



# Annual Report 2021-22



# Contents

Message From The Mayor .....	1	For Visitors .....	15
Aurukun Shire Profile .....	3	Access to Country (Outside Aurukun Township) .....	15
Legal Status .....	3	Meals and Supplies in Aurukun .....	15
Community Profiles .....	4	Travel and Transport to Aurukun .....	15
Our Senior Executive Team .....	5	Message From The Chief Executive Officer .....	17
Land Tenure: Aurukun Land Transfer Day .....	5	Corporate Services Overview .....	19
Services Available in Aurukun .....	6	Community Services Overview .....	21
Location .....	7	Technical Services Overview .....	27
Aurukun is a Welfare Reform Community .....	8	Organisation Chart As At 30 June 2021 .....	31
Alcohol Management Plan .....	8	Statutory Reporting Requirements .....	37
Community Safety Strategy and Plan .....	9	Community Financial Report .....	43
Corporate Vision .....	10	Annual Financial Statements .....	49
Shire History .....	11		
Challenges We Face .....	11		
Housing .....	12		
Our Environment .....	12		
Shire Boundaries .....	14		



## Message From The Mayor

I am pleased to present Aurukun Shire Council's Annual Report 2021/22.

Council has faced many challenges over the past year, but we are still committed to creating Aak Min (safe place) for every community member and visitor as we are a Council that is inclusive.

Our focus continues to be on the Community Safety Plan, and we encourage all residents and stakeholders to support the implementation of this plan.

We will continue to see significant changes within Aurukun and the services Council provides.

Following onto the Wik Kath Min Community Values Statement, we have established an interim taskforce body. This body will give Aurukun a respectful framework to negotiate with Government bodies on where funding can be best utilized. The Wik Kath Min values will be integrated into Council Policy and our Operational Plans.

Our goal is to combine two groups, Wik Thonam (State Government) and WWASP (Federal Government) to form the Wik Kath Min Grassroots body which is still to be named. Our end goal is to have this Wik Kath Min Grassroots body established and ready for next year.

Several significant Capital Works projects have commenced or are nearing completion. These include our new airport terminal, water treatment plant and waste management site.

We encourage families to make sure that their child/ren are at school five days a week as education is very important for their future.

Our Elders safeguard this wealth of knowledge that we are blessed with. It is important that we strive to continue to create a positive environment so that our Elders and the future generation of Aurukun can thrive.

**Keri Tamwoy**  
Mayor





# Aurukun Shire Profile

## Legal Status

The Aurukun Shire Council operates under Queensland Government Legislation, namely the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is constituted by the Councillors who are elected or appointed to be local government under this *Act*. Council's ABN is 32 338 490 426. Council's GST registration is effective from 1 July 2000.



# Community Profiles

## Portfolio and Committee Representation

Mayor Cr Keri Tamwoy



- Elected 2020 to date
- **Portfolio:** Business Development, Employment and Training
- **Council Representative:**  
Local Government Association of Queensland (LGAQ)  
Torres Cape Indigenous Council Alliance (TCICA) Inc  
Island and Cape Retail Enterprises  
Local Disaster Management Group (LDMG)  
Western Cape Communities Trust – Southern Region  
Aurukun Supermarket Advisory Committee

Deputy Mayor  
Cr Craig Koomeeta



- Elected 2000-2003 and 2020 to date
- **Portfolio:** Health, Community Safety/Environment, Arts, Craft and Culture
- **Council Representative:**  
Local Disaster Management Group (LDMG)  
Torres Cape Indigenous Council Alliance (TCICA) Inc  
Aurukun Health Action Team

Cr Delys Yunkaporta



- Elected 2020 to date
- **Portfolio:** Housing and Community Services and Education Services
- **Council Representative:**  
Wik Kath Min Committee

Cr Kemuel Tamwoy



- Elected 2020 to date
- **Portfolio:** Transport and Infrastructure, Youth, Sports and Recreation, Education Services
- **Council Representative:**  
Western Cape Communities Trust – Southern Region  
(substitute for Mayor)

Cr Jayden Marrott



- Elected 31 October 2020 to date
- **Portfolio:** Employment and Training, Youth, Sports and Recreation

## Our Senior Executive Team

Chief Executive Officer	Ilario Sabatino
Director of Corporate Services	Rachel Pierce
Director of Technical Services	Mark Sexton
Director of Community Services	Alan Neilan
Finance Manager	Sandeep Tut



### Land Tenure: Aurukun Land Transfer Day

On 18 September 2013, Aurukun saw a long-awaited land transfer come to fruition. Following the transfer, the Shire Lease was cancelled, and the land became Aboriginal Freehold land with two trustees:

- (1) Aurukun Shire Council became the trustee of the town area and the reserve land;  
and
- (2) Ngan Aak-Kunch Aboriginal Corporation RNTBC was made trustee of the balance of the Shire Lease except Peppan lot and the four State land lots.

Both Trustees are responsible for managing the land that they hold and making decisions about that land on behalf of the people they hold the land for. However, ASC has some jurisdiction over the whole shire, particularly through the Aurukun Shire Planning Scheme.





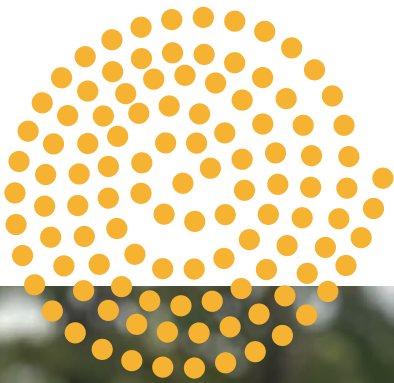
## Services Available in Aurukun

- Aurukun has the following services available to residents and visitors:
- Koolkan Aurukun State School – Prep to Year 12
- Airport and Skytrans agency – daily flights (weekdays) from and to Cairns
- Kang Kang Café and Giftshop
- Health Clinic
- RFDS (Emergency Service)
- Apunipima Wellbeing Centre
- Koolkan Child Care Centre and Family Support
- Queensland Police Service
- SES and QMV Unit
- Community Police
- Bendigo Bank
- Post Office
- Wik Mungkan Library/IKC Services (also radio broadcasting)
- Cape York Partnerships Opportunity Hub
- Centrelink
- Freight Services –Tuxworths Transport; Sea Swift Barge Services
- Winchanam Ngench Thayan Sports Centre (PCYC)
- Neville Pootchemunka Sports Field
- Tennis/Basketball Courts
- Wik and Kugu Arts Centre
- Akay Koo’oila Women’s Art Centre
- Kooth Pach Guest House Accommodation
- Wuungkam Lodge Accommodation
- May Min Eatery
- Supermarket, fast food take-away
- Aurukun Retail Fuel Depot
- Uniting Church of Australia
- Wo’uw Ko’alam Community Centre
- Waterfront Boat ramp for recreational fishing/freight
- Aawuch Mee’-aathanak Training Centre
- Families Responsibilities Commission
- Community Justice Group and Mediation Centre
- Cape York Employment (CDP)
- Aak Puul Ngantam (APN) Depot and Office
- Ngan Aak Kunch Aboriginal Corporation (NAKAC) Office
- Child Support Services
- Ma’aathan Women’s Shelter
- Aged Care, Disability and Respite Services (Chivaree Centre)
- Rio Tinto Office
- Ergon Power Station
- Radio Stations: ABC, Blackstar, Vision
- Television Stations: ABC Regional, SBS, ABC 24 Hrs News, WIN, Satellite TV also available
- Queensland Government Hub and Department of Aboriginal and Torres Strait Islander Policy Development
- Queensland Department of Housing and Public Works
- Themp Street Offices – Glencore Bauxite Resources Pty Ltd
- Act for Kids – Safe House
- Men’s Shed

## Location

The Aurukun Shire is a very remote area of Queensland which is starkly different to most other Queensland shires. Our community is among the most disadvantaged in Australia, but it has outstanding potentials for growth and prosperity. The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 200 km (2hrs 30mins) by road south of the mining town of Weipa and 831 km (11hrs 30mins) from Cairns. The community is located within the Aurukun Shire; nearly the entire population (97%) lives within the township.

The Shire covers an area of 7,500 sq. km (approximately 192 km long and up to 50 km wide). It has about 107 km of Gulf of Carpentaria coastline. The Accessibility/Remoteness Index of Australia (ARIA) produced by the Department of Health and Ageing rates Aurukun in the highest category of remoteness.



## Aurukun is a Welfare Reform Community

Aurukun is one of only four Welfare Reform communities in Queensland. This means that possession of alcohol within the Shire is illegal, and Family Income Management is applied to families who do not satisfy certain criteria related to childcare. Low school attendance is an ongoing challenge.

Aurukun has strong potential to grow in prosperity. To do that, it will need investment in business infrastructure. It will also need appropriate management able to develop business in a manner that harmonises with the local culture and protects the natural and cultural resources of the Wik and Wik Way people. Opportunities exist in:

Eco-cultural tourism – supported by large and pristine areas of the Shire with rare ecological values and the strong traditional culture and arts and crafts industry of the community.

The development of the Shire through road improvement and transport services.

Mining – Glencore Bauxite Resources Pty Ltd continues to progress consultation with Aurukun Community and Traditional Owners on the establishment of their proposed mining operations.

If its mining project proceeds, there will be benefits in direct employment, in service industries to support mining operations. The clearing and rehabilitation of the land mined with plantings that will create sustainable timber-related industries e.g., timber, and bush tucker supplies. Rio Tinto is now fully operating its Amrun Mine project and is providing excellent training and employment opportunities for local Aurukun people.

Employment in construction – new Social and Government Housing, Works for Queensland, Civil Works, Sewer and Water upgrades all provide employment opportunities for local residents.

## Alcohol Management Plan

Aurukun Shire is a restricted area with zero carriage limit. This means that the shire, community (including the airport) is totally dry, and no alcohol is allowed.

Additionally, local brew is not permitted, and heavy fines apply for offenders. For further information please refer to: <https://www.datsip.qld.gov.au/publicationsgovernance-resources/policy-governance/alcohol-management-plan>

There are serious penalties for breaching the alcohol limits. Police have the power to stop and search all vehicles, boats, planes, air passengers, etc. coming into the restricted area.



## Community Safety Strategy and Plan

Council operates 85 CCTV cameras in the township under a Memorandum of Understanding with the Queensland Police Service. The use of CCTV cameras has been found to be effective in reducing the incidence of crime. The Community Safety Plan has been adopted and has a number of safety platforms including, Leadership, Community Education, Surveillance, Security, Drug and Alcohol Management, Infrastructure, Policing, Vulnerable Groups, Agency Provider Performance, Animal Control, Money Management, Tenancy Management, Employment, Town Planning, Telecommunications and Local Laws. The Community Safety Plan can be viewed on the Aurukun Shire Council website:

<https://www.aurukun.qld.gov.au/council/documents/community-safety-plan/>

Council is also ensuring streetlights are repaired by Ergon Energy within a reasonable time to make our streets safer. Other safety initiatives include the installation of traffic signage and limiting speed near the Business Precinct and Wuungkam Street; sealing of all streets to improve traffic flow and inhibit dust; replacement of all damaged street signs and undertaking ongoing maintenance.





## Corporate Vision

Our Community Vision and Council Mission



## OUR VISION

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



## OUR MISSION

As a Council, it is important to understand our role and purpose. We exist to both lead and serve our community.

## Shire History

Cape Keerweer, on the Gulf of Carpentaria coast, was the site of the first attempted settlement in Australia. In 1606 the Dutch ship Duyfken, under Captain Willem Janszoon, sailed down the west coast of Cape York Peninsula and made the first recorded Dutch landing in Australia at Cape Keerweer, south of Aurukun. Janszoon planned to build a city at the site. However, after exploitative actions by the crew, fighting broke out with the local people, several sailors were killed and the Duyfken departed.

Aurukun was established as a Presbyterian mission (formerly known as Archer River Mission Station) in 1904. Aboriginal people were relocated from large surrounding areas to the mission settlement over several decades. Today's township is on the site of the original mission.

On 22 May 1978, the *Local Government (Aboriginal Lands) Act* came into force, constituting the Aurukun Shire Council. The Act granted a 50-year lease to the Council over most of the land in the original Reserve, a large part of the traditional lands of the Aurukun people.

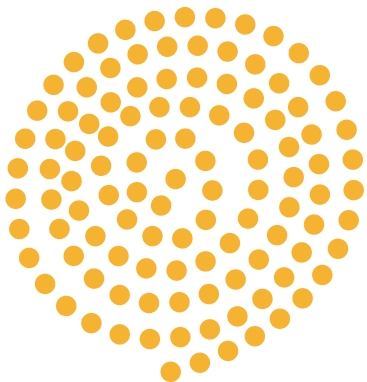
On 18 September 2013, Aurukun saw a long-awaited land transfer come to fruition. The Shire Lease was cancelled, and the land became Aboriginal Freehold with two trustees; Aurukun Shire Council and Ngan Aak-Kunch Aboriginal Corporation (NAKAC) Registered Native Title Bodies Corporate.

## Challenges We Face

**Size** – The Shire comprises some 7,500 square kilometres.

**Isolation** – The isolation of Aurukun limits its ability to attract skilled workers. The cost of materials and services is high due to freight costs and the distance from regional centres.

**Wet Season** – The climate creates special challenges. Roads outside of the community are impassable during the wet season. This greatly increases freight costs – which flow through and raise the cost of just about everything. Extreme isolation for nearly half of the year also causes social and community stresses.





## Housing

Council provides the following housing services in Aurukun:

Management and maintenance of 41 employee housing tenancies with a further eight leased to non-government organisations. A further 91 commercial leases are in place for offices and accommodation.

Providing subcontract maintenance services to the Department of Housing and Public Works with a stock of 292 community houses.

Houses are closed by the relatives for cultural reasons upon the passing of a resident. An Opening Ceremony is held after a period which is agreed upon by the family. The five clan groups come together at the opening to celebrate this event with traditional dancing and a smoking ceremony. After this ceremony, the family returns to reside within the house.

## Our Environment

Wik, Wik Way and Kugu Country – Almost the whole of the Shire is comprised in five areas of high conservation significance. Most of the Shire is of very high-quality wilderness. There are several areas that demonstrate the geology of the region and the geological processes that formed most of the Gulf coastline. Landform and vegetation types are varied, and many vegetation types are among the best of their class. Large, powerful and ancient species like saltwater crocodile are not the only natural treasures in the Aurukun Shire.

The Spotted Cuscus and the Palm Cockatoo are two other important species. Freshwater Anchovies and the River Garfish have their only habitats on Cape York Peninsula in the Archer and Embley Rivers respectively. The vulnerable Northern Crimson Finch has important habitat in the coastal section of the Holroyd Wilderness. The Aurukun Wetlands has important breeding sites for Magpie Geese - a culturally important species.

Rich in barramundi, mud crabs and numerous other species including some that are rare and threatened, the lands and waters of the Aurukun Shire benefit from having had little commercial exploitation. Many areas have large shell middens left by the ancient Aboriginal populations. These contain valuable scientific evidence of past climatic conditions, plant populations and cultural artefacts.

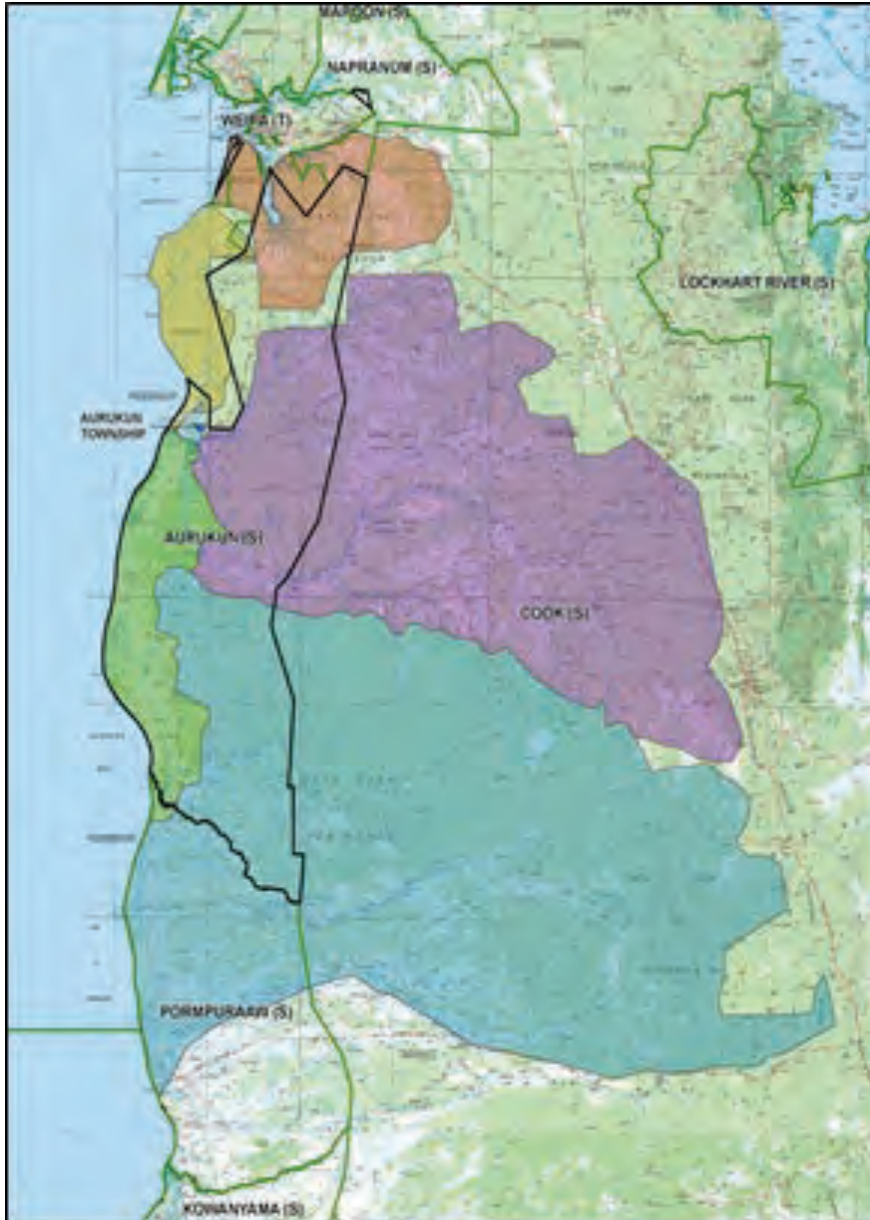
The traditional culture and heritage of the Wik and Wik Way people is vibrant. Most Aboriginal people in Aurukun still speak their native tongue. The Traditional Owners association with land and water is deeply significant.






The Aurukun Wetlands comprise high quality coastal wetland habitats. About 25% of their extent is of very high wilderness quality. They may be the most important dry season refuge for water birds on Cape York Peninsula. They include major breeding colonies for Magpie Geese and other water birds and two wader roost sites of over 5,000 birds. The area is a biodiversity hotspot.



Photographer: Renee Gavin, Aurukun Landing

## Shire Boundaries



- |                        |   |                    |   |
|------------------------|---|--------------------|---|
| Hey-Embley Rivers Area |  | Archer – Coen Area |  |
| Pera Head Area         |  | Holroyd Wilderness |  |
| Aurukun Wetlands       |  |                    |   |

# For Visitors

## Access to Country (Outside Aurukun Township)

Requests should be made directly with Traditional Owners or by application six weeks in advance through Ngan Aak-Kunch Aboriginal Corporation (NAKAC): C/- Post Office, Aurukun, Qld 4892 or Cape York Land Council - [www.cylc.org.au](http://www.cylc.org.au)

## Meals and Supplies in Aurukun

Aurukun is currently providing a range of accommodation types for all types of visitors. You can stay at the Kooth Pach Guest House, MacKenzie Camp Two or Wuungkam Lodge. There are also various contractor accommodation locations with ensuite and shared kitchen facilities, including MacKenzie Camp Two and Airport Contractors accommodation. A restaurant, named May Min Eatery also operates at Wuungkam Lodge.

A small convenience store operates at Wuungkam Lodge.

There is also a takeaway food bar at the Island and Cape Supermarket serving a variety of takeaway meals. Island and Cape Supermarket stock a large range of foodstuffs including groceries, milk, meat, fruit and vegetables. Opening hours are 8.00am to 5.00pm on Monday to Friday. The supermarket is open 8.00am to 3.00pm on Saturday and Sunday.

The Kang Kang Café and Bakery is located at the Sam Kerindun Snr. Business Precinct. This business operates from 8.00am to 8.00pm Monday to Friday and 8.00am to midday on Saturday and Public Holidays. It is closed on Sunday. The gift shop is open 9.00am to 4.00pm Monday to Friday, 9.00am to 12.00pm Saturday and closed Public Holidays.

## Travel and Transport to Aurukun

### By Road

Aurukun is approximately 752 km by road from Mareeba and 831 km from Cairns. The road is sealed from Cairns to Lakeland Downs. The road is mainly good standard gravel surface from Lakeland (564 km) with some sealed sections. During the wet season (variable – but often December or January to May or June) road access is closed due to flooding.

Road condition reports can be obtained from Department of Transport and Main Roads Ph: 131940, the RACQ website <https://www.racq.com.au/cars-anddriving/safety-on-the-road/road-conditions> and in relation to the Aurukun Access Road, visit [www.aurukun.qld.gov.au](http://www.aurukun.qld.gov.au) or contact the Queensland Police Service on 4083 4999. Cook Shire Road information visit [www.cook.qld.gov.au](http://www.cook.qld.gov.au).

Fuel can be purchased at Mareeba, Lakeland, Musgrave, Coen and Archer River Roadhouse. Freight transport to Aurukun, when accessible by road, is provided by Tuxworths Transport Phone 07 4035 4022.

## By Air

Passenger and freight transport to Aurukun is available on scheduled flights operated by Skytrans. Visit their website at [www.skytrans.com.au](http://www.skytrans.com.au) for schedules and bookings Phone 1300 SKYTRANS (1300759872)

Skytrans flights may also be booked through Aurukun Shire Council at the Post Office. Eligible residents may also access the Local Fare Scheme.

Freight is consigned through Toll Priority in Cairns – Phone 13 15 31.



*Skytrans aircraft servicing Aurukun*

## By Sea

The shipping company Sea Swift provides weekly barge transport to Aurukun. Sea Swift can be contacted on 07 4035 1234.



# Message From The Chief Executive Officer

**Ilario Sabatino**  
**Chief Executive Officer**



I am pleased to present the Annual Report for the Aurukun Shire Council (ASC) for the year ended 30 June 2022.

This report is compiled pursuant to the Section 182 of the Queensland Local Government Regulation 2012 and provides a comprehensive account of councils' functions and performance against approved budgets and resources for 2021-22 financial year.

Council has continued to face several challenges this financial year including ongoing economic difficulties across the local communities as well as the increase in demand for services and maintenance post recovery of the COVID 19. Despite these ongoing challenges, Council remains committed to sound financial management through strategies aimed at better record keeping, transparency in budgets and reporting, and regular reviews of its policies and practices.

It's been a busy time since my appointment in February 2022, as Aurukun Shire's Chief Executive Officer. Further, I would like to acknowledge Bernie McCarthy as previous CEO for his contribution to council and community.

Time has certainly flown, with the team being confronted with many complex challenges and rewarding achievements. However, the team continued to focus on important building blocks for creating a better community and sustainable council by meeting key infrastructure needs, being financially responsible, enacting future planning and setting the fundamentals of good governance and administration.



## Key Achievements in 2021/2022

- Aurukun Shire Council achieving an unmodified audit result.
- Continued implementation of internal audit function.
- Reinvigorated and transparent 2022/23 budget development progress introduced, and budget completed as per statutory compliance.
- Stability in management including the introduction of Operational Works Manager, Capital Works Manager and Grants Development Officer in the 2022/2023 Budget, pertinent to council delivering on their operational and strategic priorities.
- Considering financial pressures council has not increased fees and charges relating to community services.
- Final sign-off of Aurukun Housing Investment Plan and first instalment of funding tranche released.
- Review and finalising of commercial leases - instilling security and confidence to the community.
- Sign off on interim Aurukun Maintenance Agreement with QBuild.
- Council recognised as the 'principal contractor' and retaining the 'first right of refusal' of QBuild capital works and maintenance program. Hence, annual program mapped and jointly endorsed.
- Reinvigorated and recommenced the Aurukun Built Environment Technical Working Group.
- Review the final draft of Aurukun Master Plan and Aurukun Housing Plan for final consultation.
- Drafted Wik Kath Min (WKM) community governance Model and engaged with both State and Australian governments in further consultation. Council working to embed WKM community Values in both strategy and operations. As such, these values have underpinned budget deliberations.
- Community public space clean-up and ongoing road infrastructure through the natural disaster funding continues via remedial and improvement works.
- Reviewed and re-established use of safety management system.
- Reviewed organisational policies pursuant to statutory compliance and embedding WKM community values inclusive of position description.
- Vehicle recycling program drafted and submitted for government consideration.
- Continue ongoing dialogue and relationships with respective councils and chief executive officers via the Torres & Cape Indigenous Councils Alliance.
- Accelerating and instilling confidence back into the working relationships with both the Australian and State Government.
- Review of governance and finance arrangements including supporting strategy documents and implementation of Annual Operational Plan.
- Reinvigoration of relationship and with mining provider.
- Training needs analysis conducted, and funding secured to address priorities including first aid training.
- Reviewed and rectified as required major infrastructure and capital works.

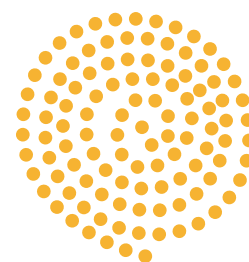
The Corporate Plan is regularly reviewed against broader deliverable outcomes. The Operational Plan quarterly reports are provided to Council in order that the approved Budget is also tracked.

I would like to thank all Shire staff, our partners, councillors, and the many volunteers and who contribute to our activities, events and services which assisted council achieve the results of the 2021/2022.

**Ilario Sabatino**  
Chief Executive Officer

# Corporate Services Overview 2021/22

**Rachel Pierce**  
**Director Corporate Services**



Another successful year was completed by the Corporate Services Team. Aurukun Shire Council continued as the main provider in delivering community services to the township.

## Wik and Kugu Arts Centre

The Arts Centre completed a cultural revitalisation program for the maintenance of Wik and Kugu Arts Heritage. The centre has secured a few small grants this year from both the Indigenous Regional Arts Development Fund (IRADF) and the Indigenous Languages and Arts program (ILA). Exhibitions attended in 2021-22 include Cairns Indigenous Art Fare, Darwin Art Fare. have been engaged where local staff are not able to meet cleaning needs of other Council properties.



*Artist Leigh Namponan and sculptures*

## Local Fare Scheme

Local Fare Scheme (LFS) through Skytrans has been extended until 30 June 2023. Airfare subsidy under the scheme is available to residents who can demonstrate they currently live, and have lived for the last 3 years, in a Local Fare Scheme region. Any enquiries on the LFS should be addressed to the Council's Business Manager.

## Customer Service Centre

Bank and Post office agencies operated 9am to 12noon and 1pm to 3.30pm Monday to Friday. However, the bank hours were reduced in the latter part of the year.

Council's cleaning crew continued to provide services to the Council office and staff housing. Contractors have been engaged where local staff are not able to meet cleaning needs of other Council properties.

## Information Technology.

During the financial year 2021/22 Aurukun Shire Council built upon its established computer network with several incremental upgrades. Cloud based email archive and file backup solutions were deployed, electronic signatures were adopted as part of a move towards electronic records and all of Council's network switches were replaced with higher capacity switches that are remotely monitored and managed.

Wifi was extended to managers residences in Aurukun to make work from home easier.



## Cairns Support Office

Cairns Support Office assists Council with the delivery of the finance and accounting functions as well as providing administrative support to operations in Aurukun. The office also serves as a meeting venue, allowing Mayor, Councillors and Management to effectively engage with external stakeholders, including various government agencies.

The Finance Team is based in the Cairns Support Office, and their focus areas for 2021/22 included:

- Implementation of paper-light finance function
- Revision of internal controls processes
- Long-term financial planning and effective revenue collection
- Provision of critical financial information to assist Council and Management in making informed decisions
- Compliance with legislative requirements and accounting standards; and
- Passing external audit

## Human Resources

ASC Deadly Employee awards continued throughout the year with quarterly/annual presentations. It is pleasing to award employees for their hard work and efforts. The generous sponsorship of ASC suppliers continues for these awards.

Ongoing commitment to the employment and training of local Aurukun Indigenous residents continues as a priority employment strategy. This is underpinned by a strong focus on local job agency networking to deliver “job ready” employment programs to strengthen numeracy and literacy skills.

Recruitment and Traineeships strategies for local Indigenous persons continued during the year, Work Employment and School Leavers programs continue to be offered.

Aurukun Shire Council strives to retain local and external employees by offering a wide range of Employees Benefits.

## Workplace Health and Safety

The following summarises improvements and achievements for the year:

- Toolbox meetings and sessions
- Workplace Health and Safety Committee
- Ongoing WHS training in First Aid, CPR, High risk licences and plant operator competencies.

Aurukun office is ongoing with the priority of managing permanent and high-value records utilising the existing processes and methods.

## Council Stores

The ASC Stores Depot continued to operate satisfactorily. The new diesel fuel system, Smart Fill, in conjunction with the new stores inventory system continues to operate successfully.

## Commercial Accommodation

Council continues to lease commercial accommodation to Sodexo Australia:

- Kooth Pach Guest House
- MacKenzie Two Camp
- Wuungkam Lodge.

The occupancy rate has improved but it is not back to pre-COVID demand. Council is currently leasing the airport camp and Mackenzie Camp 1 to building contractors.

Thank you to all staff for their efforts during the past year plus Council and Management for their ongoing support. Corporate Services looks forward to a positive 2021/22.

# Community Services Overview

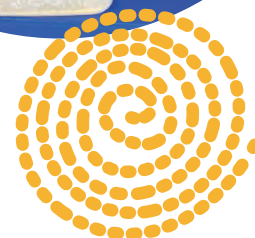
Alan Neilan

Director Community Services

## Community Services Overview

The Community Services portfolio undertakes the following functions and services:

- Koolkan Early Childhood Centre
- Family Support Hub and Playgroup
- Chivaree Home, Community Care and Disability Support services
- Community Police
- Security and CCTV
- Wik Mungkan Indigenous Knowledge Centre and Radio Broadcasting
- Animal Control
- Environmental Health – Food Premises Licensing and Illegal Dumping
- Funerals
- Community Events
- Wo’uw Ko’alam Community Centre
- Aak Muunchanak Splash Park



*Play Activity at Koolkan ECC*

## Koolkan Early Childhood Centre

At Koolkan Early Childhood Centre, the qualified educators are passionate about fostering a safe place where children can explore their environment through playfulness and stimulating play-based programs. The children are nurtured and challenged as they grow into confident and inspiring young people.

Koolkan Early Childhood Centre is committed to providing flexible and high-quality play-based activities using the principles within the Early Years Learning Framework.

The learning outcomes are

- Children have a strong sense of identity
- Children are connected and contribute to their world
- Children have a strong sense of well-being
- Children are confident and involved learners
- Children are effective communicators

We aim to strengthen their connection to family and culture and develop the next generation of leaders.



*Play Activity at Koolkan ECC*



*Playgroup activity at IKC*

## Family Support Hub and Playgroup Services

The Family Support Hub is primarily based at the Wo'uw Ko'alam Community Centre as well as outreach via locational playgroups and home visits. Our Playgroup is held three days per week at the Centre, as well as areas around the Community. Our Playgroup is based on the Early Years Learning Outcomes – learning through play. Other priority areas of our program include:

- Engaging Elders and cultural teachings
- A focus on social skills and peer interactions
- Family support - supporting parents of the future
- Nutrition and self-care
- Learning on country where we take the group fishing regularly.

## Chivaree Centre Aged and Disability Services

Chivaree Centre offers services to eligible clients under the Commonwealth Home Support Program, Home Care Packages, Queensland Community Support Scheme and The National Disability Insurance Scheme. Chivaree Centre provides services such as:

- Meals
- Transport
- Linen Services
- Domestic Assistance
- Garden Maintenance
- Social Support Individual
- Group Activities
- Personal Care

We focus on ensuring that the Age Care Quality Standards are met to help clients to keep their independence. Our staff take extreme care to ensure clients are supported in an environment that is safe and secure.

## Community Police

Community Police Officers (CPO) play an important role in our community safety and are rostered on a weekly cycle covering a 24/7 roster. Their role is to support community members in resolving problems which would usually escalate to a police matter. CPOs also undertake property checks during both day and night rosters checking ASC building assets.

## Security / CCTV System

Security Officers patrol day and night to protect Council assets, report community unrest and incidents. A total of 85 CCTV cameras are installed externally in the township. These cameras are monitored at the Aurukun Police Station and Council Office.



*Jasper Kowearpta with a great catch.*

## Wik Mungkan Indigenous Knowledge Centre (IKC)

In 2022, the Wik Mungkan Indigenous Knowledge Centre (IKC) has continued its unique partnership between the Aurukun Shire Council (ASC), the State Library of Queensland (SLQ) and the Queensland Education Department (EQ), supporting the preservation of Wik and Kugu Culture, Languages and Traditional Knowledge through hands-on practical projects focused on Wik Biocultural interactions which include bush tucker trips, traditional bush crafts (such as canoe making, fibre craft and Traditional dance “malp” with its associated body paint ochres, costumes and accessories) and stories and translation work. At the front of all IKC projects is a group of dedicated Elders who take their Traditional Custodial responsibilities very seriously and enjoy any opportunity to pass on their knowledge to the next generation, just as their forefathers did.

Of course, much has changed since the Aurukun Mission was established nearly 120 years ago and today Elders use digital technology to preserve their Cultural Heritage as best, they can. The IKC supports this by facilitating digital recordings of Cultural activities, especially On-Country in Language (with English subtitles for the non-Wik audiences).



*The IKC's visits into the school to support Language and Culture included this collaboration with some Wik and Kugu Artists who shared their Art stories with the students.*

The IKC also provides Flexi-Ed support for disengaged youth to be able to access (along with the wider community) numeracy and literacy learning opportunities, books, magazines, digital devices, and the internet. The youth are often involved in getting out on Country to visit and record information about biocultural hotspots, once again led by Elders, which lends itself to Two-Way-Science activities in a natural setting. Several outdoor learning spaces are maintained by the IKC where students and Elders can sit together, yarn and practice some of the traditional Wik crafts, as well as regular timeslots at the Koolkan Aurukun State School for Cultural activities under the mango trees.

The IKC also facilitated over twenty-five dancers attending the 2022 Northern Peninsula Area (NPA) Cultural Festival with Flexi students often lending a hand preparing for such events by collecting materials for the dancers such as ochres for body paint, fibres for grass skirts, roots for dyeing the fibres, “handles” (native hibiscus) for spear making and ironwood gum (yongk) for woomeras and spear making. Many dancers were also able to attend the Djarragun College NAIDOC Week festivities where they were invited to perform, once again facilitated by the IKC.

Everyone is always welcome at the IKC where the big screen often shows Cultural Heritage videos. The centre is a popular place for community Service Providers to meet with clients in a relaxed atmosphere, and this year even hosted a visit from the Weipa Rodeo who set up a BBQ and mechanical bull in the IKC grounds to test the bull riding skills of Aurukun would-be ringers, stockmen, and rodeo stars.

## Animal Management

The animal management program focuses on the health and safety of both the dog and its owner and other members of the public.

Council needs to keep accurate records of dogs in the Community e.g., desexed dogs opposed to entire dogs. Dog registration/Microchipping is another important tool that helps Council identify dogs and their owners. This helps reunite man's best friend and his/her owner.

The role of our vet is extremely important as they not only carry out surgery for desexing and the microchipping of the dogs but also help with the treatment of parasites such as ticks and fleas.

Desexing your dog will help prevent the dog from roaming, acting aggressively and prevent unwanted litters. The vets visit every eight to ten weeks to provide you, the public, their services. When you see their visit advertised via poster or our Council web page, please advise your neighbours, friends, and relatives. Dogs are members of our community let's all look after them by getting them registered and desexed and make it a healthier and safer community for us all.



*CPO Patrick Bell assisting Animal Health program*

## Food Premises Licensing

All commercial food preparation premises have been issued with Food Licenses under the *Food Act 2006*. These premises are inspected annually by the Environmental Health Officer.

## Funerals

Traditional owners are supported by an arrangement with Western Cape Communities Trust to access funds for funerals and house openings. Council assists in liaison with family members and funeral arrangements.

Aak Ngench Thayan Cemetery on Obon Road is the only site for burials in Aurukun. Council will continue to maintain the Aurukun Old Cemetery which has been closed for any further burials.

## Community Events and Wo'uw Ko'alam Community Centre

Council continues to host successful events throughout the year.

Community events and Programs included Aurukun Day, Photo Competition, Movie nights, School vacation programs, NAIDOC Celebration, Community Christmas Celebration, Australia day, Onchan Min festival, Ngangk Min Festival, and the River to Ramp Fun Run.

A continuing number of organisations are utilising the Wo'uw Ko'alam Community Centre for community engagement forums. The Centre is an ideal venue for family celebrations and funeral wakes.

Community stakeholders are also invited to participate in these events or programs to promote their services or be volunteers.

## Aak Muunchanak Splash Park

Located on Mackenzie Drive, this facility is a popular and an excellent location for those young bathers wanting to cool down or enjoy the activities at the adjacent PCYC. There are three covered areas with seating, including an electric BBQ.

Operating all year around, water quality is maintained to Queensland Health guidelines.

An electronic operator activation unit is located on the pad for the water features. This technology places the aquatic area in standby mode when timed out, during those quiet moments of activity.

Shade sails covering most of the aquatic area have now been installed over the water facility, giving relief from the hot sun when most needed during activities.

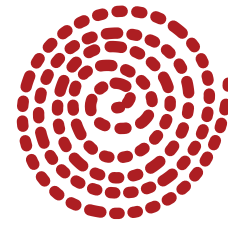
**Alan Neilan**  
**Director Community Services**



*Fun at the Aak Muunchanak Splash Park*

# Technical Services Overview

**Mark Sexton**  
**Director of Technical Services**



## Technical Services Overview

The Technical Services Department continues to provide essential services for the Aurukun community plus delivery of numerous projects throughout the year.

### Road Works

Disaster Recovery Funding Arrangements (DRFA) restorations works were completed in accordance with the approved scopes.



*Aurukun Access Road Upgrade*



*Aurukun Waterfront Development*



## Water Reticulation and Supply

Council provides water supply services to the community of Aurukun and is responsible for the sourcing, treatment, and supply of drinking water to the community.

Water sampling is being undertaken daily with one sample per week being sent to Cairns Regional Council for compliance testing as per regulation.

## Aurukun Waste Management Facility

Works commenced in August 2020 on the Indigenous Council Critical Infrastructure Program (ICCIP) approved \$1.8M of funding Solid Waste facility Project in Aurukun. Works were significantly underway, but this project was not completed by 30 June 2022. It is scheduled to be finalised by 31 December 2022.

Kerbside bin collection is currently being undertaken by ASC employees on Wednesdays. Commercial premises collection is undertaken on other days.

Regulated wastes are appropriately stored at Councils facilities prior to transport to Weipa for recycling.



## Building, Construction, Capital and Maintenance Works

The following are a representation of the works completed by the building Construction and Maintenance team in 2021-22:

Carports and driveways .....	36
Vacant maintenance/upgrades .....	20
High-Cost Maintenance .....	2
Solar Hot Water System upgrades .....	4
Disability Modifications .....	7

Numerous maintenance and repair tasks for internal, external customers and Community housing have been undertaken.



*Accommodation Upgrade – Wuungkam Lodge*

## Fleet & Mechanical Workshop

Workshop staff continue to service and repair Council plant and Vehicles. Along with providing third party works to Community members and service providers.

## Electrical Services

### CCTV

Councils' electrician staff have continued servicing and repairing the City Safe CCTV system within Aurukun. Maintenance efficiency and response times have been improved as a supply of parts is now being stocked in Aurukun. Since servicing and repairs have been undertaken by on site Council staff the average percentage of cameras fully operational has increased to 95%.



## Aurukun Airport

Works commenced on Aurukun Airport Terminal upgrade project November 2020.

The project was completed in late 2021 and fully funded by Works for Queensland grants from the State Government.

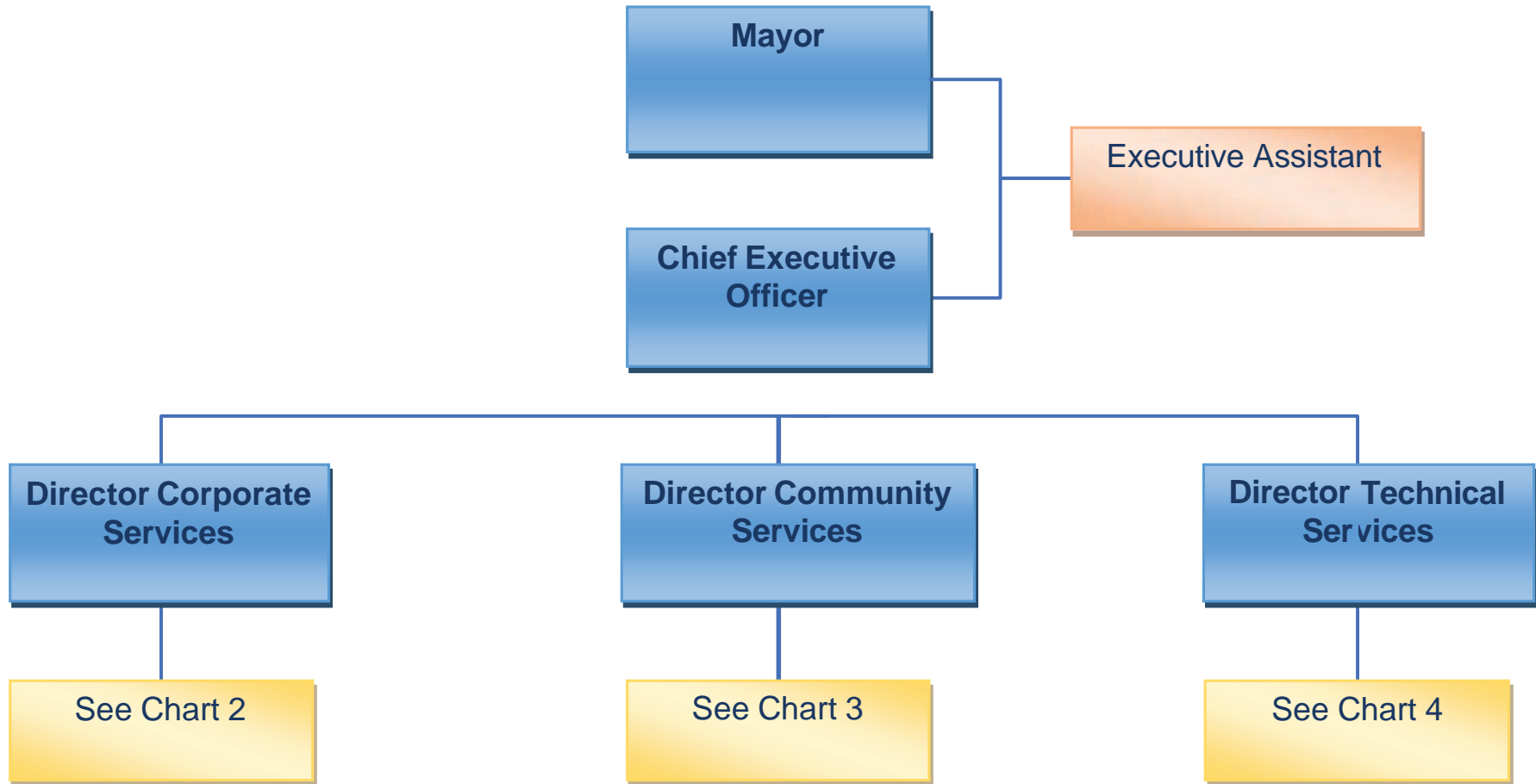


*The upgraded Airport Terminal, expected to be officially opened in October 2021*

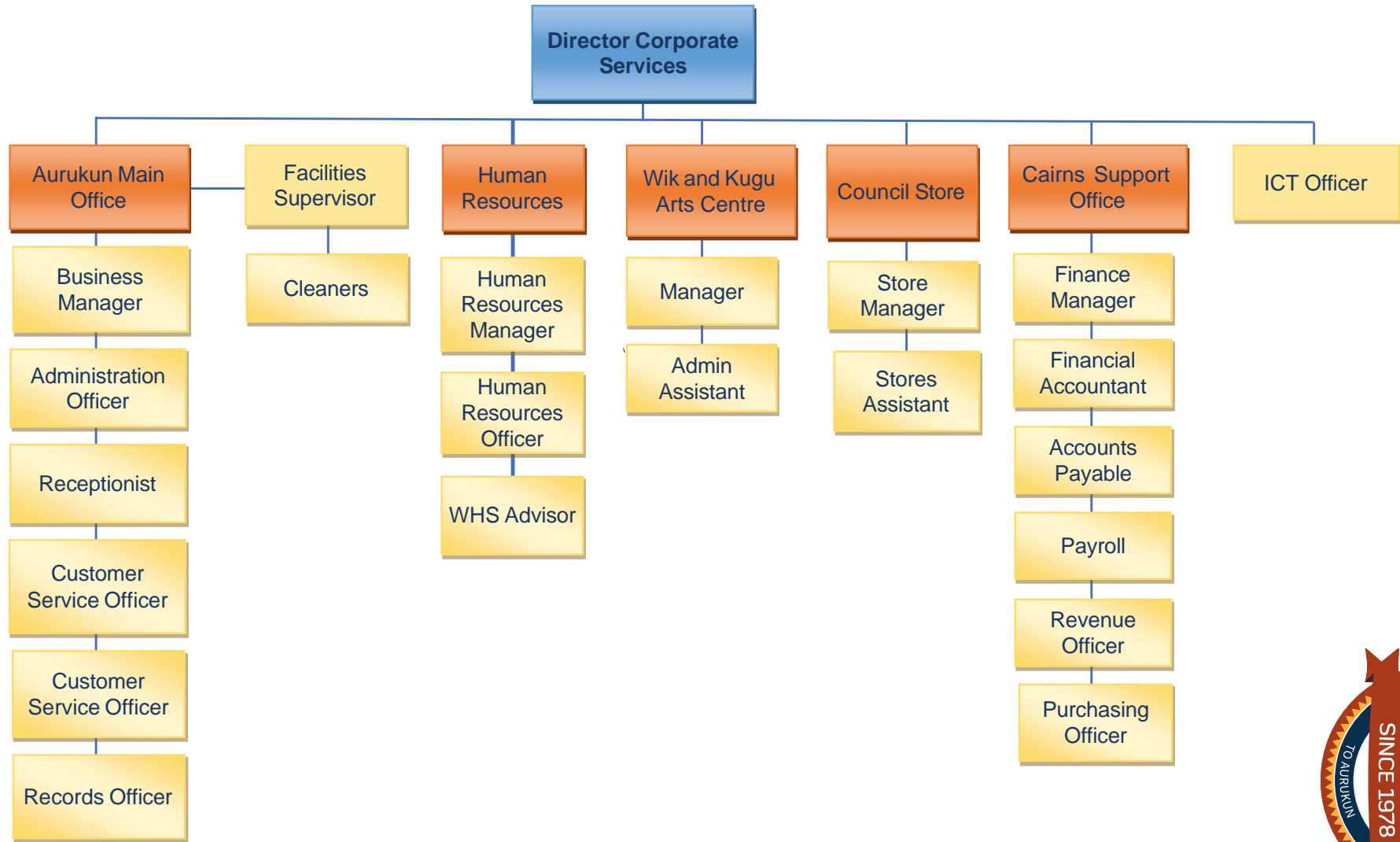


*Internal view of the new Aurukun Airport Terminal*

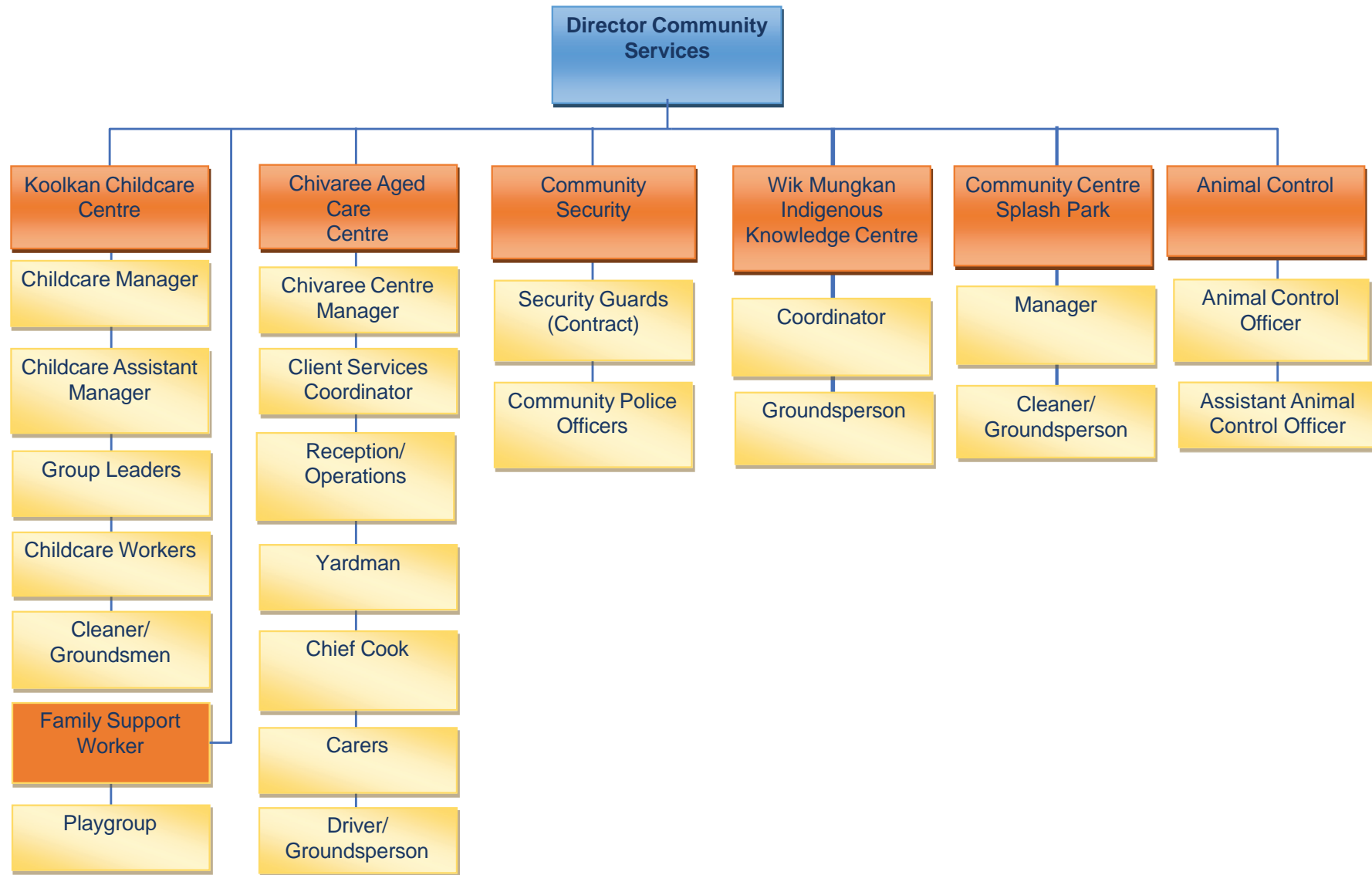
## ORGANISATION CHART AS AT 30 JUNE 2022



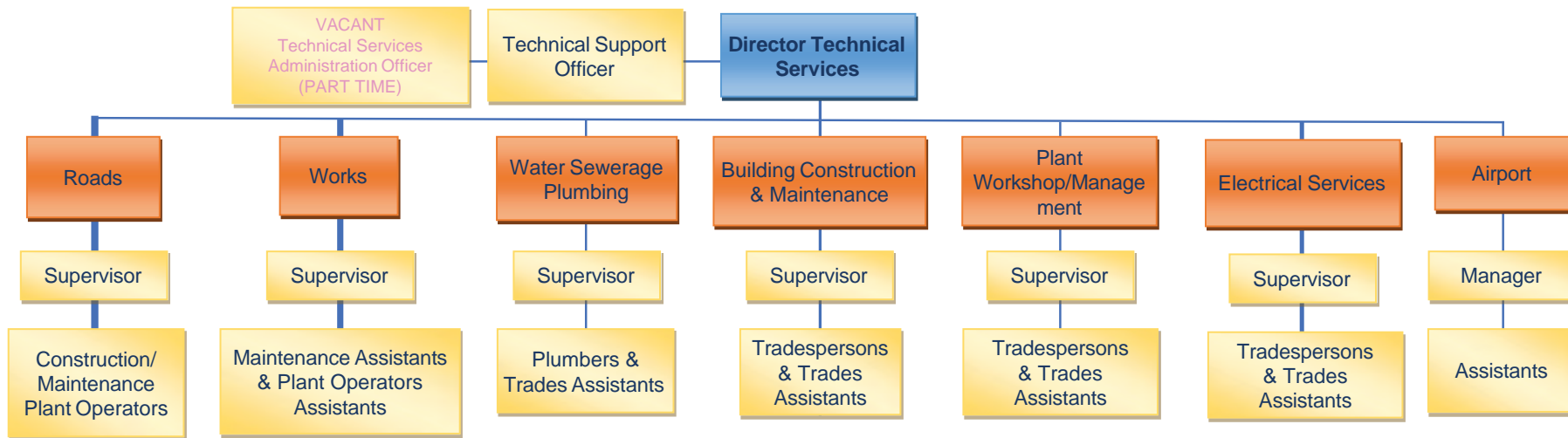
## Organisation Chart 2 - Director Corporate Services



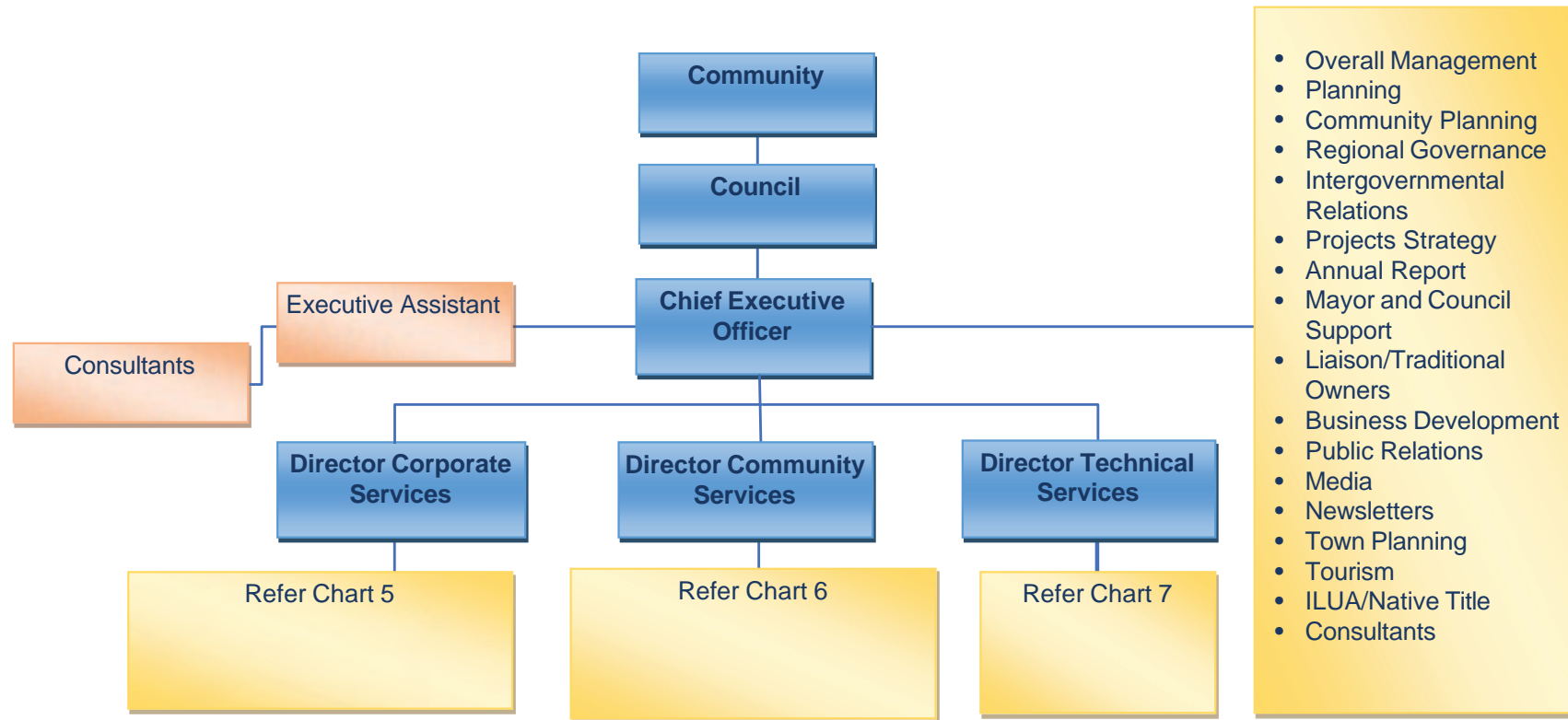
### Organisation Chart 3 - Director Community Services



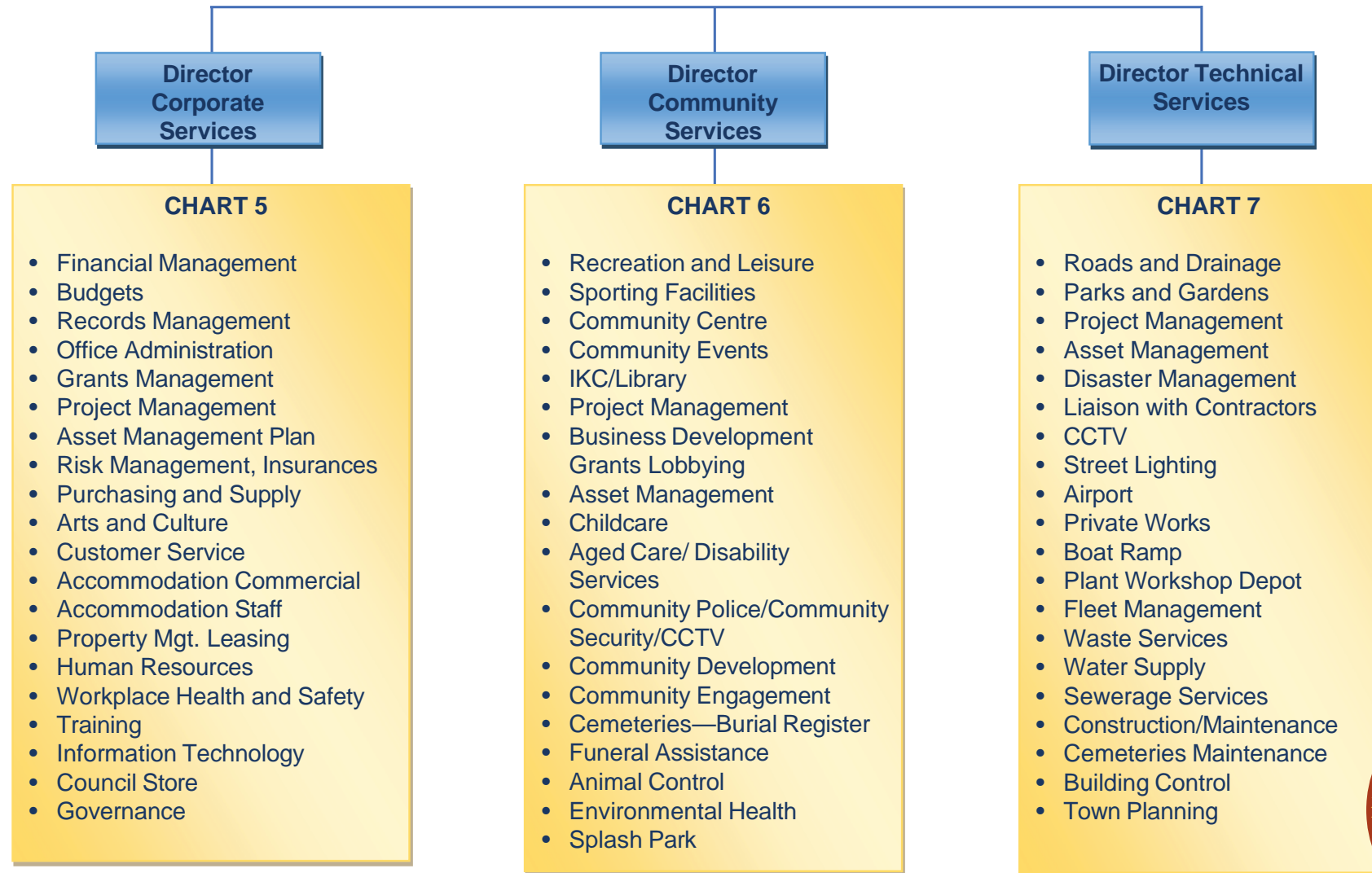
### Organisation Chart 4 - Director Technical Services



### Aurukun Shire Council Functional Chart



## Aurukun Shire Council Functional Chart



# Statutory Reporting Requirements

The annual report has been prepared in accordance with Chapter 5, Part 3 of the *Local Government Regulation 2012*.

## 1. Councillors and Councillor Remuneration

Councillors are elected for a four-year term to represent the Shire and the community of Aurukun.

Councillors must:

- Attend Council meetings regularly and all other meetings as required from time to time.
- Vote on matters requiring a decision.
- Perform their duties and responsibilities in a transparent, impartial and faithful manner at all times.

### Meetings:

The following table displays the Councillor's attendance at meetings for 2021/22.

2021/22	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held(?)	Special Meetings Attended
Cr Keri Tamwoy	11	10	4	4
Cr Craig Koomeeta	11	9	4	4
Cr Delys Yunkaporta	11	8	4	3
Cr Kemuel Tamwoy	11	9	4	3
Cr Jaydon Marrott	11	11	4	2



The following table displays the total Councillors' remuneration for the year (s186):

Councillor	Salary \$	Meeting Fees \$	Total Gross \$	Super. \$	Other Exp
Cr Keri Tamwoy	108,222		108,222	12,987	10,666
Cr Craig Koomeeta	62,435		62,435	7,492	
Cr Delys Yunkaporta	36,073	16,534	52,607	6,313	
Cr Kemuel Tamwoy	36,073	18,037	54,110	6,493	
Cr Jaydon Marrott	36,073	18,037	54,110	6,493	

#### Resolution – Councillors Remuneration

On Special Meeting of Council held on 27 January 2021, the following resolution was passed:

#### Resolution 21.6859 (1 July 2021 to 30 June 2022)

Position	Remuneration Payable
Mayor	\$108,222 pa
Deputy Mayor	\$62,435 pa
Councillors	\$54,110 pa

## 2. Conduct and Performance of Councillors Sections 186 (1)(d)-(f) and Sections 353 LGR 2012.

Compliance with S186 of the Local Government Regulation 2012 under S186 (1)(d)-(f) the Council performance against set standards were as follows:

### Compliance Requirements

Orders made under section 150I(2) of the LGA.....	Nil
Orders made under section 150AH(1) of the LGA.....	Nil
Decisions, orders and recommendations made under section 150AR(1) of the LGA.....	Nil
Name of each Councillor for whom a decision, order or recommendation was made ..... under section 150(I(2),150AH(1) or 150AR(1) of the LGA	Nil
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct ..... engaged in by each councillor	Nil
A summary of the decision, order or recommendation made for each councillor .....	Nil
Complaints referred to the assessor under section 150P(2)(a) of the LGA by local government ..... entities for the local government	2
Matters, mentioned in section 150(P)(3) of the LGA, notified to the Crime and Corruption Commission.....	Nil
Notices given under section 150R(2) of the LGA.....	Nil
Notices given under section 150S(2)(a) of the LGA.....	Nil
Decisions made under section 150W(1)(a), (b) and (d) of the LGA .....	Nil
Decisions made under section 150A(1)(a), (b) and (e) of the LGA (1 September 2019 to 30 June 2020) .....	Nil
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA.....	Nil
Occasions information was given under section 150AF(4)(a) of the LGA.....	Nil
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, ..... division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	Nil
Applications heard by the conduct tribunal about the alleged misconduct of a councillor ..... (1 July 2019 to 31 August 2020)	Nil

### Complaints Management (s187)

The Council has a complaints management process in place and is committed to dealing fairly with administrative complaints. The complaints management process is designed to ensure that any member of the public can lodge a complaint about how they have been dealt with by Council staff or how they have been affected by any Council administrative decision. The complaints management process is available on the Council's website. There have been no administrative action complaints made to Council during the 2021/22 financial year and there are no complaints not resolved by Council.

### Investigation Notices (s190)

There have been no investigation notices in the 2021/22 financial year.



### 3. Identifying significant business activities (s45)

Section 45(a) of the Act provides that the Annual Report must contain a list of all business activities that the local government conducted during the financial year. The business activities conducted during 2021-22 are below:

- Water and Sewer
- Waste
- Aged Care
- Child Care
- Arts centre
- QBuild work

None of the above activities satisfied the statutory threshold for classification as a significant business activity.

Council applied the competitive neutrality principle to these business activities.

The business activities listed above were also conducted by Council in the previous financial year (2020-2021), no new business activities commenced in 2021-2022. Council did not conduct any significant business activities.

### 4. Senior Contract Employees Remuneration- Local Government Act 2009 Section 201

Throughout the 2022 financial year, Aurukun Shire Council employed eleven senior contract employees. Details of the total remuneration packages for the senior contract employees are as follows:

Nine senior employees with a total remuneration package in the range of \$0 to \$100,000.

Two senior employees with a total remuneration package in the range of \$100,001 to \$200,000.

No senior employees with a total remuneration package in the range of \$200,001 to \$300,000.

### 5. Overseas Travel (s188)

No Council staff or Councillors undertook any overseas travel on Council business during the 2021/22 financial year.

### 6. Grants to Community Organisations (s189 and 190)

Concessions were not paid for the waiver of:

- Hire or rental fees associated with council facilities
- Airport landing fees

During the 2021/22 financial year, no grants were paid to community organisations.

### 7. Reserves and Controlled Roads

No land is a reserve under the Land Act or roads that are not owned by the Council were under the control of the Council at any time during the financial year.

### 8. Assessment of Performance in Implementing Corporate, Operational and Community Plans

#### Corporate Plan

The Corporate Plan 2020-2025 sets out the strategic direction of the Council's operations and activities for the abovementioned period. An annual review of the Corporate Plan was undertaken in 2020/21 and an amended Corporate Plan was adopted on 20 April 2021 (Resolution 21.6921).

#### Operational Plan

The Operational Plan is developed annually and is linked to the objectives in the new Corporate Plan. The Operational Plan sets out the projects and services Council will deliver in the financial year.

## **9. Invitations to Tenderers to Change Tenders local government Regulation Section 190 (e) and Local Government Act Section 228 (7)**

No invitations to tenderers occurred during the reporting period.

## **10. Registers kept by Council - Local Government Regulation Section 190(f)**

The following registers are held by Aurukun Shire Council and are available for viewing by members of the public on request:

- (1) Minutes of Council Meetings
- (2) Register of Personal Interests of Councillors
- (3) Register of Personal Interests of Chief Executive Officers and/or Senior Managers
- (4) Road Register
- (5) Schedule of Fees and Charges
- (6) Register of Local Laws and Subordinate Local Laws
- (7) Register of Burials
- (8) Register of Regulatory Fees
- (9) Register of Delegations
- (10) Register of Council Policies
- (11) Register of Contact by Lobbyists
- (12) Register of Fraud Incidents
- (13) Register of Gifts to Staff
- (14) Register of Public Interest Disclosures
- (15) Register of Complaints against Mayor and Councillors
- (16) Register of Administrative Complaints
- (17) Register of Unsuitable Council Meeting Conduct

## **11. Summary of Concessions for Rates and Charges granted by the Local Government: Local Government Regulation Section 190(g)**

Council does not grant any concessions for Rates and Utility Charges under its Revenue Policy. Under the General Fees and Charges Council grants an exemption for landing fees to the Royal Flying Doctor Service and Queensland Police Service.

## **12. Equal Employment Opportunity**

Aurukun Shire Council is an equal opportunity employer and does not discriminate against any individual or member of groups. The Council is committed and dedicated throughout its management and operations in recruiting and retaining the best available staff to improve efficiencies and productivity and ensure effective and efficient service delivery to the community of Aurukun.

We promote the principles of merit and fairness in its employment practices and people are selected on merit. We ensure equal opportunity within the organisation for all our potential and existing employees regarding recruitment, promotion, transfer, training, education, and employment conditions. All recruitment and promotion of employees will be based on merit regardless of gender, pregnancy, sexual preference, race, age, family responsibilities, marital status, disability, or religion.”



### 13. Capital Works Projects

Council completed the following works program during the period 1 July 2021 to 30 June 2022:

Source of funds and/or projects – specific purpose grants	Expense \$
2020-21 TIDS	27,550
2021-22 TIDS	726,403
Chivaree Centre - Solar system	36,256
ICCIP - Solid Waste Facility Refurbishment	799,814
ICCIP - Waste Water infrastructure	654,467
ICCIP - Water infrastructure	28,857
Remote Airstrip Upgrade	301,775
Splash Park - Shade Sails	176,128
WCCT - Commuter Bus for IKC	60,773
WCCT - Upgrades at the Wo'uw Ko'alam Community Centre	43,636
Works for Queensland COVID 2020-21 - Capital	1,418,587
Works for Queensland Round 3 - Capital	94,471
Works for Queensland Round 4 2021-24	761,120
<b>Total</b>	<b>5,129,837</b>

### 14. Report on 2021/22 Internal Audit: Local Government Regulation Section 190 (h)

Aurukun Shire Council, being a small Council, does not have an internal audit committee. The governance and monitoring function are managed through the Executive Team and internal auditors who report to Council.

Aurukun Shire Council appointed, Grant Thornton Australia as its Internal Audit contractor in 2021 after competitive quotes were received and independently evaluated by the organisation's internal evaluation panel.

Internal audit will assist the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit will achieve this by performing review of our processes and providing recommendations based on their analysis and assessment of Council's information and processes.

In the 2021-22 financial year Council received the following internal audit reports from Grant Thornton:

- Risk Management Maturity
- Payroll and HR

# Community Financial Report

The Annual Report must contain the community financial report for the financial year.

This community financial report provides a summary of the financial statements with the aim of providing understandable information to the members of our community. The use of graphs allows readers to easily evaluate Council's financial performance and financial position.

## The financial statements following this report contains information in the following sections:

- **Statement of Comprehensive Income**

A summary of Aurukun Shire Council's financial performance for the year, includes Council's operating and capital revenue, operating and capital expenses for the period.

- **Statement of Financial Position**

Shown at a point in time, is a snapshot of what we own and what we owe at 30 June 2022.

- **Statement of Cash Flows**

Shows the movement in Council's cash position during the period, where Council's cash came from and where it was spent.

- **Statement of Changes in Equity**

Shows the movement in Council's Equity balance.

- **Notes to the financial statements**

These notes provide greater detail to the values presented in the above Statements as well as significant accounting policies. Each line in the statements where further detail can be found, is referenced by number to a location in the notes.

- **Measures of Financial Sustainability**

Three ratios which serve as useful indicators to monitor the current and long-term sustainability of Council.



## Financial Statements at a Glance

	\$
Operating revenue	20,175,191
Operating expenses	(21,531,509)
<b>Operating position</b>	<b>(1,356,318)</b>
Capital revenue	7,610,280
Capital expenses	(375,600)
<b>Net result</b>	<b>5,878,362</b>
Current assets	20,658,107
Non-current assets	147,182,885
<b>Total assets</b>	<b>167,840,992</b>
Current liabilities	3,519,090
Non-current liabilities	1,737,248
<b>Total liabilities</b>	<b>5,256,338</b>
<b>Net community assets (Equity)</b>	<b>162,584,654</b>

Aurukun Shire Council has performed well throughout the 2021/22 financial year, finishing the year with a \$5.88 million net result.

The operating position is the total operating revenue less the total operating expenses. The operating position reflects how effective Council is at meeting its running costs. Council's net result is the operating position, plus capital revenue and expenses.

Council has a strong asset base of \$167.84 million (2020/21: \$157.63 million) which is made up of predominantly of \$117.09 million of property, plant and equipment assets and \$17.17 million in cash and term deposits.

## Statement of Comprehensive Income

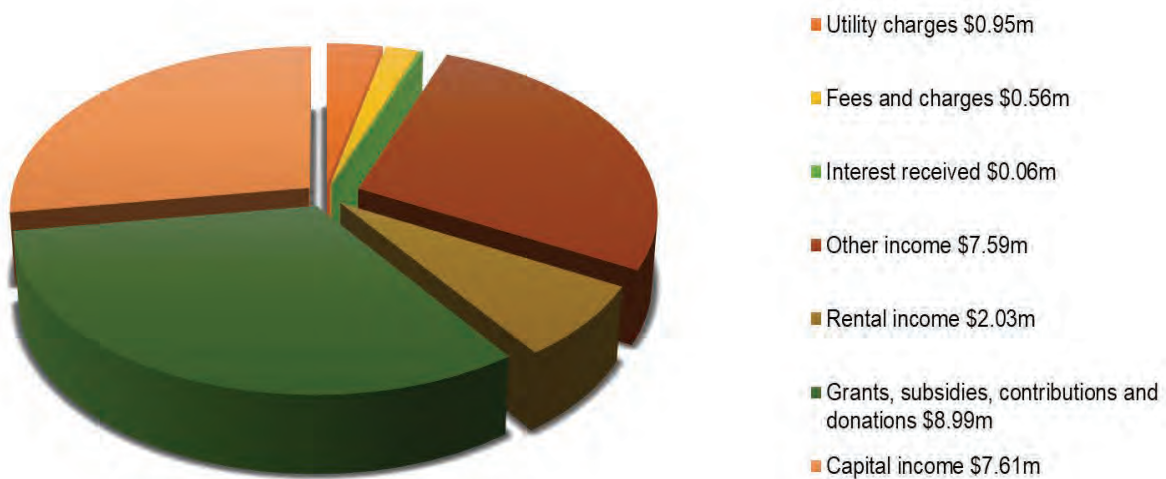
### Revenue: Where did the money come from?

The following graph shows the various types of funds that Council received during the year.

The majority of Council's revenue (32%) is recurrent grants, subsidies and donations which are received to assist Council in their operational requirements. Council also receives capital grant revenue, contributions and donations which is solely for the purpose of funding infrastructure and other capital projects for the benefit of the community.

Revenue has increased since the prior year, with the main variance being a gain on revaluation of finance leases of \$2.53 million.

### Total Income \$27.79m





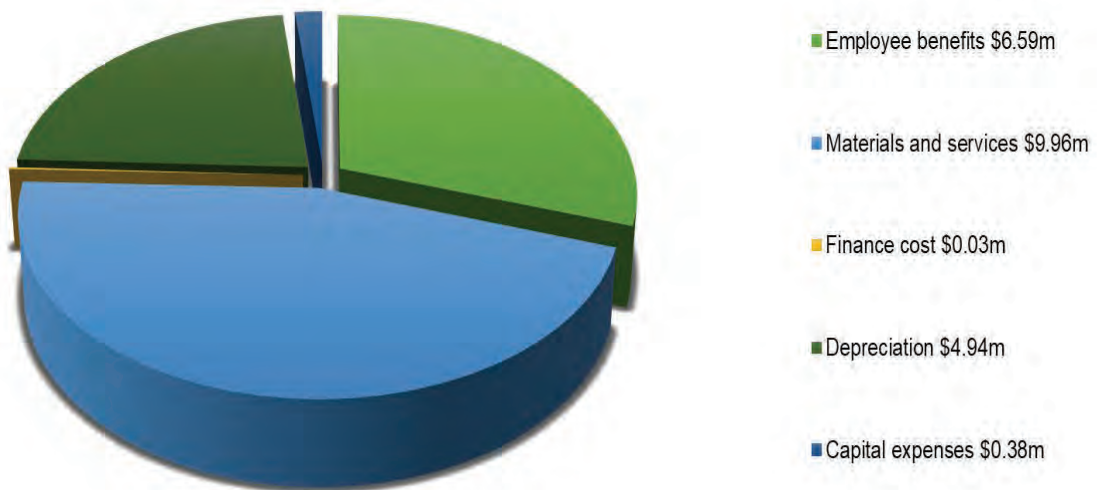
## Expenses: How was the money spent?

Materials and services makes up 45.47% of the Council's total expenses and includes items like Council's administration expense, costs to run the Arts Centre, Aged Care, Child Care as well as operational costs for technical services and private works.

Council is the largest employer in Aurukun township and employee benefits makes up 30% of total expenses.

Depreciation expense is the reduction in value of Council's owned assets for the current financial year, which has increased this year to \$4.94 million (2020/21: \$4.74m).

### Total Expenses \$21.9m



## Statement of Financial Position

The Statement of Financial Position, sometimes referred to as the Balance Sheet, shows Council's position in relation to its assets (what the Council owns), liabilities (what Council owes to others) and community equity (Council's net worth), which is calculated as total assets less total liabilities. .

### Assets

Position	2021/22 \$'000s	2020/21 \$'000s
Current Assets	20,658	20,227
Non-Current Assets	147,183	137,404
<b>Total Assets</b>	<b>167,841</b>	<b>157,631</b>

Total assets have increased by \$10.2 million in 2021/22 from \$157.63 million in 2020/21. A major reason being the balance of Property Plant & Equipment increasing \$7.75 million this year. This is primarily due to an indexation increase being booked across all of our asset categories held at fair value.

There has also been an increase in the balance of our 40-year lease receivables of \$2.07 million this year. This is due to updated discount & inflation rates being applied.

### Liabilities

Position	2021/22 \$'000s	2020/21 \$'000s
Current Assets	3,519	4,931
Non-Current Assets	1,737	1,528
<b>Total Assets</b>	<b>5,256</b>	<b>6,459</b>

Total liabilities have decreased by \$1.2 million in 2021/22. This is mainly due to a decrease in current contract liabilities of \$0.95 million (2020/21: \$2.29 million). A contract liability is recognised when the funds received upfront to construct Council-controlled assets is greater than the costs incurred for the project at reporting date. Historically this would have been recognised as revenue when received, however due to a change in accounting standards coming into effect in previous financial years, Council must recognise these funds as a liability until the contract is completed.



## Community Equity

Council's total community equity at 30 June 2022 is \$162.58 million. Community equity represents Council's asset revaluation surplus of \$126.11 million and retained surplus of \$36.47 million.

Further details can be found in note 16 of the financial statements.

## Measures of Financial Sustainability

Section 179 (2) [c] of the *Local Government Regulation 2012* requires a Local Government to include in its Community Financial Report the relevant Financial Sustainability Ratios for the current financial year.

Ratio	What the Ratio Provides	How the Ratio is Calculated	Actual Result	Target Result
Operating surplus ratio	An indication to how well revenues raised can cover operating expenses.	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-7%	Between 0% and 10%
Asset sustainability ratio	This ratio shows the level that Council is replacing assets as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	4%	Greater than 90%
Net financial liabilities ratio	An indicator to the extent that Council's net liabilities can be serviced by its operating revenues.	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-76%	Not greater than 60%

The operating surplus ratio is not within target range, indicating that there is not enough revenue raised to cover Council's operational expenses.

The asset sustainability ratio is lower than target, mostly due to limited capital works renewal projects taking place during the financial year.

The net financial liabilities ratio indicates that Council is in a very healthy position to service its existing liabilities.



# Annual Financial Statements

For The Year Ended 30 June 2022

ABN 32 338 490 426





**AURUKUN SHIRE COUNCIL**  
**ANNUAL FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**

ABN 32 338 490 426



**AURUKUN SHIRE COUNCIL**  
**Financial statements**  
**For the year ended 30 June 2022**

**Table of Contents**

<b>Statement of Comprehensive Income</b>	53
<b>Statement of Financial Position</b>	54
<b>Statement of Changes in Equity</b>	55
<b>Statement of Cash Flows</b>	56
<b>Notes to the Financial Statements</b>	
1 Information about these financial statements	57
2 Analysis of results by function	58
3 Revenue	60
4 Employee benefits	62
5 Materials and services	62
6 Capital income / expenses	62
7 Cash and cash equivalents	62
8 Trade and other receivables	63
9 Inventories	63
10 Leases	64
11 Property, plant and equipment	66
12 Contract balances	71
13 Trade and other payables	71
14 Borrowings	71
15 Provisions	72
16 Asset revaluation surplus	73
17 Contingent liabilities	73
18 Superannuation	74
19 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	74
20 Reconciliation of liabilities arising from finance activities	75
21 Events after the reporting period	75
22 Transactions with related parties	75
23 Tied grants by project	77
<b>Management Certificate</b>	78
<b>Independent Auditor's Report on the financial statements</b>	79
<b>Current Year Financial Sustainability Statement</b>	84
<b>Certificate of Accuracy - for the Current Year Financial Sustainability Statement</b>	85
<b>Independent Auditor's Report (Current Year Financial Sustainability Statement)</b>	86
<b>Unaudited Long Term Financial Sustainability Statement</b>	89
<b>Certificate of Accuracy - for the Long Term Financial Sustainability Statement</b>	90

**AURUKUN SHIRE COUNCIL**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2022**

	Note	2022	2021
		\$	\$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Utility charges	3(a)	950,343	913,381
Fees and charges	3(b)	564,227	565,619
Other recurrent income	3(c)	5,055,683	4,953,303
Grants, subsidies, contributions and donations	3(d)	8,989,153	8,792,136
<b>Total recurrent revenue</b>		<b>15,559,405</b>	<b>15,224,440</b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3(d)	7,610,280	8,757,607
<b>Total capital revenue</b>		<b>7,610,280</b>	<b>8,757,607</b>
Rental income	10	2,025,822	1,865,267
Interest received		59,954	87,808
Other capital income	6, 15	-	14,314
Gain on revaluation of finance leases	10(b)(i)	2,530,011	-
<b>Total income</b>		<b>27,785,472</b>	<b>25,949,436</b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	4	(6,593,805)	(6,204,988)
Materials and services	5	(9,961,106)	(9,938,978)
Finance cost		(33,150)	(19,269)
Depreciation	11	(4,943,449)	(4,741,602)
<b>Total recurrent expenses</b>		<b>(21,531,509)</b>	<b>(20,904,837)</b>
<b>Capital expenses</b>			
Loss on disposal of assets	6	(94,626)	(108,360)
Loss on revaluation of finance leases	10(b)(i)	-	(246,005)
Other capital expenses	6, 15	(280,974)	-
<b>Total capital expenses</b>		<b>(375,600)</b>	<b>(354,365)</b>
<b>Total expenses</b>		<b>(21,907,110)</b>	<b>(21,259,202)</b>
<b>Net result</b>		<b>5,878,362</b>	<b>4,690,234</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase/(decrease) in asset revaluation surplus	16	5,534,907	8,819,447
<b>Total other comprehensive income for the year</b>		<b>5,534,907</b>	<b>8,819,447</b>
<b>Total comprehensive income for the year</b>		<b>11,413,269</b>	<b>13,509,681</b>

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



**AURUKUN SHIRE COUNCIL**  
**Statement of Financial Position**  
**as at 30 June 2022**

	Note	2022	2021
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	17,173,044	15,484,065
Trade and other receivables	8	1,025,759	1,147,151
Inventories	9	726,576	634,124
Lease receivables	10(b)(i)	970,310	933,962
Contract assets	12(a)	762,418	2,028,148
<b>Total current assets</b>		<b>20,658,107</b>	<b>20,227,450</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	117,086,599	109,338,517
Lease receivables	10(b)(i)	30,096,286	28,065,082
<b>Total non-current assets</b>		<b>147,182,885</b>	<b>137,403,599</b>
<b>Total assets</b>		<b>167,840,992</b>	<b>157,631,049</b>
<b>Current liabilities</b>			
Trade and other payables	13	2,085,538	2,502,689
Contract liabilities	12(b)	1,335,791	2,285,326
Provisions	15	64,444	110,700
Borrowings	14	33,316	32,083
<b>Total current liabilities</b>		<b>3,519,089</b>	<b>4,930,798</b>
<b>Non-current liabilities</b>			
Provisions	15	1,226,314	985,517
Borrowings	14	510,934	543,350
<b>Total non-current liabilities</b>		<b>1,737,248</b>	<b>1,528,866</b>
<b>Total liabilities</b>		<b>5,256,338</b>	<b>6,459,664</b>
<b>Net community assets</b>		<b>162,584,654</b>	<b>151,171,385</b>
<b>Community equity</b>			
Asset revaluation surplus	16	126,112,611	120,577,704
Retained surplus		36,472,044	30,593,681
<b>Total community equity</b>		<b>162,584,654</b>	<b>151,171,385</b>

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

**AURUKUN SHIRE COUNCIL**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2022**

	Note	Asset revaluation surplus		Retained surplus		Total	
		2022	2021	2022	2021	2022	2021
<b>Balance as at 1 July</b>		\$ 120,577,704	\$ 111,758,257	\$ 30,593,681	\$ 25,791,447	\$ 151,171,385	\$ 137,549,704
Net result		-	-	5,878,362	4,690,234	5,878,362	4,690,234
Assets not previously recognised		-	-	-	112,000	-	112,000
Other comprehensive income for the year	11(a)	5,534,907	8,819,447	-	-	5,534,907	8,819,447
Increase/(decrease) in asset revaluation surplus		5,534,907	8,819,447	5,878,362	4,802,234	11,413,269	13,621,681
<b>Total comprehensive income for the year</b>		<b>126,112,611</b>	<b>120,577,704</b>	<b>36,472,044</b>	<b>30,593,681</b>	<b>162,584,654</b>	<b>151,171,385</b>

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



**AURUKUN SHIRE COUNCIL**  
**Statement of Cash Flows**  
**For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities:</b>			
Receipts from customers		7,866,697	5,905,674
Payments to suppliers and employees		<u>(18,226,946)</u>	<u>(15,632,792)</u>
		<b>(10,360,249)</b>	<b>(9,727,118)</b>
Interest received		59,954	87,808
Rental income		1,926,769	1,929,987
Non capital grants and contributions		<u>9,057,053</u>	<u>8,792,136</u>
<b>Net cash inflow (outflow) from operating activities</b>	19	<b><u>683,527</u></b>	<b><u>1,082,813</u></b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(5,503,016)	(6,539,333)
Proceeds from sale of property, plant and equipment	6	-	62,948
Finance lease receipts	10	943,594	911,182
Grants, subsidies, contributions and donations		<u>5,629,207</u>	<u>3,047,260</u>
<b>Net cash inflow (outflow) from investing activities</b>		<b><u>1,069,785</u></b>	<b><u>(2,517,943)</u></b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings	14	(31,182)	(29,946)
Finance costs		<u>(33,150)</u>	<u>(19,269)</u>
<b>Net cash inflow (outflow) from financing activities</b>		<b><u>(64,333)</u></b>	<b><u>(49,215)</u></b>
<b>Net increase (decrease) in cash and cash equivalent held</b>		<b>1,688,980</b>	<b>(1,484,344)</b>
Cash and cash equivalents at beginning of the financial year		<u>15,484,065</u>	<u>16,968,410</u>
<b>Cash and cash equivalents at end of the financial year</b>	7	<b><u>17,173,044</u></b>	<b><u>15,484,065</u></b>

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



## **AURUKUN SHIRE COUNCIL**

### **Notes to the Financial Statements**

### **For the year ended 30 June 2022**

#### **Note 1: Information about these financial statements**

##### **1(a) Basis of preparation**

Aurukun 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 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*.

Council is a not-for-profit entity for financial reporting purposes and these financial statements complies with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain current and non-current assets.

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2021, none of the standards had a material impact on reported position, performance and cash flows.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and where material will be included in the financial statements on their effective date. None of the standards are expected to have a significant impact for Council.

##### **1(d) Estimates and judgements**

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

Revenue recognition - Note 3

Valuation of finance leases - Note 10

Valuation, impairment and depreciation of property, plant and equipment - Note 11

Contract assets and liabilities - Note 12

Provisions - Note 15

Contingent liabilities - Note 17

##### **1(e) Rounding and comparatives**

The financial statements are in Australian dollars that have been rounded to the nearest dollar.

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

##### **1(f) Taxation**

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



## AURUKUN SHIRE COUNCIL

### Notes to the Financial Statements

### For the year ended 30 June 2022

#### Note 2: Analysis of results by function

##### 2(a) Components of Council functions

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

##### **Corporate services**

The objective of corporate services is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function comprises the support for the mayor and councillors, Council and committee meetings and administration.

Also included are financial and information services that provide professional finance and information services across all of Council. This includes internal audit, budget support, financial accounting, the taxation unit, marketing and communication and information technology services. The objective is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

##### **Engineering services**

This function facilitates the shires growth and prosperity through well planned and quality development. The objective of engineering services is to ensure the Aurukun Shire is well designed, efficient and facilitates growth yet also preserves the character and natural environment of the Shire. This function includes construction and maintenance of Shire roads, operation and maintenance of plant and equipment, provision of support for other Council activities and private works.

##### **Environmental services**

The goal of environmental services is to support a healthy, safe community through the operation and planning of the management of animal control, emergency services and health inspections.

##### **Welfare and social services**

The core function of welfare and social services is to protect the vulnerable, supporting independent living and providing improved life outcomes for the children and elder citizens of the Shire. This includes the provision of:

- Child care services
- Family and parenting programs
- Aged care services
- Disability services

##### **Community and cultural services**

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

This function includes:

- Libraries
- Cemeteries
- Community police
- Traditional arts and crafts

##### **Housing**

The objective of the housing function is to promote community wellbeing through better provision of housing that is compatible with community needs. This includes the provision of community housing and housing for Council employees.

##### **Public amenities and utilities**

The goal of this program is to protect and support our community and natural environment by sustainably managing the provision of cleansing, water and sewerage services. This function also includes the operation of the aerodrome and management of the barge landing.

##### **Enterprises**

The function of enterprises is to move towards Aurukun's vision of self-sustainability and utilise the opportunities arising from the resources of our region. This includes provision of visitor accommodation, general store, Bendigo Bank agency, and Australia Post agency etc.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 2: Analysis of results by function (continued)**

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

Year ended 30 June 2022 Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring	Net result	Assets
	Recurring	Grants	Capital	Other		Recurring	Capital				
	Grants	Other	Grants	Other	2022	2022	2022	2022	2022	2022	2022
Corporate services	\$ 5,134,637	\$ 4,128,685	\$ 481,135	\$ -	\$ 9,744,457	\$ 4,504,673	\$ 375,600	\$ 4,880,273	\$ 1,947,664	\$ 4,864,185	\$ 64,553,719
Engineering services	528,813	4,412,140	1,997,879	-	6,938,832	6,630,493	-	6,630,493	(1,689,540)	308,339	38,386,247
Environmental services	193,628	712	-	-	194,340	195,969	-	195,969	(1,629)	(1,629)	373,462
Welfare & social services	2,108,330	258,359	-	-	2,366,689	2,650,146	-	2,650,146	(283,457)	(283,457)	5,022,739
Community & cultural services	999,228	446,740	306,632	-	1,752,600	3,169,652	-	3,169,652	(1,723,684)	(1,417,053)	15,032,292
Housing	-	279,386	1,519,641	-	1,799,027	996,251	-	996,251	(716,865)	802,776	9,358,341
Public amenities & utilities	24,517	1,283,928	3,297,720	-	4,606,165	2,316,708	-	2,316,708	(1,008,263)	2,289,457	29,923,511
Enterprises	-	376,090	7,273	-	383,363	1,067,618	-	1,067,618	(691,527)	(684,255)	5,190,681
<b>Total</b>	<b>8,989,153</b>	<b>11,186,040</b>	<b>7,610,280</b>	<b>-</b>	<b>27,785,472</b>	<b>21,531,509</b>	<b>375,600</b>	<b>21,907,110</b>	<b>(4,167,302)</b>	<b>5,878,362</b>	<b>167,840,992</b>

Year ended 30 June 2021 Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring	Net result	Assets
	Recurring	Grants	Capital	Other		Recurring	Capital				
	Grants	Other	Grants	Other	2021	2021	2021	2021	2021	2021	2021
Corporate services	\$ 4,313,595	\$ 1,809,065	\$ 733,148	\$ 14,314	\$ 6,870,123	\$ 4,948,045	\$ 354,365	\$ 5,302,410	\$ 1,174,615	\$ 1,567,713	\$ 62,115,988
Engineering services	393,190	4,417,085	2,337,434	-	7,147,709	7,158,560	-	7,158,560	(2,348,284)	(10,851)	36,082,128
Environmental services	195,671	2,878	-	-	198,548	264,496	-	264,496	(65,947)	(65,947)	374,325
Welfare & social services	2,591,438	214,697	-	-	2,806,135	2,306,712	-	2,306,712	499,424	499,424	4,950,230
Community & cultural services	1,298,242	367,719	2,132,498	-	3,798,460	2,982,620	-	2,982,620	(1,316,658)	815,840	14,524,118
Housing	-	207,345	-	-	207,345	672,734	-	672,734	(465,389)	(465,389)	8,097,662
Public amenities & utilities	-	1,262,969	3,554,526	-	4,817,495	2,234,707	-	2,234,707	(971,738)	2,582,788	26,244,835
Enterprises	-	103,621	-	-	103,621	336,964	-	336,964	(233,343)	(233,343)	5,241,764
<b>Total</b>	<b>8,792,136</b>	<b>8,385,379</b>	<b>8,757,607</b>	<b>14,314</b>	<b>25,949,436</b>	<b>20,904,837</b>	<b>354,365</b>	<b>21,259,202</b>	<b>(3,727,322)</b>	<b>4,690,234</b>	<b>157,631,049</b>



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<b>Note</b>	<b>2022</b>	<b>2021</b>
	\$	\$
<b>Note 3: Revenue</b>		
<b>3(a) Utility charges</b>		
Utility charges are recognised as revenue at the beginning of the charging period to which they relate. Prepaid utility charges are recognised as a financial liability until the beginning of the charging period.		
Water	196,887	274,139
Sewerage	466,994	450,007
Garbage charges	286,462	189,234
	<u>950,343</u>	<u>913,381</u>

**3(b) Fees and charges**

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

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

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

Accommodation fees	51,518	53,536
Airport landing fees	105,568	102,964
Aerodrome baggage handling fees	146,932	144,125
Aerodrome fuel handling fees	56,160	56,160
Other fees and charges	204,049	208,834
	<u>564,227</u>	<u>565,619</u>

**3(c) Other recurrent income**

Revenue from private works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity at the reporting date. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

Sale of art work 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.

Private works	4,511,592	4,466,799
Recoverable costs	96,649	119,553
Art work sales	260,703	198,868
Agency commissions	86,911	99,734
Other income	99,827	68,349
	<u>5,055,683</u>	<u>4,953,303</u>

**3(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 obligation is satisfied.

Performance obligations vary in each agreement but include Home Care Packages. 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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$

**Note 3: Revenue (continued)**

**3(d) Grants, subsidies, contributions and donations (continued)**

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 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.

**3(d)(i) Recurrent**

General purpose grants (state and commonwealth governments)	5,134,637	4,313,595
State government subsidies and grants	1,462,662	1,582,566
Commonwealth government subsidies and grants	1,526,533	1,634,528
Contributions, donations and other grants	865,320	1,261,447
	<u>8,989,153</u>	<u>8,792,136</u>

**3(d)(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 investments in new assets. It also includes non-cash contributions of assets.

State government capital grants	6,855,465	5,938,183
Commonwealth government capital grants	340,235	235,560
Other capital contributions and grants	414,580	2,583,864
	<u>7,610,280</u>	<u>8,757,607</u>

**3(d)(iii) Timing of revenue recognition of 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
Grants and subsidies	7,589,517	8,287,887	7,016,687	6,981,527
Subsidies, contributions and donations	160,498	561,530	2,694,942	856,586
	<u>7,750,015</u>	<u>8,849,417</u>	<u>9,711,629</u>	<u>7,838,114</u>



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$
<b>Note 4: Employee benefits</b>			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		4,869,053	4,617,968
Councillors' remuneration		328,327	320,687
Annual, sick and long service leave entitlements		611,157	624,579
Superannuation	18	596,319	554,272
		<u>6,404,855</u>	<u>6,117,506</u>
Other employee related expenses		276,008	253,586
		<u>6,680,864</u>	<u>6,371,092</u>
Less: capitalised employee expenses		(87,059)	(166,104)
		<u>6,593,805</u>	<u>6,204,988</u>

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

**Total Council employees at the reporting date:**

Elected members	5	5
Administrative staff	45	40
Depot and outdoors staff	37	44
<b>Total full time equivalent employees</b>	<u>87</u>	<u>89</u>

**Note 5: Materials and services**

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

Administration expenses	1,489,630	1,110,874
Aged care	713,630	740,815
Arts centre	323,977	234,606
Audit of annual financial statements by the Auditor-General of Queensland*	82,000	81,000
Child care	227,444	208,744
Insurance	669,834	627,362
Other materials and services	1,906,481	2,502,432
Plant operations	362,331	355,863
Private works	2,937,496	2,912,807
Property, building and housing	1,122,829	1,007,662
Technical services	125,454	156,813
	<u>9,961,106</u>	<u>9,938,978</u>

\* Total audit fees quoted by the Queensland Audit Office relating to the 2021-22 financial statements are \$82,000(2021: \$81,000)

**Note 6: Capital income / expenses**

**Provision for landfill restoration**

Discount rate/(change in estimate) adjustment to landfill restoration provision	15	(280,974)	14,314
		<u>(280,974)</u>	<u>14,314</u>

**Gain / (loss) on the disposal of non-current assets**

Proceeds from the sale of property, plant and equipment	-	62,948
Less: book value of property, plant and equipment disposed		(94,626)
		<u>(94,626)</u>
		<u>(108,360)</u>

**Note 7: Cash and cash equivalents**

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

Cash at bank and on hand	16,673,044	14,150,004
Term deposits - 3 months or less	500,000	1,334,061
<b>Balance per Statement of Cash Flows</b>	<u>17,173,044</u>	<u>15,484,065</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

	<u>Note</u>	<u>2022</u>	<u>2021</u>
		\$	\$

**Note 7: Cash and cash equivalents (continued)**

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

**Externally imposed expenditure restrictions at the reporting date:**

Constrained works		1,267,891	2,247,007
Future recurrent expenditure		746,664	799,363
<b>Total externally imposed restrictions on cash assets</b>	<b>23</b>	<b><u>2,014,556</u></b>	<b><u>3,046,370</u></b>

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 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.

**Trust funds held for outside parties**

Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities

		116,138	116,138
Security deposits		44,428	44,428
Mission account		641	641
		<b><u>161,207</u></b>	<b><u>161,207</u></b>

**Note 8: Trade and other receivables**

Receivables are amounts owed to Council at year end. They are recognised at the amount due at the time of sale or service delivery. Settlement 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. 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.

Service charge debtors	3,598	15,863
Lease receivables	205,013	105,960
Other debtors and accruals	728,206	897,008
GST receivable	95,967	160,584
Prepayments	33,750	2,000
	<b><u>1,066,534</u></b>	<b><u>1,181,415</u></b>
Less: Loss allowance	<b><u>(40,775)</u></b>	<b><u>(34,264)</u></b>
	<b><u>1,025,759</u></b>	<b><u>1,147,151</u></b>

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	(34,264)	(45,533)
Reduction / (Additional) impairments recognised	(6,511)	11,269
Closing balance at 30 June	<b><u>(40,775)</u></b>	<b><u>(34,264)</u></b>

Council's impairment of receivables is not material.

**Note 9: Inventories**

Plant and equipment stores and miscellaneous saleable items are held for resale and distribution and are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

**Inventories for sale:**

Miscellaneous saleable items	6,957	6,480
<b>Total inventories for sale</b>	<b><u>6,957</u></b>	<b><u>6,480</u></b>

**Inventories for consumption:**

Plant and equipment stores	729,619	637,644
Less: Provision for slow moving and obsolete materials	(10,000)	(10,000)
<b>Total inventories for consumption</b>	<b><u>719,619</u></b>	<b><u>627,644</u></b>
<b>Total inventories</b>	<b><u>726,576</u></b>	<b><u>634,124</u></b>



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

Note	2022	2021
	\$	\$

**Note 10: Leases**

**10(a) Council as a lessee**

Council has leases in place over land, buildings and equipment. Council has applied the exception to lease accounting for leases of low-value assets and short-term leases.

**10(a)(i) Short-term leases**

Council has no existing lease contracts which are required to be recognised in accordance with AASB 16 Leases. The only contracts are leases for equipment used in the road works, however, these are renewed every year (12 month agreements).

**10(a)(ii) Leases at significantly below market value - concessionary / peppercorn leases**

Council had a peppercorn lease contract with Department of Education for the use of 2,581 m2 land and the buildings on the premises for educational purposes. The lease expired 31 December 2021.

The Council is responsible for land assigned to it under a Lease granted to the Council pursuant to the provisions of the Aboriginal Land Act 1991 over an area of about 750,000 hectares described as Lot 293 on Plan 276451. The rights and interests are reserved to the Crown by Deed of Grant No. 40066958 (Lot 42 on SP 239441) which took effect on 18 September 2013. Council holds the interest in the land in trust for the benefit of persons who for the time being reside on any part of the land. It is considered that the nature of this lease does not fall within the scope of AASB 16.

Council does not currently have any lease agreements which require recognition under AASB 16 with a right-of-use lease asset and corresponding liability.

**10(b) Council as a lessor**

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

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

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

**10(b)(i) Finance leases**

Council has leased 288 dwellings (2021: 284) as lessor to the Queensland Government for a total lease term of 40 years. The total lease payment per dwelling in the current year ranged between \$2,947 and \$3,313 (2021: \$2,897 and \$3,257). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are measured at the present value of the expected future lease payments receivable (fair value). Gains or loss on revaluation of finance lease assets are recognised as other recurrent income.

**Current other financial assets**

Finance leases on social housing receivable	970,310	933,962
	<u>970,310</u>	<u>933,962</u>

**Non-current other financial assets**

Finance leases on social housing receivable	30,096,286	28,065,082
	<u>30,096,286</u>	<u>28,065,082</u>

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

Gross minimum lease payments receivable:		
Not later than one year	970,310	933,962
Later than one year but not later than five years	3,881,240	4,669,809
Later than five years	24,581,951	23,567,121
	<u>29,433,501</u>	<u>29,170,892</u>
Add: Estimated contingent rent	21,106,269	14,323,861
Less: Present value adjustment	(19,473,173)	(14,495,709)
Fair value of lease payments	<u>31,066,596</u>	<u>28,999,044</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Note 10: Leases (continued)</b>		
<b>10(b) Council as a lessor (continued)</b>		
<b>10(b)(i) Finance leases (continued)</b>		
The fair value of lease payments are receivable as follows:		
Not later than one year	970,310	933,962
Later than one year but not later than five years	3,916,676	3,732,205
Later than five years	26,179,610	24,332,877
	<u>31,066,596</u>	<u>28,999,044</u>
Movements in finance leases were as follows:		
Opening balance	28,999,044	30,156,230
Add: Initial recognition of new leases	481,135	-
Less: Lease receipts	(943,594)	(911,182)
Plus: Gain/(Loss) on revaluation	2,530,011	(246,005)
Closing balance	<u>31,066,596</u>	<u>28,999,044</u>
The calculation of fair value has included an estimate of average annual CPI increases of 3.43% per annum (2021: 2.5%) and a discount rate of 3.055% per annum (2021: 2.54%).		
<b>10(b)(ii) Operating leases</b>		
Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.		
Wuungkam Lodge, Kooth Pach Guesthouse and MacKenzie Two Camp are leased to an operator until 31 December 2022. Operating lease income is calculated as 10% of gross accommodation revenue.		
The assets are included in the statement of financial position as property, plant and equipment as the assets are held to meet Council's service delivery objectives (refer note 11).		
Rental income (excluding variable lease payments not dependent on an index or rate)	1,967,041	1,342,831
Rental income relating to variable lease payments not dependent on an index or rate	58,782	522,436
Amount of property, plant and equipment leased out by Council under operating leases		
Buildings and other structures	<u>5,931,507</u>	<u>6,017,513</u>
Total property, plant and equipment leased out by Council under operating leases	<u>5,931,507</u>	<u>6,017,513</u>
The minimum lease receipts arising from operating leases are as follows:		
Not later than one year	1,446,623	1,233,244
One to five years	2,797,571	3,007,327
Later than five years	698,016	784,911
	<u>4,942,210</u>	<u>5,025,482</u>

**AURUKUN SHIRE COUNCIL**  
Notes to the Financial Statements  
For the year ended 30 June 2022

**Note 11: Property, plant and equipment**

11(a) For the year ended 30 June 2022

Basis of measurement Fair value category	Note	Office equipment	Plant & equipment	Buildings and other structures	Land		road, footpath, drainage and bridge network	Aerodrome		Sewerage		Water		Capital works in progress	TOTAL
					Fair value Level 2	Fair value Level 3		Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3		
Cost		Cost	Fair value Levels 2 & 3	Fair value Levels 2 & 3	Fair value Level 2	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Fair value Level 3	Cost		
\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Opening gross value as at 1 July 2021		448,290	4,108,605	84,160,166	520,000	37,451,901	4,942,455	15,330,110	9,967,219	4,218,715	161,147,462				
Additions at cost															
- Renewals		-	-	125,803	-	56,612	-	-	-	-	182,415				
-Other additions		-	323,765	3,843,183	-	692,890	-	-	-	-	2,208,996				
Disposals	6	-	-	(190,102)	-	(56,612)	-	-	-	-	(246,714)				
Revaluation adjustment to asset revaluation surplus	16	-	-	5,049,610	31,200	1,880,086	248,111	858,486	558,164	-	8,625,657				
Internal transfers		-	226,249	1,790,916	-	532,112	-	-	-	(2,549,276)	-				
<b>Closing gross value as at 30 June 2022</b>		<b>448,290</b>	<b>4,658,619</b>	<b>94,779,577</b>	<b>551,200</b>	<b>40,556,989</b>	<b>5,190,566</b>	<b>16,188,597</b>	<b>10,525,383</b>	<b>3,878,434</b>	<b>176,777,655</b>				
<b>Accumulated depreciation</b>															
Opening balance as at 1 July 2021		383,071	2,511,579	34,092,193	-	5,053,423	312,229	7,454,201	2,002,248	-	51,808,944				
Depreciation expense		27,044	352,990	3,206,086	-	737,517	114,343	321,369	184,100	-	4,943,449				
Disposals	6	-	-	(138,501)	-	(13,587)	-	-	-	-	(152,088)				
Revaluation adjustment to asset revaluation surplus	16	-	-	2,221,114	-	290,355	21,414	435,432	122,435	-	3,090,751				
<b>Accumulated depreciation as at 30 June 2022</b>		<b>410,115</b>	<b>2,864,570</b>	<b>39,380,892</b>	<b>-</b>	<b>6,067,708</b>	<b>447,986</b>	<b>8,211,002</b>	<b>2,308,784</b>	<b>-</b>	<b>59,691,056</b>				
<b>Book value as at 30 June 2022</b>		<b>38,175</b>	<b>1,794,049</b>	<b>55,398,685</b>	<b>551,200</b>	<b>34,489,281</b>	<b>4,742,580</b>	<b>7,977,595</b>	<b>8,216,600</b>	<b>3,878,434</b>	<b>117,086,599</b>				
Residual value		-	116,841	-	-	-	-	-	-	-	-				
Range of estimated useful life in years		4-10	2-25	5-80	Indefinite	25-indefinite	2-indefinite	7-100	10-80	-	-				



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 11: Property, plant and equipment**

11(b) For the year ended 30 June 2021

Basis of measurement Fair value category	Note	Office equipment	Plant & equipment	Buildings and other structures		Land	road, footpath, drainage and bridge network		Aerodrome	Sewerage		Water	Capital works in progress	TOTAL							
				Cost	Fair value		Fair value	Fair value		Fair value	Fair value				Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
<b>Asset values</b>																					
Opening gross value as at 1 July 2020		438,765	4,077,575	81,415,554	475,000	34,689,186	5,811,600	15,465,430	13,286,070	1,288,424	156,947,603										
Additions at cost																					
- Renewals		-	-	70,806	-	-	20,300	-	-	-	-	-	-	91,106							
-Other additions		9,525	189,078	3,423,822	-	1,833,082	1,900	-	11,759	3,440,160	8,909,326										
Disposals	6	-	(158,047)	(314,716)	-	-	(20,300)	-	-	-	(493,064)										
Revaluation adjustment to asset revaluation surplus	16	-	-	(600,867)	45,000	473,332	(871,045)	(135,320)	(3,330,610)	-	(4,419,510)										
Internal transfers		-	-	165,568	-	344,302	-	-	-	(509,870)	-										
Assets not previously recognised		-	-	-	-	112,000	-	-	-	-	112,000										
<b>Closing gross value as at 30 June 2021</b>		<b>448,290</b>	<b>4,108,605</b>	<b>84,160,166</b>	<b>520,000</b>	<b>37,451,901</b>	<b>4,942,455</b>	<b>15,330,110</b>	<b>9,967,219</b>	<b>4,218,715</b>	<b>161,147,462</b>										
<b>Accumulated depreciation</b>																					
Opening balance as at 1 July 2020		353,698	2,275,837	32,150,542	-	7,152,915	1,218,998	8,327,353	9,148,712	-	60,628,056										
Depreciation expense		29,373	341,448	2,638,304	-	818,563	117,498	365,730	430,685	-	4,741,602										
Disposals	6	-	(105,706)	(209,088)	-	-	(6,961)	-	-	-	(321,756)										
Revaluation adjustment to asset revaluation surplus	16	-	-	(487,566)	-	(2,918,055)	(1,017,306)	(1,238,882)	(7,577,149)	-	(13,238,958)										
<b>Accumulated depreciation as at 30 June 2021</b>		<b>383,071</b>	<b>2,511,579</b>	<b>34,092,193</b>	<b>-</b>	<b>5,053,423</b>	<b>312,229</b>	<b>7,454,201</b>	<b>2,002,248</b>	<b>-</b>	<b>51,808,944</b>										
<b>Book value as at 30 June 2021</b>		<b>65,219</b>	<b>1,597,026</b>	<b>50,067,974</b>	<b>520,000</b>	<b>32,398,478</b>	<b>4,630,226</b>	<b>7,875,909</b>	<b>7,964,971</b>	<b>4,218,715</b>	<b>109,338,517</b>										
Residual value		-	164,112	-	-	-	-	-	-	-	-										
Range of estimated useful life in years		4-10	2-25	5-80	Indefinite	25-indefinite	2-indefinite	7-100	10-80	-	-										



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

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

**11(c) Recognition**

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold 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.

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

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 286.1425 hectares described in Title References 40066957 and 40666958.

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

**11(d) 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 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 profit.

**11(e) Depreciation**

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

Land and work in progress 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.

Where assets have separately identifiable components, these components have separately assigned useful lives.

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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

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

**11(f) 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.

**11(g) Valuation**

**Key judgements and estimates:**

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.

**11(g)(i) Valuation processes**

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

In the intervening years, Council undertakes a "desktop" valuation for land and improvements, buildings and infrastructure 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

Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

There were no transfers between levels during the year.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 11: Property, plant and equipment**

11(g) Valuation (continued)

11(g)(ii) Valuation techniques used to derive fair values

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Indexation applied at 30 June 2022	Valuer engaged	Key assumptions and estimates (related data sources)
Land (level 2)	Market value	30/06/2021	6.00%	AssetVal	The values have been determined based on sales of land in the locality, and take into consideration zoning, size, shape, location topography and exposure characteristics for each lot; as well as overall market conditions as at the date of valuation.
Buildings and other structures (level 2) 2022: \$805,388 2021: \$780,000	Market value	30/06/2021	6.00%	AssetVal	Sales price per square metre of comparable properties, adjusted for differences in key attributes such as condition.
Buildings and other structures (level 3) 2022: \$54,593,297 2021: \$49,290,571	Current replacement cost	30/06/2021	6.00%	AssetVal	Current gross replacement cost Unit rates for construction as at the comprehensive valuation date (recent construction data, Rawlinson's cost data and cost indices for different regions in Queensland, taking into account site specifics and consideration on size, material, type and structure). Accumulated depreciation The valuer assessed the remaining useful life and hence accumulated depreciation by analysing factors that contribute to the three forms of obsolescence: physical, functional and economic obsolescence.
Road, footpath, drainage and bridge network (level 3)	Current replacement cost	30/06/2021	5.02%	AssetVal	Current gross replacement cost The unit rates applied include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, direct quotations from suppliers, unit rate databases, indices and industry standard sources such as Rawlinson's Construction Handbook.
Aerodrome (level 3)			5.02%		Accumulated depreciation
Sewerage (level 3)			5.60%		The valuer assessed the remaining useful life and hence accumulated depreciation by analysing factors that contribute to the three forms of obsolescence: physical, functional and economic obsolescence.
Water (level 3)			5.60%		



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$

**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.

<b>12(a) Contract assets</b>	<u>762,418</u>	<u>2,028,148</u>
<b>12(b) Contract liabilities</b>		
Funds received upfront to construct Council controlled assets	1,267,891	2,285,326
Non-capital performance obligations not yet satisfied	<u>67,900</u>	<u>-</u>
	<u>1,335,791</u>	<u>2,285,326</u>
<b>Revenue recognised that was included in the contract liability balance at the beginning of the year</b>		
Funds to construct Council controlled assets	1,834,338	2,981,209
Non-capital performance obligations	<u>-</u>	<u>112,638</u>
	<u>1,834,338</u>	<u>3,093,847</u>

**12(c) Significant changes in contract balances**

Performance obligations of Works for Queensland projects have progressed reducing contract liabilities. Disaster recovery funding arrangement projects have been completed creating contract assets.

**Note 13: Trade and other 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.

A liability for annual leave is recognised. The liability is calculated using the present value of remuneration rates that will be paid when the liability is expected to be settled and includes related on-costs.

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

**Current**

Creditors and accruals	1,795,676	2,026,084
Annual leave payable	<u>289,863</u>	<u>476,605</u>
	<u>2,085,538</u>	<u>2,502,689</u>

**Note 14: Borrowings**

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, borrowing costs are expensed as they accrue. No borrowing costs have been capitalised during the current or comparative reporting period. Expected final repayment date is 15 June 2035.

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 borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

**Current**

Loans - Queensland Treasury Corporation	<u>33,316</u>	<u>32,083</u>
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**Non-current**

Loans - Queensland Treasury Corporation	<u>510,934</u>	<u>543,350</u>
	<u>544,250</u>	<u>575,433</u>



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$

**Note 14: Borrowings (continued)**

**Loans - Queensland Treasury Corporation**

Opening balance at beginning of financial year	575,433	605,378
Principal repayments	(31,182)	(29,946)
Book value at end of financial year	<u>544,250</u>	<u>575,433</u>

The QTC loan market value at the reporting date was \$537,298 (2021: \$664,522). 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.

The following table represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period.

Loans - QTC	0 to 1 year	1 - 5 Years	Over 5 years	Total
	\$	\$	\$	\$
30 June 2022	54,018	216,073	432,146	702,238
30 June 2021	54,018	216,073	486,165	756,256

**Note 15: Provisions**

**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**

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty is in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time. Changes in the provision are treated as an expense or income.

The total projected cost of \$1,132,037 is expected to be incurred between 2030 and 2060. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$
<b>Note 15: Provisions (continued)</b>		
<b>Landfill restoration (continued)</b>		
<b>Current</b>		
Long service leave	64,444	110,700
	<u>64,444</u>	<u>110,700</u>
<b>Non-current</b>		
Landfill restoration	1,132,037	851,063
Long service leave	94,277	134,454
	<u>1,226,314</u>	<u>985,517</u>
<b>Landfill restoration</b>		
Balance at beginning of financial year	851,063	865,377
(Gain) / loss due to change in available information	280,974	-
Increase (decrease) due to unwinding of discount	-	(14,314)
Balance at end of financial year	<u>1,132,037</u>	<u>851,063</u>

**Note 16: Asset revaluation surplus**

The closing balance of the asset revaluation reserve is comprised of the following asset categories:

Land	76,200	45,000
Buildings and other structures	88,069,501	85,241,005
Road, footpath, drainage and bridge network	25,451,502	23,861,772
Aerodrome	4,065,614	3,838,916
Sewerage	3,674,842	3,251,788
Water	4,774,952	4,339,223
	<u>126,112,611</u>	<u>120,577,704</u>

**Note 17: Contingent liabilities**

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

**Local Government Mutual**

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

As at 30 June 2022 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 workers 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 \$291,491.



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

Note	2022 \$	2021 \$
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**Note 18: Superannuation**

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

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

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the council.

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

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

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

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

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

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

Total superannuation contributions paid by Council for employees	596,319	554,272
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**Note 19: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities**

<b>Net result</b>		<b>5,878,362</b>	<b>4,690,234</b>
<b>Non-cash operating items:</b>			
Depreciation and amortisation		4,943,449	4,741,602
		<u>4,943,449</u>	<u>4,741,602</u>
<b>Investing and development activities (non-cash):</b>			
Net (profit) loss on disposal of non-current assets	6	94,626	108,360
(Gain) loss on revaluation of finance leases	10	(2,530,011)	246,005
Capital grants and contributions	3(d)	(7,610,280)	(8,757,607)
Finance costs		33,150	19,269
		<u>(10,012,514)</u>	<u>(8,383,973)</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

Note	2022 \$	2021 \$
<b>Note 19: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities (continued)</b>		
<b>Changes in operating assets and liabilities:</b>		
(Increase)/decrease in receivables	121,392	(298,237)
(Increase)/decrease in inventories	(92,452)	129,040
(Increase)/decrease in contract assets	-	-
Increase/(decrease) in payables	(417,151)	343,479
Increase/(decrease) in contract liabilities	67,900	(177,988)
Increase/(decrease) in provisions	194,541	38,655
	<u>(125,770)</u>	<u>34,950</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<u><b>683,527</b></u>	<u><b>1,082,813</b></u>

**Note 20: Reconciliation of liabilities arising from finance activities**

<b>Loans</b>		
Balance as at 1 July	575,433	605,378
Cash flows	(31,182)	(29,946)
Balance as at 30 June	<u><b>544,250</b></u>	<u><b>575,433</b></u>

**Note 21: Events after the reporting date**

There were no material adjusting events after the balance date.

**Note 22: Transactions with related parties**

**22(a) Related entities**

Aurukun Shire Council has no associates or joint ventures.

**22(b) Transactions with key management personnel (KMP)**

KMP include the Mayor, councillors, council's Chief Executive Officer and the Directors of Corporate, Technical and Community Services and officers acting in these positions.

The compensation paid to KMP comprises:

Short-term employee benefits	1,090,141	1,319,411
Post-employment benefits	105,552	111,369
Long-term benefits	(1,622)	66,916
Termination benefits	13,454	5,067
<b>Total</b>	<u><b>1,207,525</b></u>	<u><b>1,502,763</b></u>

Detailed remuneration disclosures are provided in the annual report.

**22(c) Transactions with other related parties**

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

Aurukun is one of the larger communities in the cape. Most residents are traditional owners of the shire and surrounding lands. There are five spiritual clan groups: Apalech, Winchanam, Wanam, Chara and Puutch. As such it would be typical for KMPs to have several close family members.



**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

<u>Note</u>	<u>2022</u>	<u>2021</u>
	\$	\$

**Note 22: Transactions with related parties (continued)**

**22(c) Transactions with other related parties (continued)**

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

**Details of transaction**

Fees and charges charged to close family members of key management personnel	22(c)(i)	4,815	-
Employee expenses for close family members of key management personnel	22(c)(ii)	131,185	197,039
Purchase of materials and services from close family members of key management personnel	22(c)(iii)	115,653	261,291

22(c)(i) The fees and charges charged to close family members of key management personnel were on an arm's length basis in accordance with the schedule of fees and charges adopted by council.

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

The council employed 163 staff of which 4 (2021: 8) are close family members of key management personnel.

22(c)(iii) The material and services purchased from close family members of key management personnel related to artwork. All purchases were at arm's length and were in the normal course of council operations.

**22(d) Outstanding balances**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

**Receivables**

Current	535	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
More than 90 days overdue	-	-
	<u>535</u>	<u>-</u>

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

**22(e) Loans and guarantees to/from related parties**

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

**22(f) Commitments to/from other related parties**

Council has made no commitments to or received commitments from other related parties.

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

Most of the entities and people that are related parties of council live and operate within Aurukun Council. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include dog registration and borrowing books from the council library.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2022**

**Note 23: Tied grants by project**

The following note is prepared on a cash basis.

Source of funds and/or projects	Balance 1/07/2021	Revenue	Expense	Balance 30/06/2022
	\$	\$	\$	\$
<b>General purpose grants</b>				
Grants for the whole of Council:				
Financial assistance grant	-	2,983,131	2,983,131	-
State government financial aid	-	1,403,806	1,403,806	-
Revenue replacement grant	-	667,700	667,700	-
Indigenous economic development	-	80,000	80,000	-
	-	<b>5,134,637</b>	<b>5,134,637</b>	-
<b>Specific purpose grants</b>				
Indigenous visual arts industry support	178,599	205,000	210,841	172,758
Indigenous regional arts development fund	17,479	25,000	3,418	39,061
Backing indigenous arts (Arts Qld)	124,594	70,000	50,439	144,154
Indigenous languages and arts program	28,336	-	2,895	25,442
Splash park	8,089	208,000	482,339	(266,250)
Local roads and community infrastructure phase 1	(20,909)	21,499	5,965	(5,375)
Upgrades at Wo'uw Ko'alam Community Centre	-	-	43,636	(43,636)
Community facilities	(49,300)	49,300	-	-
Christmas hampers	-	124,474	124,474	-
Community events	-	18,818	18,818	-
Local thriving communities	-	60,000	10,000	50,000
Indigenous knowledge centre	3,412	22,022	16,875	8,559
State library of Queensland strategic priorities	37,337	-	18,181	19,156
Deadly digital communities	10,385	-	359	10,026
Tech savvy seniors Queensland	4,260	-	4,077	183
Wik firestick story	5,435	-	5,435	-
Indigenous languages	14,964	-	14,964	-
Indigenous languages and arts program (IKC)	-	17,900	-	17,900
Commuter bus for IKC	-	60,773	60,773	-
Koolkan Woyan Min child and family hub program	53,828	131,717	170,393	15,152
Aurukun playgroup and early childhood learning	20,862	90,992	111,853	-
Community child care foundation	49,693	525,231	574,924	-
Indigenous languages	-	10,000	-	10,000
Community transport	-	21,500	21,500	-
Commonwealth home support program	149,369	471,776	621,144	-
Indigenous employment initiative	21,909	148,848	170,757	-
Queensland community support scheme	-	81,358	81,358	-
Improved payment administration transitional support	-	65,000	-	65,000
Community safety plan round 1	20,275	-	18,397	1,878
Community safety plan round 2	-	50,000	-	50,000
Community safety plan round 3	-	35,000	-	35,000
DSDSATSIP CCTV 2021-23	-	88,000	145,443	(57,443)
ATSI public health	-	178,658	145,567	33,091
Rio Tinto - road user agreement	289,725	-	289,725	-
Local roads and community infrastructure phase 2	50,537	-	54,832	(4,295)
Local roads and community infrastructure phase 3	-	80,624	-	80,624
TIDS 2020-21	(156,370)	201,776	45,406	-
TIDS 2021-22	-	524,700	726,403	(201,703)
Disaster recovery funding arrangements 2018-19	(1,127,572)	1,109,304	(18,268)	-
Disaster recovery funding arrangements 2019-20	32,161	195,547	331,643	(103,935)
Disaster recovery funding arrangements 2020-21	-	479,659	143,658	336,001
Qlds fishing infrastructure grant	-	33,840	-	33,840
Remote airstrip upgrade	-	201,861	301,775	(99,914)
Works for Queensland round 3 and COVID 2020-21	(385,064)	2,035,000	1,635,942	13,995
Works for Queensland round 4	-	1,185,000	785,637	399,363
Solid waste facility refurbishment	382,650	-	799,814	(417,164)
Waste water infrastructure improvements	871,882	-	654,467	217,414
Water infrastructure improvements	258,893	-	28,857	230,036
Get ready Queensland	(678)	1,419	(5,181)	5,922
	<b>894,780</b>	<b>8,829,595</b>	<b>8,909,534</b>	<b>814,840</b>
<b>Add back negative grants</b>	<b>1,739,892</b>			<b>1,199,715</b>
<b>Unspent grant revenue</b>	<b>2,634,672</b>	<b>13,964,232</b>	<b>14,044,171</b>	<b>2,014,556</b>




**AURUKUN SHIRE COUNCIL**  
**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 2 to 27, 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.

  
.....  
**KERI TAMWOY**  
Mayor

Date: 12 October 2022

  
.....  
**ILARIO SABATINO**  
Chief Executive Officer

Date: 12 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Aurukun Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the financial report of Aurukun 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 Aurukun 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 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.

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- 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.



Sri Narasimhan  
as delegate of the Auditor-General

12 October 2022

Queensland Audit Office  
Brisbane



# **AURUKUN SHIRE COUNCIL**

## **FINANCIAL SUSTAINABILITY STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2022**



**AURUKUN SHIRE COUNCIL**  
**Financial Statements**  
**For the year ended 30 June 2022**

Current year financial sustainability statement	84
Certificate of Accuracy for the current year financial sustainability statement	85
Independent Auditor's Report on the current year financial sustainability statement	86
Long-term financial sustainability statement	89
Certificate of Accuracy for the long-term financial sustainability statement	90

## AURUKUN 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
Operating surplus ratio	-7%	Between 0% and 10%
Asset sustainability ratio	4%	greater than 90%
Net financial liabilities ratio	-76%	not greater than 60%

Council's performance at 30 June 2022 against key financial ratios and targets:

### 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.




**AURUKUN SHIRE COUNCIL**  
**Current-year Financial Sustainability Statement**  
**For the year ended 30 June 2022**

**AURUKUN SHIRE COUNCIL**  
**Certificate of Accuracy for the current year financial sustainability statement**  
**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.



.....  
**KERI TAMWOY**  
Mayor

Date: 12 October 2022



.....  
**ILARIO SABATINO**  
Chief Executive Officer

Date: 12 October 2022

## INDEPENDENT AUDITOR'S REPORT

To the councillors of Aurukun Shire Council

### Report on the current-year financial sustainability statement

#### Opinion

I have audited the accompanying current-year financial sustainability statement of Aurukun 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 Aurukun 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 Aurukun 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.



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

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

Sri Narasimhan  
as delegate of the Auditor-General

12 October 2022

Queensland Audit Office  
Brisbane

**AURUKUN SHIRE COUNCIL**  
**Long-Term Financial Sustainability Statement (Unaudited)**  
**Prepared as at 30 June 2022**

Measures of Financial Sustainability	Council	Measure	Target	Actuals at 30 June 2022	Projected for the years ended									
					30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032
Operating surplus ratio		Net result divided by total operating revenue	Between 0% and 15%	-7%	-25.09%	-24.60%	-24.47%	-23.25%	-23.13%	-22.99%	-22.79%	-22.63%	-22.47%	-22.30%
Asset sustainability ratio		Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	4%	16.40%	103.12%	101.22%	98.38%	97.61%	95.91%	94.48%	92.88%	91.33%	89.84%
Net financial liabilities ratio		Total liabilities less current assets divided by total operating revenue	not greater than 60%	-76%	-97.76%	-94.07%	-90.61%	-87.40%	-85.09%	-82.87%	-80.74%	-78.71%	-76.76%	-74.90%

**Aurukun Shire Council's Financial Management**

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.




**AURUKUN SHIRE COUNCIL**  
**Long-term Financial Sustainability Statement**  
**For the year ended 30 June 2022**

**AURUKUN SHIRE COUNCIL**  
**Certificate of Accuracy for the long-term financial sustainability statement**  
**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.

  
.....  
**KERI TAMWOY**  
Mayor

Date: 12 October 2022

  
.....  
**ILARIO SABATINO**  
Chief Executive Officer

Date: 12 October 2022



## Annual Report Feedback

Aurukun Shire Council aims to make this Annual Report transparent and easy to read. Council welcomes your feedback and suggestions for improvement. If you have any comments you wish to share, please direct them to the Chief Executive Officer by phoning 07 4060 6800 or emailing [ceo@aurukun.qld.gov.au](mailto:ceo@aurukun.qld.gov.au)

### **Acknowledgment of Photographs**

Special acknowledgment for contributions from Aurukun Shire Council employees, community agencies and residents.

### **International Standard Serial Number**

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