
Current Year Financial Sustainability Statement

for the year ended 30 June 2022

Certificate of Accuracy for the year ended 30 June 2022

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: 11, 10, 22



Chief Executive Officer
Brian Joiner

Date: 11, 10, 2022

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 2022, 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 2022 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 2022 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



13 October 2022

David Adams
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Cook Shire Council

Unaudited Long-Term Financial Sustainability Statement

for the year ended 30 June 2022

Measures of Financial Sustainability

Measure	Projected for the years ended											
	Actuals at											
	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031		
Operating surplus ratio	2%	-7%	-7%	-6%	-5%	-5%	-6%	-5%	-5%	-4%		
Asset sustainability ratio	Between 0% and 10%	8%	9%	11%	11%	11%	11%	12%	11%	13%		
Net financial liabilities ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	8%	9%	11%	11%	11%	11%	12%	11%	13%		
	Total liabilities less current assets divided by total operating revenue	-7%	-25%	-23%	-27%	-30%	-34%	-37%	-39%	-42%	(15)	

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

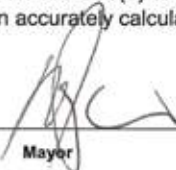
for the year ended 30 June 2022

Certificate of Accuracy

for the long-term financial sustainability statement prepared as at 30 June 2022

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: 11/10/22



Chief Executive Officer
Brian Joiner

Date: 11/10/2022





Cook Shire COUNCIL

For more information about Cook Shire Council's 2019–20 Annual Report, please contact Council's Organisational Business Services Directorate:

Ph: +61 7 4082 0500

Email: mail@cook.qld.gov.au

www.cook.qld.gov.au

