



Aurukun Shire Council

ANNUAL REPORT 2024-25



Acknowledgement

Ngan inan ngank min a aak in punchan ana pam wanch Wik, Wik Waya a Kugu a aak a ngak waken, ana work, ana iiynan a.

We are proud to acknowledge the Traditional Custodians of the land and waters we are working on; the Wik, Wik Waya, and Kugu People.

Introduction

In accordance with section 182(1) of the *Local Government Regulation 2012*, Council must publish an Annual Report, which provides an update to the community about Aurukun Shire Council's finances, performance and how Council has delivered against its Corporate and Operational Plans.

Aurukun Profile

Location

The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 178 kilometres (2.5 hours) by road south of the mining town of Weipa and 811km (11hrs) from Cairns. Nearly the entire population lives within the township.

The shire has an area of 7500km² and is bounded by the Holroyd River and Pormpuraaw Deed of Grant in Trust lands to the south, Cook Shire and Oyala Thumotang National Park to the east, the Gulf of Carpentaria to the west and Cook Shire to the north. It has about 107km of Gulf of Carpentaria coastline.



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.



Message from the Chief Executive Officer

Well, 2024-25 has been an exciting year for Aurukun Shire Council and all members of the community. We have had to deal with a number of historical matters in relation to water, sewerage, and particularly in our aged care sector, where we have been able to support our elderly members of the community to the highest level of care able to be provided through transitioning our aged care facility to Selectability.

As CEO, I really want to thank the executive of Selectability and their committee for supporting the Aurukun community and together, we are looking towards the vision of improving services even more across the community.

We have seen a great coming together of different organisations across the community, and, because of that, we were able to deliver our five-year Corporate Plan on time, which sets the forward direction of Aurukun. This was a magnificent project involving a number of key stakeholders, and looked back at a lot of great work that had been done by previous councils.

Aurukun is a strong, inclusive and thriving community, empowered by its cultural connections to family, tradition, culture and Country, with community leadership at the heart of its future.

I want to thank the leadership of our elected members, Mayor Bandicootcha and Deputy Mayor Craig Koomeeta, and their fellow councillors, for their leadership and guidance in taking the community forward, but also their commitment to delivering housing projects and supporting other projects in the community sector, as well as educational projects which will benefit the community. This is no more evident than in our upgrades to the Indigenous Knowledge Centre.

Our Corporate Plan is based around the four pillars of heritage, resilience, sustainability and governance, and these particular areas have come back through some of the great work done through the Wik Kath Min project, housing consultation projects, the Aurukun Master Plan project, as well as the other community consultations that we've seen across all of our almost 120 organisations that service the Aurukun community.

I particularly also want to acknowledge that in the 2025-26 financial year, Aurukun has the opportunity to mark the 30th anniversary of the historical Wik Decision - a truly special moment for our strong community.

Our budget settings this year have been able to stabilise our workforce, with turnover reduced over the past 12 months from almost 70 per cent to 38 per cent.

We are certainly looking forward to the next stage of Aurukun Shire Council, which involves delivering a record amount of housing, and water upgrades, which will keep our community secure for the next 40 years. We are also reinvigorating our waste management and sewerage infrastructure to the highest standards and, while doing this, work with our other stakeholders across the community to get the best outcome for not only the current community, but for future generations ahead.

Kind regards

Jack Dempsey

Chief Executive Officer

NB: This message represents the chief executive officer's assessment of Council's progress towards implementing its five-year corporate plan and annual operational plan, as required by section 190(1)(a) of the *Local Government Regulation 2012*.

Our Councillors Portfolio and Committee Representation

| | |
|------------------------------------|--|
| Mayor Barbara Bandicootcha | <p><i>Elected 2024</i></p> <p>Portfolio - The Mayor is a representative of all Portfolio Areas 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) Mayors Employment Committee</p> |
| Deputy Mayor Craig Koomeeta | <p><i>Elected 2000-2003</i> <i>Elected 2020-Current</i></p> <p>Portfolio – Health, Transport and Infrastructure, Environment, Arts, Community Service, Governance and Finance. Council Representative: Local Disaster Management Group (LDMG) Torres Cape Indigenous Council Alliance (TCICA) Inc</p> |
| Cr Eloise Yunkaporta | <p><i>Elected 2024</i></p> <p>Portfolio – Community Safety, Environment, Training and Employment</p> |
| Cr Leona Yunkaporta | <p><i>Elected 2024</i></p> <p>Portfolio – Business Development, Social Housing, Education</p> |
| Cr Jayden Marrott | <p><i>Elected 2020-Current</i></p> <p>Portfolio – Sport and Recreation, Transport and Infrastructure, Governance and Finance, Training and Employment Council Representative: Torres Cape Indigenous Council Alliance (TCICA) Inc</p> |

Corporate Vision

OUR VISION: Aurukun is a strong, inclusive, and thriving community, empowered by its cultural connections to family, tradition, and Country, with community leadership at the heart of its future.



OUR MISSION: To work in partnership with the community to deliver services, infrastructure, and opportunities that strengthen well-being, protect culture, build resilience, and support sustainable growth for the people of Aurukun.



Assessment of Operating Performance

Aurukun Shire Council continues to operate within a complex and resource-limited environment, where a range of external and internal factors influence the organisation's capacity to deliver on its strategic objectives. The Corporate Plan sets Council's long-term vision and mission, while the Annual Operational Plan outlines the actions required each year to progress those goals.

This assessment considers the practicality of these plans in the context of the year's operating challenges. A significant factor affecting performance has been the unusually high level of sorry business experienced across the community. These events have had considerable impacts on staff availability, service continuity and community operations, and have required Council to respond with cultural sensitivity and operational flexibility.

High staff turnover has also affected Council's ability to maintain continuity in key roles. Recruitment delays, onboarding requirements and the time needed for new staff to gain local knowledge have all influenced operational timeframes. These challenges are not uncommon in remote local governments, but they remain a critical factor in the organisation's overall performance each year.

In addition, shifting operational priorities, driven by urgent community needs, compliance requirements and emerging risks, have meant that certain planned activities had to be paused, re-sequenced or adjusted. While this has affected delivery of some actions under the Operational Plan, the decisions made were necessary to ensure Council continued to uphold its broader responsibilities, protect community wellbeing, and maintain alignment with its core vision and mission.

Despite these pressures, Council's planning documents continue to provide clear direction. Resource allocation - financial, human and technological - has been undertaken responsibly, with decision-making guided by strategic priorities and the need to maximise impact. Regular monitoring and reporting against performance indicators have enabled Council to track progress, identify barriers early and make informed adjustments where required.

Overall, the assessment of Council's performance demonstrates a committed and adaptive organisation that continues to advance its long-term goals while managing significant operational pressures. As Aurukun Shire Council moves forward, ongoing flexibility, careful planning, and strong governance will remain essential to delivering outcomes for the community within a challenging and ever-changing environment.

Theme Outcome Summary

| Theme Outcome | <i>Completed</i> | <i>In Progress</i> | <i>Off Track</i> | <i>Not Started</i> |
|-----------------|------------------|--------------------|------------------|--------------------|
| Economic Future | 1 | 2 | 5 | 7 |
| Our Community | 1 | 2 | 3 | 8 |
| Our Environment | 0 | 0 | 4 | 5 |
| Our Governance | 0 | 1 | 3 | 4 |
| Total | 2 | 5 | 15 | 24 |

Statutory Information

This section of the report contains information which is prescribed by the *Local Government Act 2009* and *Local Government Regulation 2012* to be disclosed in Council's Annual Report for the period.

Local Government Act 2009

s 41 - Identifying Beneficial Enterprises

s 41 of the *Local Government Act 2009* provides that the Annual Report must contain a list of all the beneficial enterprises that the local government conducted during the financial year.

Aurukun Shire Council did not conduct any beneficial enterprises within the 2024-2025 financial year.

s 45 - Identifying Business Activities

s 45(a) of the *Local Government Act 2009* provides that the Annual Report must contain a list of all the business activities that the local government conducted during the financial year.

The business activities conducted during 2024-2025:

- Accommodation
- Childcare Services

s 45(b) of the *Local Government Act 2009* provides that the Annual Report must identify the business activities that are significant business activities.

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

s 45(c) of the *Local Government Act 2009* provides that the Annual Report must state whether or not the competitive neutrality principle was applied to the significant business activities, and if the principle was not applied, the reason why it was not applied.

The competitive neutrality principle was not applied as Council does not have any significant business activities.

s 45(d) of the *Local Government Act 2009* provides that the Annual Report must state whether any of the significant business activities were not conducted in the preceding financial year, i.e. whether there were any new significant business activities.

The business activities listed above were also conducted by Council in the previous financial year (2023-2024), and no new business activities commenced in 2024-2025.

Aurukun Shire Council did not conduct any significant business activities.

s 201 - Remuneration Payable to Senior Contract Employees

s 201(1)(a) of the *Local Government Act 2009* provides that the Annual Report must state the total of all remuneration packages that are payable to the senior management of the local government. The senior management, of a local government, consists of the Chief Executive Officer and all senior executive employees. The remuneration packages include base salary, superannuation, and allowances.

Total of all Remuneration Packages Payable \$751,118.

s 201(1)(b) of the *Local Government Act 2009* provides that the Annual Report must state the number of employees in senior management who are being paid each band of remuneration.

| Band | Number of Senior Management |
|-----------------------|-----------------------------|
| \$100,000 - \$200,000 | - |
| \$200,001 - \$300,000 | 4 |

Local Government Regulation 2012

s 183 - Financial Statements

The general-purpose financial statements, current years financial sustainability statement, long term financial sustainability statement and the Auditor Generals audit report is shown at the end of this Annual Report.

s 184 - Community Financial Report

The Community Financial Report for the period is shown at the end of this Annual Report.

s 185 - Particular Resolutions

s 185(a) of the *Local Government Regulation 2012* provides that the Annual Report must contain a copy of the resolutions made during the financial year under s 250(1) of the *Local Government Regulation 2012* (adoption of an expenses reimbursement policy).

s 185(b) of the *Local Government Regulation 2012* provides that the Annual Report must contain a list of any resolutions made during the financial year under s 206(2) of the *Local Government Regulation 2012* (Threshold for non-current physical asset to be treated as an expense).

There were no particular resolutions made during the 2024-25 financial year.

s 186 - Councillors

The Annual Report must contain particulars of Councillors such as total remuneration, superannuation, expenses, facilities provided, meetings attendance and total orders during the financial year.

s 186(a) - Councillor Remuneration

The amount of remuneration paid to Local Government Councillors is determined by the Local Government Remuneration Commission ("**Commission**"). The Commission has determined that Aurukun Shire Council is a Category A2 Council, and the following annual remuneration amounts applied to Category A2 Councils during the period 1 July 2024 to 30 June 2025:

| Mayor | Deputy Mayor | Councillors |
|-----------|--------------|-------------|
| \$122,975 | \$70,946 | \$61,486 |

The total remuneration paid to each Councillor and the total superannuation contribution paid on behalf of each Councillor during the period 1 July 2024 to 30 June 2025 is as follows:

| Councillor | Remuneration | Superannuation |
|-----------------------------|--------------|----------------|
| Mayor Barbara Bandicootcha | \$119,310.24 | \$14,317.09 |
| Deputy Mayor Craig Koomeeta | \$68,846.95 | \$8,261.42 |
| Cr Jayden Marrott | \$59,677.64 | \$7,161.29 |
| Cr Eloise Yunkaporta | \$58,019.63 | \$6,962.33 |
| Cr Leona Yunkaporta | \$59,677.64 | \$7,161.29 |

Remuneration paid to each Councillor was slightly lower than the remuneration figures determined by the Commission due to Council pay run schedule.

s 186(b) - Councillor Expenses

The revised Reimbursement of Councillor Expenses and Provision of Facilities Policy was adopted by Council on 15 April 2025. The policy provides for the reimbursement of reasonable expenses which are suitable to be incurred by Councillors when discharging their duties and responsibilities as Councillors and the provision of facilities necessary to undertake their roles.

The table below shows the expenses incurred by Councillors in the 2024-25 financial year.

Councillors are entitled to use the following facilities:

- Desk, shared office space and meeting rooms in any of the Council offices, including the Cairns office
- Shared access to office equipment
- Secretarial support with approval from the CEO
- Smartphone for the Mayor for Council and private use
- Four-wheel drive vehicle for the Mayor for Council and private use
- Laptop computer, iPad, or tablet with internet access
- Any other reasonable item that would allow a Councillor to perform their duties in an efficient manner at a level to meet the community's expectations.

Travel and Accommodation Costs for Council business by Councillors during the financial year.

| Councillor | Training | Home & Office Telecom | Hospitality & Travel Expenses | Reimbursements |
|-----------------------------|----------|-----------------------|-------------------------------|----------------|
| Mayor Barbara Bandicootcha | \$1,153 | \$601 | \$3,646 | - |
| Deputy Mayor Craig Koomeeta | \$1,153 | - | \$22,945 | \$91 |
| Cr Jayden Marrott | \$1,153 | - | \$4,550 | - |
| Cr Eloise Yunkaporta | \$1,153 | - | \$1,161 | - |
| Cr Leona Yunkaporta | \$1,153 | - | \$416 | - |

s 186(1)(c) Councillor Meeting Attendance

As required under s 186(c) of the *Local Government Regulation 2012*, the table below details the number of Local Government meetings each Councillor attended during the 2024-2025 financial year.

| Meetings Attended | Ordinary Meetings (12 held) | Special Meetings (1 held) | Special Budget Meetings (1 held) |
|-----------------------------|-----------------------------|---------------------------|----------------------------------|
| Mayor Barbara Bandicootcha | 5 | - | - |
| Deputy Mayor Craig Koomeeta | 8 | 1 | 1 |
| Cr Jayden Marrott | 8 | - | 1 |
| Cr Eloise Yunkaporta | 7 | 1 | - |
| Cr Leona Yunkaporta | 11 | 1 | 1 |

s 186(1)(d)(e)(f) - Councillor Conduct

The *Local Government Act 2009* sets out the roles, responsibilities, and obligations of Councillors. Complaints about the conduct of Councillors are to be made, or referred, to the Independent Assessor for investigation. In accordance with section 186(1)(d) to (f) of the *Local Government Regulation 2012* Councillor conduct complaints, referrals, decisions, orders, and recommendations during the financial year are shown in the tables below:

| | |
|---|-----|
| Orders made under s 150I(2) of the LGA | Nil |
| Orders made under s 150IA(2)(b) of the LGA | Nil |
| Orders made under s 150AH(1) of the LGA | Nil |
| Decisions, orders, and recommendations made under s 150AR (1) of the LGA | Nil |
| Name of each Councillor for whom a decision, order or recommendation was made under s 150I(2),150IA(2)(b), 150AH(1) or 150AR(1) of the LGA was made | 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 s 150P(2)(a) of the LGA by the local government, a councillor of the local government or the chief executive officer of the local government | Nil |
| Matters, mentioned in s 150P(3) of the LGA, notified to the Crime and Corruption Commission | Nil |
| Notices given under s 150R(2) of the LGA | Nil |
| Notices given under s 150S(2)(a) of the LGA | Nil |
| Occasions information was given under s 150AF(3)(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 under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or a conduct breach | Nil |
| The total number of referral notices given to the local government under s 150AC(1) of the LGA during the financial year | Nil |
| For suspected conduct breaches the subject of a referral notice mentioned in paragraph above | Nil |
| Decisions made by the local government under s 150AG(1) of the LGA during the financial year | Nil |
| Matters not decided by the end of the financial year under s 150AG(1) of the LGA | Nil |
| Average time taken by the local government in making a decision under s 150AG(1) of the LGA | N/A |
| Decisions made under s 150W(1)(a), (b) and (e) of the LGA | Nil |
| Referral notices accompanied by a recommendation mentioned in s 150AC(3)(a) of the LGA | Nil |

s 187 Administrative Action Complaints

Council respects the right of individuals to lodge a complaint and is committed to managing complaints responsibly, efficiently, effectively, fairly, and economically. Under the *Local Government Act 2009*, issues that are within the scope of Administrative Action Complaints about the Council include:

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

Aurukun Shire Council is committed to providing a level of service which does not attract complaints but recognises the rights of the community to provide positive and negative feedback on its services. When a complaint is submitted in any formal form, Council is committed to managing all complaints quickly and efficiently.

How the complaints management process is implemented:

Aurukun Shire Council has adopted a policy and procedure for the management of administrative action complaints. Complaints are managed through a three-stage process comprising:

Stage 1 – Initial Review investigated by the Business Unit

Stage 2 – Internal Review of Stage 1 decisions by an independent review

Stage 3 – External Review of Stage 2 decisions by the Queensland Ombudsman Office

| Administrative Action Complaints | |
|---|-----|
| The number of Administrative Action Complaints made to the local government | Nil |
| The number of Administrative Action Complaints resolved by the local government under the complaints management process | Nil |
| The number of Administrative Action Complaints not resolved by the local government under the complaints management process | Nil |
| The number of Administrative Action Complaints not resolved by the local government under the complaints management process that were made in a previous financial year | Nil |

s 188 - Overseas Travel

The Annual Report must contain information about any overseas travel made by a Councillor or Local Government employee in an official capacity. There was no overseas travel made by a Councillor or Local Government employee in an official capacity during the 2024-25 financial year.

s 189 - Grants to Community Organisations

No grants were paid to Community Organisations during the 2024-25 financial year.

s 189(2) - Councillor Discretionary Funds

Councillors are not provided with discretionary funds to allocate.

s 190(1)(d) Action taken for, and expenditure on, a service, facility, or activity

s 190(1)(d) of the *Local Government Regulation 2012* requires Council to report details of any action taken in relation to, and expenditure on, a service, facility, or activity:

- Supplied by another local government under an agreement for conducting a joint government activity; and
- For which the local government levied special rates or charges for the financial year.

Council had no details to report for the 2024-25 financial year under this section.

s 190 (1)(e) - Invitations to Tenderers to Change Tenders

s 190(1)(e) of the *Local Government Regulation 2012* requires that the local government's Annual Report include the number of invitations to change tenders under s 228(7) of the LGR during the financial year.

There were no invitations to change tender made during the 2024-25 financial year.

s 190 (1)(f) Registers kept by Local Government

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

- Minutes of Council Meetings
- Register of Personal Interests of Councillors
- Register of Personal Interests of Chief Executive Officers and/or Senior Managers
- Road Register
- Schedule of Fees and Charges
- Register of Local Laws and Subordinate Local Laws
- Register of Burials
- Register of Delegations
- Register of Council Policies
- Register of Gifts to Staff
- Register of Councillor Conduct
- Register of Administrative Complaints

s 190(1)(g) Summary Concessions for Rates and Charges

s 190(1)(g) of the *Local Government Regulation 2012* requires that the local government's Annual Report include a summary of all concessions for rates and charges granted by the local government.

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.

s 190(1)(h) Internal Audit

s 190(1)(h) of the *Local Government Regulation 2012* requires that the local government's Annual Report include the report on the internal audit for the financial year. Aurukun Shire Council has established an Internal Audit function in accordance with s 207 of the *Local Government Regulation 2012*.

Aurukun Shire Council appointed Altius Advisors as its Internal Audit contractor, and the internal audit function for the 2024-25 financial year for Council was driven by its internal audit plan. The plan identifies the key financial and operational risks of Council and highlights the areas to be covered by the internal audit function.

In 2024-25, fraud controls and risk management were identified as the key internal audit areas.

Five key findings and recommendations were made around current fraud and corruption control policies, procedures, and frameworks, internal controls, lack of training for staff in fraud control and risk management, and fraud risk assessments and integration into business processes.

Council will continue to work on these areas to ensure compliance and accuracy is achieved.

s 190(1)(i) and (j) Competitive Neutrality Complaints

s 190(1)(i) of the *Local Government Regulation 2012* requires that the local government's Annual Report include a summary of investigation notices given in the financial year under s 49 of the *Local Government Regulation 2012* for competitive neutrality complaints and the local government's responses in the financial year on the Queensland Competition Authority's (QCA) recommendations on any competitive neutrality complaints under s 52(3) of the *Local Government Regulation*.

During the 2024-25 financial year, Council was not in receipt of any investigation notices under s 49 of the *Local Government Regulation 2012*. Council was not in receipt of any QCA recommendations on any competitive neutrality complaints under s 52(3) of the *Local Government Regulation 2012*.

Public Sector Ethics Act 1994

The *Public Sector Ethics Act 1994* requires that the Annual Report of each public sector entity, including a local government, must include an implementation statement about the local government activities during the financial year to implement its plan for equal opportunity in employment.

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.”

Community Financial Report

Council's general purpose financial statements are for the period 1 July 2024 to 30 June 2025 and have been prepared in accordance with the *Local Government Act 2009*, the *Local Government Regulation 2012* and Australian Accounting Standards and Interpretations. The statements have been audited by the Queensland Audit Office.

Section 179 of the *2012 Local Government Regulation* states that a local government must prepare a Community Financial Report for the financial year.

Section 184 of the *2012 Local Government Regulation* states that the Community Financial Report must be included in the local government's Annual Report.

The Community Financial Report provides a summary of the financial statements with the aim of providing understandable information to the members of our community. The financial statements include the following:

- **Statement of Comprehensive Income**

A summary of Aurukun Shire Council's financial performance for the year, this statement shows the revenue and expenses from council's operating activities for the year, additional detail can be found in the notes to the financial statements.

Capital income is also included but the statement excludes capital expenditure on plant and equipment, this can be found in the statement of cash flows.

- **Statement of Financial Position**

Shown at a point in time, is a snapshot of what we own and what we owe at 30 June 2025. Current assets are those accounts that can be converted into cash within one year while current liabilities are obligations that fall due within one year.

- **Statement of Cash Flows**

Shows the movement in Council's cash position during the period, it includes all cash inflows from council operations, grants and investment sources. Cash outflows are monies spent for the provision of community services and council operations as well as payments for capital works and the purchase of plant and equipment.

- **Statement of Changes in Equity**

Shows the movement in Council's Equity balance, it reflects the connection between the comprehensive income statement and the statement of financial position.

- **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.

- **Current Year Financial Sustainability Statement**

Three ratios which serve as useful indicators to monitor the current and long-term sustainability of Council, these ratios are audited and measure councils' cash balance, operating performance, asset management capability and its ability to fund debt.

Financial Statements at a glance

The net result for the financial year 2024-25 was a surplus \$108,912 council generally runs at a deficit due to the high depreciation expense but lately the variable timing of payments of the Federal governments Financial Assistance Grant (FAG) has resulted in inconsistent comparative results.

The 2024-25 FAGs allocation of \$3,690,025 that was expected to be received in the 2023-24 year was paid to council on 2 July of 2024 in addition \$2,351,873 of the 2025-26 FAGs was received in June 2025 resulting in a doubling up of the FAGs funds received in 2024-25.

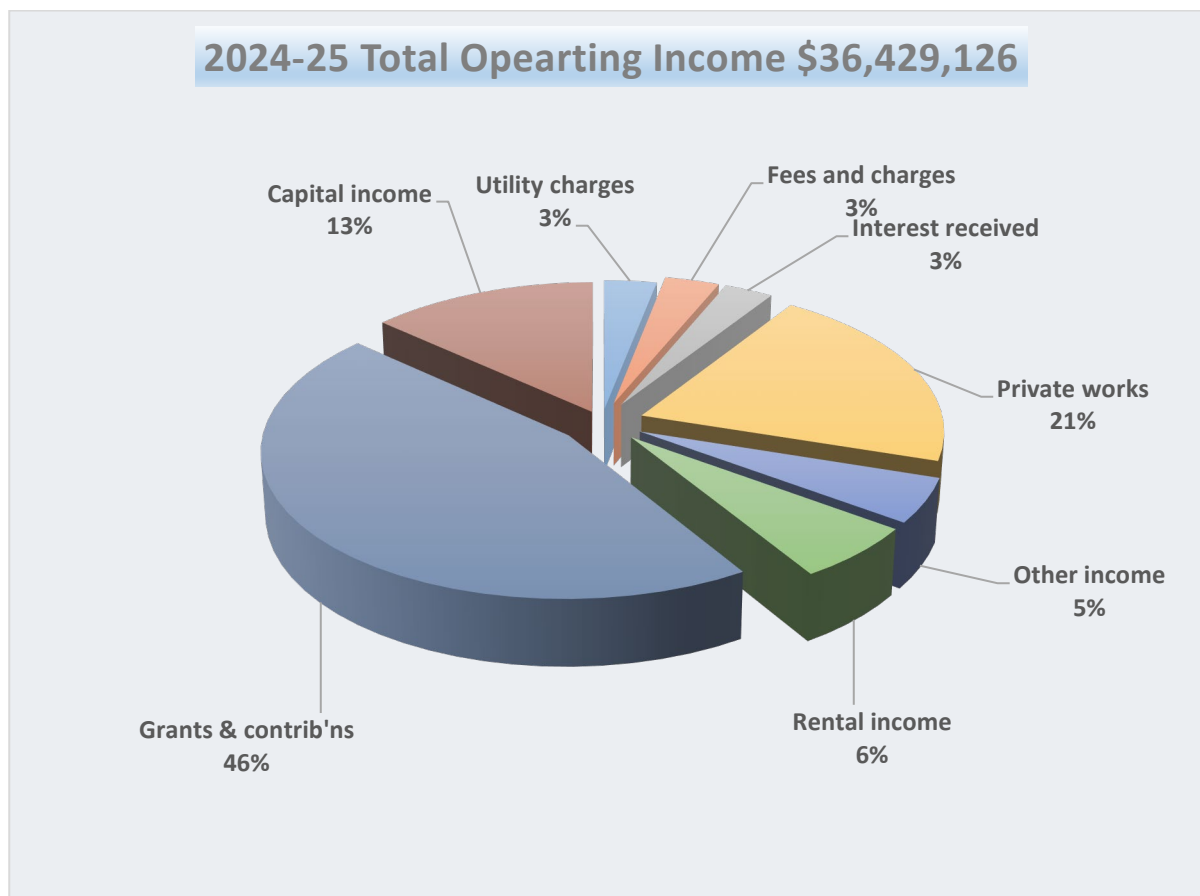
The operating result is the total operating revenue less the total operating expenses, this reflects how effective Council is at meeting it's running costs. Council's net operating result is a deficit of \$4,187,785, an increase in the depreciation expenses of \$1.4M and an extra \$2.0M in Aged Care costs being the major contributors to the loss.

Council has a strong asset base of \$209.4M which is made up predominantly of \$131.7M of property, plant and equipment assets and \$46.6M in cash and term deposits. Note: of the \$46.4M in the bank \$27.3M is restricted cash i.e. grant funds received but not yet spent – this is mostly prepaid Dept Housing grants.

| Financial Statements at a glance | | |
|--------------------------------------|--------------------|--------------------|
| | 2024-25 | 2023-24 |
| Comprehensive Income | \$ | \$ |
| Operating revenue | 31,566,314 | 19,281,296 |
| Operating expenses | (35,754,099) | (25,170,879) |
| Operating result | (4,187,785) | (5,889,583) |
| Capital revenue | 4,862,811 | 3,736,550 |
| Capital expenses | (566,114) | (1,130,821) |
| Net result | 108,912 | (3,283,854) |
| Increase in revaluation surplus | 7,778,557 | 3,754,970 |
| Comprehensive income | 7,887,469 | 471,116 |
| Financial Position | | |
| Current assets | 51,092,467 | 25,107,361 |
| Non-current assets | 158,592,423 | 151,770,178 |
| Total assets | 209,684,890 | 176,877,539 |
| Current liabilities | 29,599,489 | 4,727,086 |
| Non-current liabilities | 1,699,846 | 1,652,368 |
| Total liabilities | 31,299,335 | 6,379,454 |
| Net community assets (Equity) | 178,385,555 | 170,498,085 |

Revenue: Where did the money come from?

The following graph shows the various types of funds that Council received during the year, additional details of councils' operating income can be found in Note 3.



The majority of Council's revenue is recurrent grants, subsidies and donations (46%) 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.

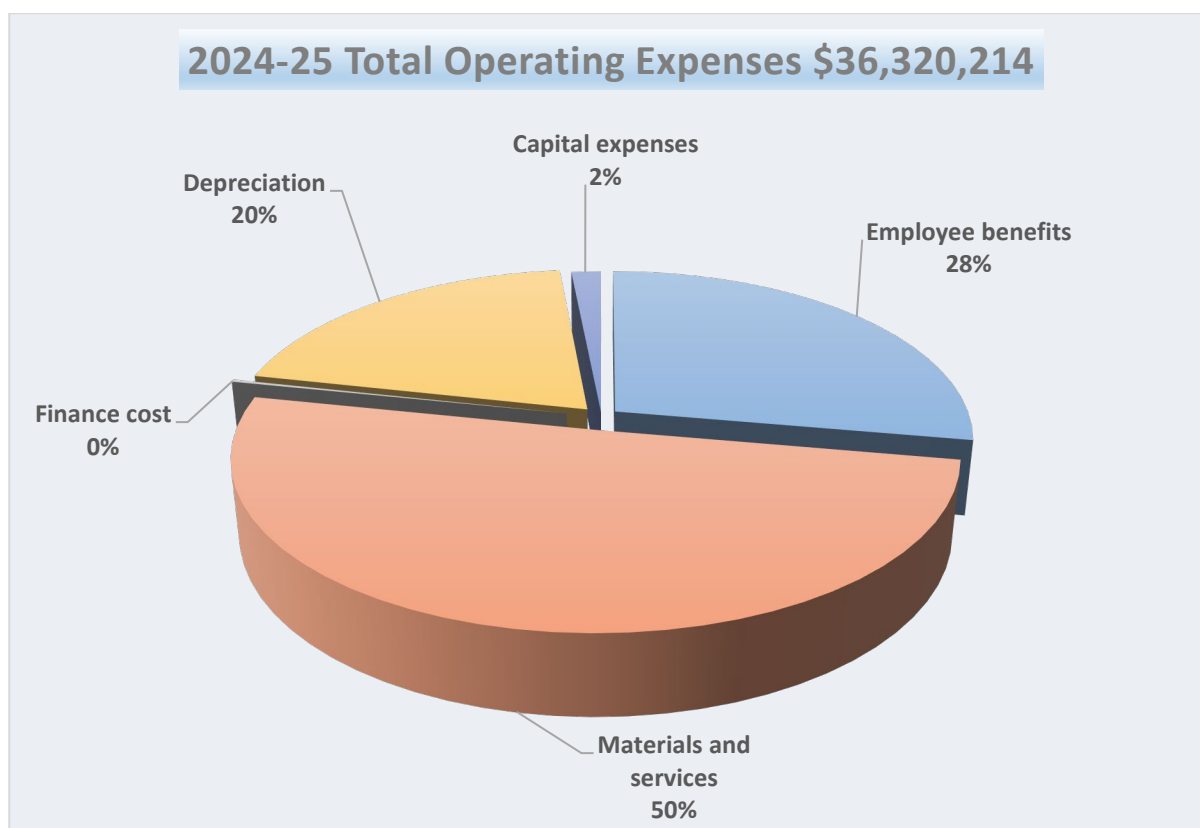
Revenue has increased since the prior year, with the main variance being the receipt of in receiving the 2024-25 FAG's grant (\$3.7 m) and an advance for the 2025-26 FAGs (\$2.4M) in the 2024-25 year.

An increase in private works of \$3.5M was for additional rectification works for the community houses, interest received increased by \$180k was due mainly to additional private works revenue and the early receipt of grant funding. The increase in interest revenue shows that council has a healthy cash balance and is managing the funds effectively.

Expenses: How was the money spent?

The following graph shows the composition of Council's expenses for the reporting year.

Additional details of councils' operating expenses can be found in Note 4 and Note 5



Materials and services make up 50.0% of the Council's total expenses and includes items like Council's administration expenses, property management, costs to run the Arts Centre, Chivaree Aged Care, Koolkan Child Care as well as operational costs for the provision of services and private works. Management of the Chivaree Aged Care facility attracted an extra \$2M in running costs in 2024-25 but these costs will not be repeated as Chivaree is now under third party management funded by the Australian Government.

Council is the largest employer in Aurukun township and employee benefits makes up 26.7% of total expenditure.

Depreciation expense is the reduction in value of Council's owned assets for the current financial year, which has increased this year to \$7.3 million (2023-2024: \$5.5m), this followed the revaluation of council's buildings and water and sewerage infrastructure. The increase in depreciation reflects the higher costs of the maintenance and replacement of councils' infrastructure and the additional funds required to provide critical services to the community.

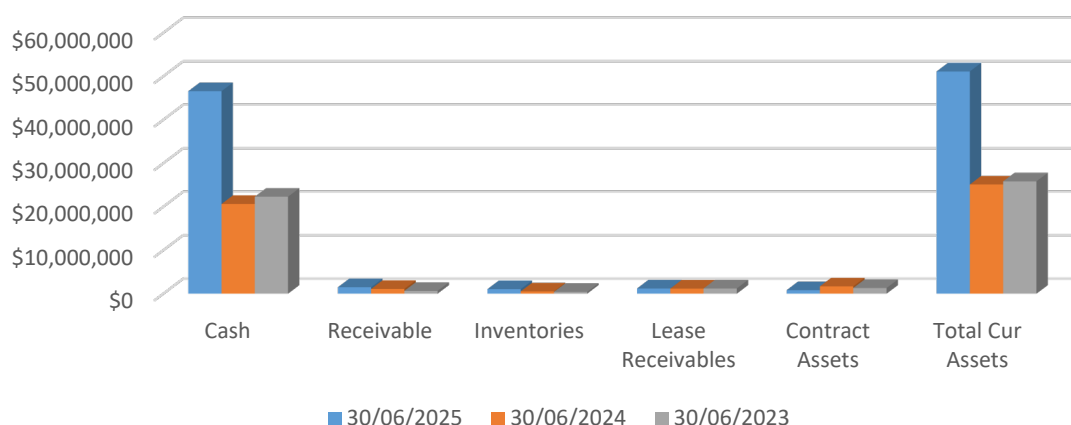
The measures of sustainability all revolve around a council's ability to generate income or attract grant funding to ensure critical infrastructure is kept in working order – Aurukun Shire Council's measures of sustainability are reported in the Current Year Financial Sustainability Statement.

Statement of Financial Position

The following graphs show the make-up of Council's current assets and current liabilities over the past three financial years.

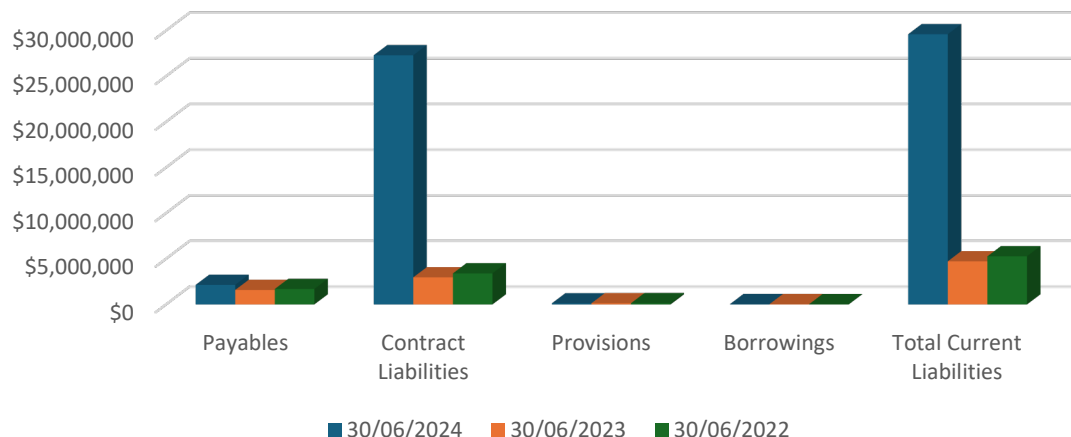
Notes 7-10 and 12 have additional details of council current assets.

Current Assets 2022-23 to 2024-254



Notes 12-15 have additional details of councils' current liabilities.

Current Liabilities 2022-23 to 2024-25



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 minus total liabilities.

Current assets and current liabilities are those balances that can be expected to be receipted or paid out within one year.

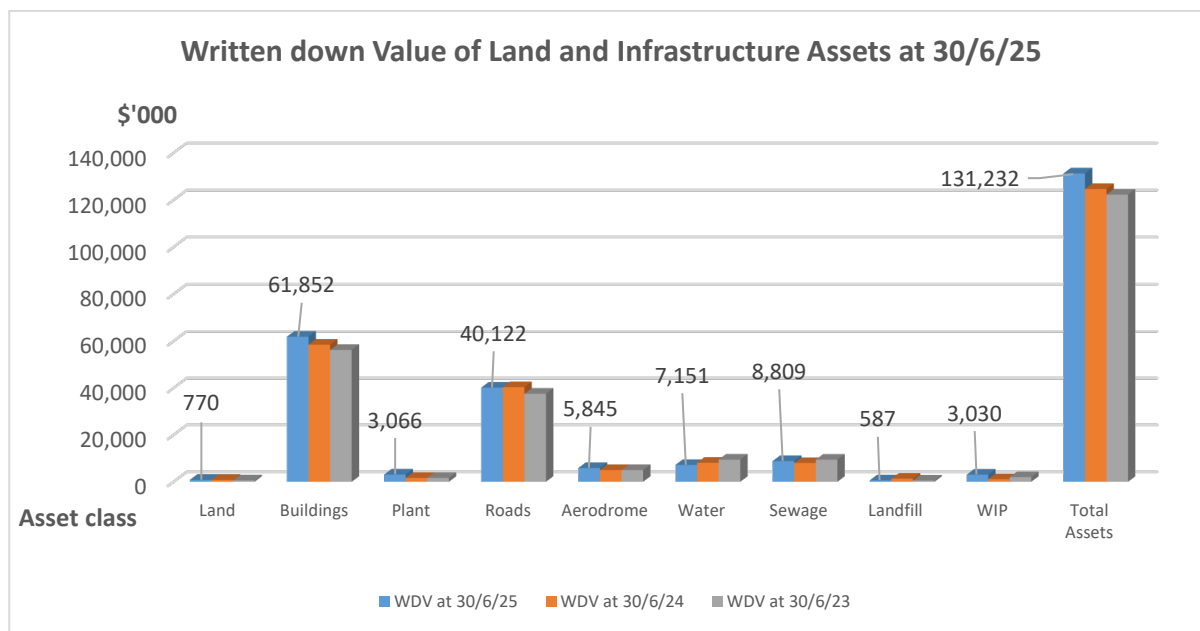
Total assets have increased by 26M after the advance receipt of housing grants, liabilities have decreased by \$25M as council recognises that these grants received in advance have financial obligations attached to them that have yet to be met, this is referred to as a contract liability.

A contract liability is recognised when the funds received to construct Council-controlled assets is greater than the costs incurred for the project at reporting date. Council must recognise these funds as a liability until the contract is completed.

The written down value (WDV=Cost less Depreciation) of council assets has increased by \$6.6M following the revaluation and indexation of its assets in 2024-25. Buildings increased by \$3.4M, Water infrastructure reduced by 0.9M as depreciation rates were reviewed from the previous year.

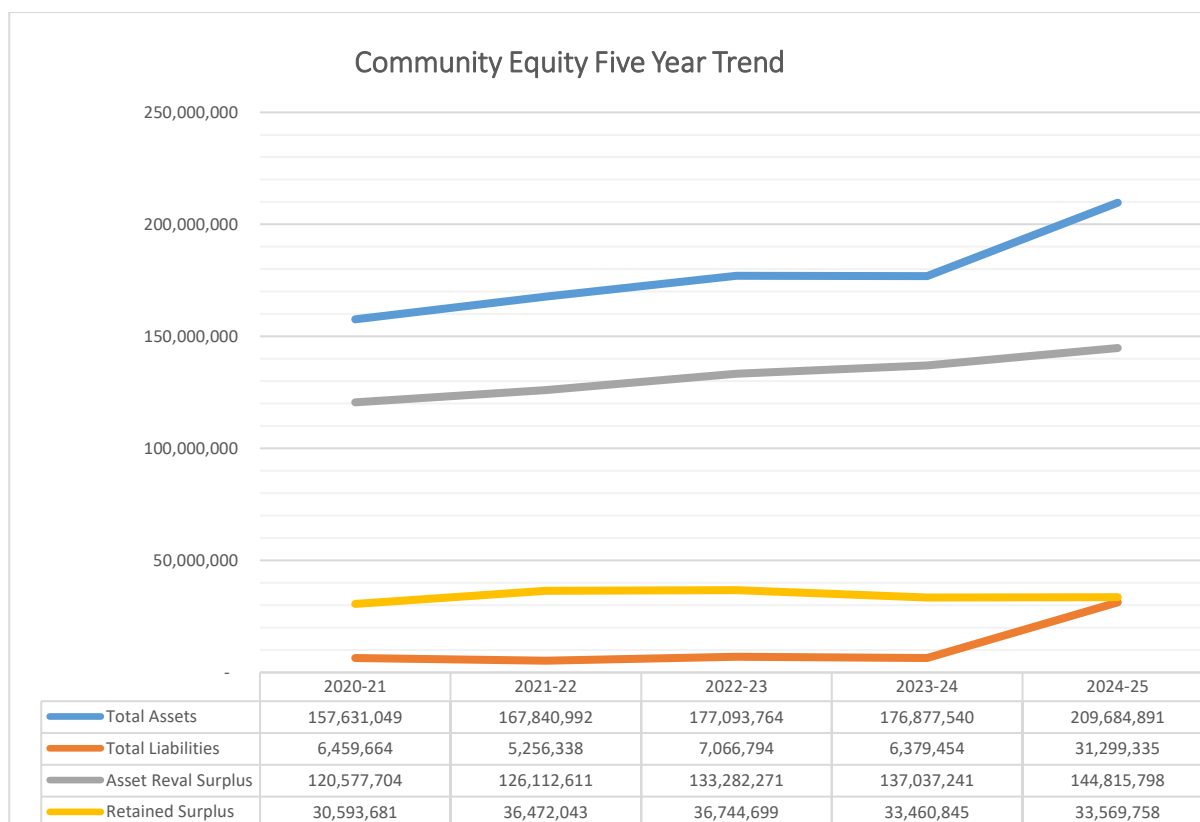
The graph below shows the written down value of council assets by class at 30/6/25.

Note 11 has a breakdown of councils' property, plant and equipment.



Community Equity

Council's total community equity at 30 June 2025 is \$178.4M. Community equity consists of Council's asset revaluation surplus of \$144.8M and retained surplus of \$33.6M. Further details can be found in note 16 of the financial statements.



Measures of Financial Sustainability

S 179 (2) [c] of the *Local Government Regulation 2012* require a Local Government to include in its Community Financial Report the relevant Financial Sustainability

Ratios for the current financial year.

| Sustainability Ratios at 30/6/2025 | | | | | |
|------------------------------------|---------------------------------|--|------------------|------------------|----------------|
| Type | Measure | How the ratio is calculated | Target (Tier 8) | Act Current Year | 5 Year average |
| Liquidity | Unrestricted Cash Expense Cover | Total cash and equivalents less externally restricted cash <i>divided by</i> total operating expenditure less depreciation and finance costs | > 4 months | 8.1 months | n/a |
| Operating Performance | Operating surplus Ratio | Operating result <i>divided by</i> total operating revenue | Contextual | -13.3% | -24.1% |
| | Operating Cash Ratio | Operating result + depreciation + finance costs <i>divided by</i> total operating revenue | > 0% | 10.0% | 9.3% |
| Asset Management | Asset Sustainability | Capital exp on replacement of infrastructure assets <i>divided by</i> depreciation expense on infrastructure assets | > 90% | 2.1% | 6.5% |
| | Asset Consumption | Written down replacement cost of infrastructure assets <i>divided by</i> current replacement costs of infrastructure assets | > 60% | 58.8% | 63.9% |
| Debt servicing | Leverage Ratio | Book value of debt <i>divided by</i> operating result + depreciation + finance costs | 0 to 3 times | 0.1 times | 0.8 times |
| Financial Capacity | Council Controlled Revenue | Net charges and fees <i>divided by</i> total operating revenue | N/A | 7.3% | 8.4% |
| | Population Growth | Prior year estimated population <i>divided by</i> previous year estimated population | N/A | 2.7% | -2.2% |

The liquidity ratio exceeds the target range and represents the number of months that council can support its current level of expenses.

The operating surplus ratio reflects how council's operating revenues support operating expenses the 2024-25 ratio is poor at -13.3%, this reflects the reliance Aurukun Shire Council has on grant funding due the limited opportunities the council has to generate own source funding.

The operating cash ratio has fluctuated significantly for the past two years due to the inconsistency of the federal government Financial Assistance Grant (FAGs) payments, currently it is a strong ratio of 10% (2023-24 -0.5%).

The asset sustainability ratio is a measure of how well council is maintaining its infrastructure assets, the result is lower than the target, this is mostly due to council's limited own source revenue and lack of suitable funding available for capital works renewal projects.

The asset consumption ratio meets the target and shows that council is utilising its infrastructure assets efficiently.

The leverage ratio is on target but as with all ratios that use the operating result in the calculation it is the negative impact of the inconsistent treatment of the FAG's grant that causes council to have large movements in the ratio.

Council controlled revenue ratio is a guide to measure Council's ability to meet unexpected financial shocks, this council does have a solid cash balance with which to address such events should they occur, again a drop from 2023-24 due to FAGs received in 2024-25.

Population growth is negative for the current year further reducing on the five-year average. Council is committed to construct additional housing and community facilities over the coming years and this will encourage population growth. The population forecasts are provided by the state government.

AURUKUN SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

ABN 32 338 490 426

AURUKUN SHIRE COUNCIL
Financial statements
For the year ended 30 June 2025

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AURUKUN SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2025

| | Note | 2025 | 2024 |
|--|-------------|---------------------|---------------------|
| | | \$ | \$ |
| Income | | | |
| Recurrent revenue | | | |
| Utility charges | 3(a) | 1,123,876 | 1,079,514 |
| Fees and charges | 3(b) | 1,175,965 | 1,096,346 |
| Other recurrent income | 3(c) | 7,973,226 | 4,887,407 |
| Grants, subsidies, contributions and donations | 3(d)(i) | 16,589,128 | 9,003,278 |
| Total recurrent revenue | | 26,862,196 | 16,066,546 |
| Rental income | | 2,236,349 | 2,111,393 |
| Interest received | | 1,060,022 | 884,632 |
| Gain on revaluation of finance leases | 10(a) | 1,407,748 | - |
| Initial recognition of new finance leases | 10(a) | - | 127,999 |
| Total operating revenue | | 31,566,314 | 19,190,570 |
| Capital income | | | |
| Grants, subsidies, contributions and donations | 3(d)(ii) | 4,862,811 | 3,736,550 |
| Other capital income | 15 | - | 90,726 |
| Total capital income | | 4,862,811 | 3,827,276 |
| Total income | | 36,429,125 | 23,017,846 |
| Expenses | | | |
| Recurrent expenses | | | |
| Employee benefits | 4 | (10,070,599) | (6,987,236) |
| Materials and services | 5 | (18,334,036) | (12,298,942) |
| Finance cost | | (78,943) | (11,984) |
| Depreciation | 11 | (7,270,522) | (5,872,716) |
| Total recurrent expenses | | (35,754,100) | (25,170,879) |
| Capital expenses | 6 | (566,114) | (1,130,821) |
| Total expenses | | (36,320,214) | (26,301,699) |
| Net result | | 108,912 | (3,283,854) |
| Other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Increase in asset revaluation surplus | 16 | 7,778,557 | 3,754,970 |
| Total other comprehensive income for the year | | 7,778,557 | 3,754,970 |
| Total comprehensive income for the year | | 7,887,469 | 471,116 |

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 2025

| | Note | 2025 | 2024 |
|--------------------------------------|-------------|--------------------|--------------------|
| | | \$ | \$ |
| Current assets | | | |
| Cash and cash equivalents | 7 | 46,564,490 | 20,633,147 |
| Trade and other receivables | 8 | 1,485,832 | 1,084,452 |
| Inventories | 9 | 1,043,189 | 525,786 |
| Lease receivables | 10(a) | 1,193,269 | 1,174,124 |
| Contract assets | 12(a) | 805,686 | 1,689,852 |
| Total current assets | | 51,092,467 | 25,107,361 |
| Non-current assets | | | |
| Property, plant and equipment | 11 | 131,231,669 | 124,623,461 |
| Lease receivables | 10(a) | 27,360,755 | 27,146,718 |
| Total non-current assets | | 158,592,423 | 151,770,179 |
| Total assets | | 209,684,891 | 176,877,540 |
| Current liabilities | | | |
| Trade and other payables | 13 | 2,142,421 | 1,588,402 |
| Contract liabilities | 12(b) | 27,297,862 | 2,971,486 |
| Provisions | 15 | 121,874 | 131,260 |
| Borrowings | 14 | 37,331 | 35,938 |
| Total current liabilities | | 29,599,489 | 4,727,086 |
| Non-current liabilities | | | |
| Provisions | 15 | 1,294,413 | 1,210,335 |
| Borrowings | 14 | 405,434 | 442,032 |
| Total non-current liabilities | | 1,699,846 | 1,652,368 |
| Total liabilities | | 31,299,335 | 6,379,454 |
| Net community assets | | 178,385,555 | 170,498,086 |
| Community equity | | | |
| Asset revaluation surplus | 16 | 144,815,798 | 137,037,241 |
| Retained surplus | | 33,569,757 | 33,460,845 |
| Total community equity | | 178,385,555 | 170,498,086 |

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 2025

| | Note | Asset revaluation surplus | Retained surplus | Total |
|---|-------------|--|-----------------------------|--------------------|
| | | \$ | \$ | \$ |
| Balance as at 1 July 2024 | | 137,037,241 | 33,460,845 | 170,498,086 |
| Net result | | - | 108,912 | 108,912 |
| Other comprehensive income for the year | | | | |
| Increase/(decrease) in asset revaluation surplus | 16 | 7,778,557 | - | 7,778,557 |
| Total comprehensive income for the year | | 7,778,557 | 108,912 | 7,887,469 |
| Balance as at 30 June 2025 | | 144,815,798 | 33,569,757 | 178,385,555 |
| Balance as at 1 July 2023 | | \$ | \$ | \$ |
| | | 133,282,271 | 36,744,699 | 170,026,970 |
| Net result | | - | (3,283,854) | (3,283,854) |
| Other comprehensive income for the year | | | | |
| Increase/(decrease) in asset revaluation surplus | 16 | 3,754,970 | - | 3,754,970 |
| Total comprehensive income for the year | | 3,754,970 | (3,283,854) | 471,116 |
| Balance as at 30 June 2024 | | 137,037,241 | 33,460,845 | 170,498,086 |

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 2025

| | Note | 2025 | 2024 |
|---|-------------|---------------------|---------------------|
| | | \$ | \$ |
| Cash flows from operating activities: | | | |
| Receipts from customers | | 11,782,834 | 7,784,404 |
| Payments to suppliers and employees | | (31,036,942) | (20,142,526) |
| | | (19,254,107) | (12,358,120) |
| Interest received | | 1,060,022 | 884,632 |
| Rental income | | 2,260,064 | 2,082,274 |
| Non-capital grants and contributions | | 16,589,128 | 9,003,278 |
| Net cash inflow (outflow) from operating activities | 20 | 655,107 | (387,936) |
| Cash flows from investing activities: | | | |
| Payments for property, plant and equipment | | (6,636,185) | (4,111,866) |
| Proceeds from sale of property, plant and equipment | 6 | - | 15,750 |
| Finance lease receipts | 10 | 1,174,565 | 1,194,887 |
| Grants, subsidies, contributions and donations | | 30,852,005 | 1,670,687 |
| Net cash inflow (outflow) from investing activities | | 25,390,386 | (1,230,543) |
| Cash flows from financing activities: | | | |
| Repayment of borrowings | 14 | (35,206) | (33,810) |
| Finance costs | | (78,943) | (11,984) |
| Net cash inflow (outflow) from financing activities | | (114,149) | (45,794) |
| Net increase (decrease) in cash and cash equivalent held | | 25,931,344 | (1,664,272) |
| Cash and cash equivalents at beginning of the financial year | | 20,633,147 | 22,297,420 |
| Cash and cash equivalents at end of the financial year | 7 | 46,564,490 | 20,633,147 |

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 2025

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 2024 to 30 June 2025 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 comply 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 2024.

The relevant standards for Council were:

- AASB 101 *Presentation of Financial Statements* (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current / non-current classification of liabilities.
- AASB 13 *Fair Value Measurement* (amended by AASB 2022-10)

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

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a material impact for council then further information has been provided in this note.

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 prepared on the same basis as prior year.

1(f) Taxation

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

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 governance

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

This function also comprises the support for the Mayor and Councillors, Council and committee meetings and administration.

Corporate services

Corporate services provide professional financial and administrative services across all areas of Council. The objective is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

This function includes:

- General administration
- Human resource services
- Budget support
- Financial accounting
- Information technology services
- Arts and culture
- Property management
- Staff housing
- Banking and post office
- Stores

Community 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:

- Management of community services facilities
- Organisation of community events
- Library
- Child care
- Family and playgroup programs
- Aged and disability services
- Community police and security
- Funeral support
- Environmental health and animal control

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

Note 2: Analysis of results by function (continued)

2(a) Components of Council functions (continued)

Technical 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.

This function includes the operation, construction, maintenance and / or provision of:

- Plant and equipment
- Roads and drainage
- Aerodrome and barge landing
- Parks and gardens
- Cleansing, water and sewerage
- Building and trade services such as carpentry, plumbing and electrical
- Private works
- Disaster management
- Town development and planning

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

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 2025

| Functions | Gross program income | | | | Total income | Gross program expenses | | Total expenses | Net result from recurring | Net result | Assets |
|----------------------|----------------------|------------|-----------|-------|--------------|------------------------|---------|----------------|---------------------------|-------------|-------------|
| | Recurring | | Capital | | | Recurring | Capital | | | | |
| | Grants | Other | Grants | Other | | | | | | | |
| | 2025 | 2025 | 2025 | 2025 | | 2025 | 2025 | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Corporate governance | 10,651,910 | 135 | 1,481,308 | - | 12,133,353 | 972,139 | - | 972,139 | 9,679,906 | 11,161,214 | - |
| Corporate services | 543,261 | 5,564,234 | - | - | 6,107,495 | 8,976,794 | 566,114 | 9,542,908 | (2,869,299) | (3,435,413) | 112,323,815 |
| Community services | 3,735,104 | 264,566 | - | - | 3,999,670 | 9,358,088 | - | 9,358,088 | (5,358,418) | (5,358,418) | 20,129,605 |
| Technical services | 1,658,853 | 9,148,251 | 3,381,503 | - | 14,188,607 | 16,447,080 | - | 16,447,080 | (5,639,975) | (2,258,473) | 77,231,471 |
| Total | 16,589,128 | 14,977,186 | 4,862,811 | - | 36,429,125 | 35,754,100 | 566,114 | 36,320,214 | (4,187,786) | 108,912 | 209,684,891 |

Year ended 30 June 2024

| Functions | Gross program income | | | | Total income | Gross program expenses | | Total expenses | Net result from recurring | Net result | Assets |
|----------------------|----------------------|------------|-----------|---------|--------------|------------------------|-----------|----------------|---------------------------|-------------|-------------|
| | Recurring | | Capital | | | Recurring | Capital | | | | |
| | Grants | Other | Grants | Other | | | | | | | |
| | 2024 | 2024 | 2024 | 2024 | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Corporate governance | 3,820,212 | 3,389 | - | - | 3,823,601 | 1,059,930 | - | 1,059,930 | 2,763,670 | 2,763,670 | - |
| Corporate services | 482,050 | 4,237,581 | 844,717 | 218,726 | 5,783,073 | 7,573,541 | 1,130,821 | 8,704,362 | (2,853,910) | (2,921,289) | 81,211,194 |
| Community services | 3,892,970 | 268,453 | - | - | 4,161,423 | 6,551,039 | - | 6,551,039 | (2,389,617) | (2,389,617) | 18,939,609 |
| Technical services | 808,046 | 5,549,870 | 2,891,833 | - | 9,249,749 | 9,986,368 | - | 9,986,368 | (3,628,451) | (736,619) | 76,726,737 |
| Total | 9,003,278 | 10,059,293 | 3,736,550 | 218,726 | 23,017,846 | 25,170,879 | 1,130,821 | 26,301,699 | (6,108,308) | (3,283,854) | 176,877,540 |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| Note | 2025 | 2024 |
|-------------|-------------|-------------|
| | \$ | \$ |

Note 3: Revenue

3(a) Utility charges

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 | 221,942 | 212,826 |
| Sewerage | 575,202 | 551,412 |
| Garbage charges | 326,732 | 315,276 |
| | 1,123,876 | 1,079,514 |

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 | 548,403 | 537,452 |
| Airport landing fees | 191,835 | 136,497 |
| Aerodrome baggage handling fees | 222,438 | 175,765 |
| Aerodrome fuel handling fees | - | 56,160 |
| Other fees and charges | 213,289 | 190,472 |
| | 1,175,965 | 1,096,346 |

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 | 7,561,202 | 4,045,306 |
| Recoverable costs | 102,621 | 151,522 |
| Art work sales | 205,440 | 593,816 |
| Agency commissions | 74,405 | 88,642 |
| Other income | 29,559 | 8,121 |
| | 7,973,226 | 4,887,407 |

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 2025

| Note | 2025 | 2024 |
|-------------|-------------|-------------|
| | \$ | \$ |

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) Operating

| | | |
|---|-------------------|------------------|
| General purpose grants (state and commonwealth governments) | 10,651,910 | 3,820,212 |
| State government subsidies and grants | 2,890,797 | 2,389,856 |
| Commonwealth government subsidies and grants | 1,160,182 | 979,704 |
| Contributions, donations and other grants | 1,886,239 | 1,813,506 |
| | 16,589,128 | 9,003,278 |

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 | 4,814,350 | 2,484,738 |
| Commonwealth government capital grants | 17,447 | 1,244,185 |
| Other capital contributions and grants | 31,015 | 7,627 |
| | 4,862,811 | 3,736,550 |

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

| | 2025 | | 2024 | |
|-----------------------------|--|-------------------------------------|--|-------------------------------------|
| | 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 | 13,050,490 | 7,487,488 | 7,729,106 | 3,189,590 |
| Contributions and donations | 913,961 | - | 757,305 | 1,063,827 |
| | 13,964,451 | 7,487,488 | 8,486,411 | 4,253,417 |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | Note | 2025 | 2024 |
|--|-------------|-------------------|------------------|
| | | \$ | \$ |
| Note 4: Employee benefits | | | |
| Employee benefit expenses are recorded when the service has been provided by the employee. | | | |
| Staff wages and salaries | | 7,133,981 | 5,106,445 |
| Councillors' remuneration | | 371,319 | 348,004 |
| Annual, sick and long service leave entitlements | | 1,131,907 | 683,601 |
| Termination benefits | | 179,734 | 26,564 |
| Superannuation | 18 | 904,792 | 636,032 |
| | | 9,721,733 | 6,800,646 |
| Other employee related expenses | | 394,076 | 267,198 |
| | | 10,115,809 | 7,067,844 |
| Less: Capitalised employee expenses | | (45,210) | (80,608) |
| | | 10,070,599 | 6,987,236 |

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

| | | |
|---|-------------|-------------|
| Total Council employees at the reporting date: | 2025 | 2024 |
| | Number | Number |
| Elected members | 5 | 5 |
| Administrative staff | 55 | 46 |
| Depot and outdoors staff | 38 | 39 |
| Total full time equivalent employees | 97 | 91 |
| | 2025 | 2024 |
| | \$ | \$ |

Note 5: Materials and services

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

| | | |
|--|-------------------|-------------------|
| Administration expenses | 996,099 | 1,531,745 |
| Aged care | 2,907,062 | 1,076,191 |
| Arts centre | 317,279 | 766,312 |
| Audit of annual financial statements by the Auditor-General of Queensland* | 93,500 | 91,817 |
| Child care | 133,461 | 159,965 |
| Information technology and communication | 526,704 | 460,800 |
| Insurance | 1,022,794 | 960,322 |
| Legal | 111,597 | 221,467 |
| Other materials and services | 4,112,372 | 2,399,426 |
| Plant operations | 788,556 | 408,415 |
| Private works | 4,443,653 | 2,420,797 |
| Property, building and housing | 2,325,714 | 1,617,907 |
| Technical services | 555,245 | 183,779 |
| | 18,334,036 | 12,298,942 |

* Total audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements are \$93,500 (2024: \$91,817)

Note 6: Other capital expenses

Loss on the disposal of non-current assets

| | | |
|--|------------------|------------------|
| Proceeds from the sale of property, plant and equipment | - | 15,750 |
| Less: book value of property, plant and equipment disposed | 11 | (265,629) |
| | (152,314) | (249,879) |

Impairment loss

| | | |
|-------------------------------|------------------|-----------------|
| Property, plant and equipment | 11 | (58,314) |
| | (383,700) | (58,314) |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|---|-------------|-------------------------|---------------------------|
| | | \$ | \$ |
| Note 6: Other capital expenses (continued) | | | |
| Revaluation decrement | | | |
| Finance leases | 10 | - | (822,628) |
| | | <u>-</u> | <u>(822,628)</u> |
| Provision for landfill restoration | | | |
| Decrease due to unwinding of discount | 15 | (30,100) | - |
| | | <u>(30,100)</u> | <u>-</u> |
| Total other capital expenses | | <u>(566,114)</u> | <u>(1,130,821)</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 receipted but not banked at the year end and deposits held at call with financial institutions.

| | | |
|--|--------------------------|--------------------------|
| Cash at bank and on hand | 46,514,490 | 20,583,147 |
| Term deposits - 3 months or less | 50,000 | 50,000 |
| Balance per Statement of Cash Flows | <u>46,564,490</u> | <u>20,633,147</u> |

Council is exposed to credit risk through its investment in the QTC Cash Fund. The QTC Cash Fund is an asset management portfolio investing in a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed.

Unrestricted cash

| | | |
|--|--------------------------|--------------------------|
| Cash and cash equivalents | 46,564,490 | 20,633,147 |
| Less Externally imposed restrictions on cash | (27,297,862) | (3,999,676) |
| Unrestricted cash | <u>19,266,628</u> | <u>16,633,471</u> |

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 | 26,076,382 | 2,852,993 |
| Future recurrent expenditure | 1,221,481 | 1,146,684 |
| Total externally imposed restrictions on cash assets | <u>27,297,862</u> | <u>3,999,676</u> |

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

| | |
|-----------------------|-----------------------|
| 100,000 | 100,000 |
| <u>100,000</u> | <u>100,000</u> |

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 impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | Note | 2025 | 2024 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Note 8: Trade and other receivables (continued) | | | |
| Service charge debtors | | 173 | 1,312 |
| Lease receivables | | 43,904 | 67,619 |
| Other debtors and accruals | | 1,223,283 | 893,247 |
| GST receivable | | 145,937 | - |
| Prepayments | | 140,108 | 126,342 |
| | | 1,553,406 | 1,088,520 |
| Less: Loss allowance | | (67,574) | (4,068) |
| | | 1,485,832 | 1,084,452 |

Council applies normal business credit protection procedures prior to providing goods or services to minimise risk. The council does not require collateral in respect of trade and other receivables. Council's impairment of receivables is not material.

Note 9: Inventories

Costs are assigned on the basis of weighted average cost.

Inventories for sale

| | | |
|------------------------------|--------------|--------------|
| Miscellaneous saleable items | 4,841 | 1,550 |
| | 4,841 | 1,550 |

Inventories for consumption

| | | |
|----------------------------|------------------|----------------|
| Plant and equipment stores | 1,038,348 | 524,236 |
| | 1,038,348 | 524,236 |

| | | |
|--------------------------|------------------|----------------|
| Total inventories | 1,043,189 | 525,786 |
|--------------------------|------------------|----------------|

Note 10: Leases

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.

(a) Finance leases

Council has leased 286 dwellings (2024: 289) as lessor to the Queensland Government for a total lease term of 40 years. The total lease payment per dwelling in the current year was \$4,106 (2024: \$3,658). 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 (current 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 | 1,193,269 | 1,174,124 |
| | 1,193,269 | 1,174,124 |

Non-current other financial assets

| | | |
|---|-------------------|-------------------|
| Finance leases on social housing receivable | 27,360,755 | 27,146,718 |
| | 27,360,755 | 27,146,718 |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|---|-------------|-------------------|-------------------|
| | | \$ | \$ |
| Note 10: Leases (continued) | | | |
| Council as a lessor (continued) | | | |
| (a) Finance leases (continued) | | | |
| 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 | | 1,193,269 | 1,174,124 |
| Later than one year but not later than five years | | 4,773,076 | 4,696,495 |
| Later than five years | | 26,780,754 | 27,512,684 |
| | | <u>32,747,100</u> | <u>33,383,302</u> |
| Add: Estimated contingent rent | | 13,977,697 | 16,251,469 |
| Less: Present value adjustment | | (18,170,773) | (21,313,930) |
| Fair value of lease payments | | <u>28,554,024</u> | <u>28,320,841</u> |
| The fair value of lease payments are receivable as follows: | | | |
| Not later than one year | | 1,193,269 | 1,174,124 |
| Later than one year but not later than five years | | 4,648,846 | 4,554,617 |
| Later than five years | | 22,711,908 | 22,592,101 |
| | | <u>28,554,024</u> | <u>28,320,841</u> |
| Movements in finance leases were as follows: | | | |
| Opening balance | | 28,320,841 | 30,210,357 |
| Add: Initial recognition of new leases | | - | 127,999 |
| Less: Lease receipts | | (1,174,565) | (1,194,887) |
| Plus: Gain/(Loss) on revaluation | | 1,407,748 | (822,628) |
| Closing balance | | <u>28,554,024</u> | <u>28,320,841</u> |
| The calculation of fair value has included an estimate of average annual CPI increases of 2.55% per annum (2024: 2.73%) and a discount rate of 3.640% per annum (2024: 4.002%). | | | |
| (b) Operating leases | | | |
| Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease. | | | |
| 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). | | | |
| The minimum lease receipts arising from operating leases are as follows: | | | |
| Not later than one year | | 909,802 | 1,461,735 |
| One to five years | | 582,720 | 1,278,054 |
| Later than five years | | 356,579 | 498,064 |
| | | <u>1,849,101</u> | <u>3,237,852</u> |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

Note 11: Property, plant and equipment

11(a) For the year ended 30 June 2025

| Note | Office equipment | Plant and equipment | Buildings and other structures | Land | Road, footpath, drainage and bridge network | Aerodrome | Sewerage | Landfill | Water | Capital works in progress | TOTAL |
|---|------------------|---------------------|--------------------------------|----------------|---|------------------|-------------------|------------------|-------------------|---------------------------|--------------------|
| Basis of measurement | Cost | Cost | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Cost | |
| Fair value category | | | Levels 2 & 3 | Level 2 | Level 3 | Level 3 | Level 3 | Level 3 | Level 3 | | |
| Asset values | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening gross value as at 1 July 2024 | 142,385 | 4,611,007 | 109,572,479 | 770,000 | 51,042,370 | 5,903,355 | 19,188,068 | 2,449,318 | 12,472,165 | 1,101,361 | 207,252,509 |
| Additions at cost | - | - | 116,832 | - | - | - | - | - | - | 6,519,352 | 6,636,185 |
| Disposals | 6 (19,402) | (234,379) | (144,676) | - | - | - | - | - | - | - | (398,457) |
| Work in progress transfers | 9,498 | 1,980,333 | 169,024 | - | 2,431,591 | - | - | - | - | (4,590,447) | - |
| Revaluation adjustment to asset revaluation surplus | 16 - | - | 7,516,840 | - | (978,866) | 787,766 | 630,950 | 84,026 | 411,628 | - | 8,452,345 |
| Internal transfers | - | - | (738,900) | - | - | 738,900 | - | - | - | - | - |
| Closing gross value as at 30 June 2025 | 132,481 | 6,356,961 | 116,491,600 | 770,000 | 52,495,096 | 7,430,021 | 19,819,018 | 2,533,345 | 12,883,794 | 3,030,266 | 221,942,582 |
| Accumulated depreciation | | | | | | | | | | | |
| Opening balance as at 1 July 2024 | 137,579 | 2,988,421 | 51,110,560 | - | 10,728,528 | 912,823 | 11,216,101 | 1,147,907 | 4,387,129 | - | 82,629,047 |
| Depreciation expense | 4,248 | 488,801 | 3,764,449 | - | 1,020,655 | 484,592 | 801,828 | 65,820 | 640,129 | - | 7,270,522 |
| Disposals | 6 (19,402) | (176,617) | (50,124) | - | - | - | - | - | - | - | (246,143) |
| Internal transfers | - | - | (65,701) | - | - | 65,701 | - | - | - | - | - |
| Revaluation adjustment to asset revaluation surplus | 16 - | - | (119,184) | - | 624,330 | 122,196 | (1,007,611) | 348,364 | 705,692 | - | 673,788 |
| Impairment adjustment to income | - | - | - | - | - | - | - | 383,700 | - | - | 383,700 |
| Accumulated depreciation as at 30 June 2025 | 122,424 | 3,300,604 | 54,640,000 | - | 12,373,514 | 1,585,312 | 11,010,318 | 1,945,791 | 5,732,950 | - | 90,710,913 |
| Book value as at 30 June 2025 | 10,057 | 3,056,357 | 61,851,600 | 770,000 | 40,121,582 | 5,844,709 | 8,808,700 | 587,554 | 7,150,844 | 3,030,266 | 131,231,669 |
| Range of estimated useful life in years | 4-10 | 2-25 | 5-80 | Indefinite | 25-indefinite | 2-indefinite | 7-100 | 10-80 | 10-80 | - | |
| Additions comprise | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Renewals | - | - | 144,676 | - | - | - | - | - | - | - | 144,676 |
| Other additions | 9,498 | 1,980,333 | 141,181 | - | 2,431,591 | - | - | - | - | 1,928,905 | 6,491,509 |
| Total additions | 9,498 | 1,980,333 | 285,857 | - | 2,431,591 | - | - | - | - | 1,928,905 | 6,636,185 |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

Note 11: Property, plant and equipment

11(a) For the year ended 30 June 2024

| | Note | Office equipment | Plant and equipment | Buildings and other structures | Land | Road, footpath, drainage and bridge network | Aerodrome | Sewerage | Landfill | Water | Capital works in progress | TOTAL |
|---|------|------------------|---------------------|--------------------------------|----------------|---|------------------|-------------------|------------------|-------------------|---------------------------|--------------------|
| Basis of measurement | | Cost | Cost | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Fair value | Cost | |
| Fair value category | | | | Levels 2 & 3 | Level 2 | Level 3 | Level 3 | Level 3 | Level 3 | Level 3 | | |
| Asset values | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening gross value as at 1 July 2023 | | 142,385 | 4,407,927 | 101,119,241 | 584,272 | 44,931,187 | 5,563,429 | 18,763,934 | 527,202 | 12,071,957 | 1,980,853 | 190,092,387 |
| Additions at cost | | - | 16,164 | 873,262 | - | 281,331 | - | - | - | - | 3,644,267 | 4,815,024 |
| Disposals | 6 | - | (229,011) | (521,302) | - | (37,421) | - | - | - | - | - | (787,735) |
| Work in progress transfers | | - | 415,927 | 1,179,669 | - | 2,928,164 | - | - | - | - | (4,523,760) | - |
| Revaluation adjustment to asset revaluation surplus | 16 | - | - | 6,921,610 | 185,728 | 2,939,109 | 339,926 | 1,070,307 | 1,275,943 | 400,208 | - | 13,132,831 |
| Internal transfers | | - | - | - | - | - | - | (646,174) | 646,174 | - | - | - |
| Closing gross value as at 30 June 2024 | | 142,385 | 4,611,007 | 109,572,479 | 770,000 | 51,042,370 | 5,903,355 | 19,188,068 | 2,449,318 | 12,472,165 | 1,101,361 | 207,252,509 |
| Accumulated depreciation | | | | | | | | | | | | |
| Opening balance as at 1 July 2023 | | 123,039 | 2,788,040 | 44,923,729 | - | 7,401,141 | 583,977 | 9,356,890 | 13,389 | 2,652,056 | - | 67,842,262 |
| Depreciation expense | | 14,539 | 371,079 | 3,777,554 | - | 919,311 | 128,301 | 336,736 | 94,676 | 230,520 | - | 5,872,716 |
| Disposals | 6 | - | (229,011) | (288,189) | - | (4,906) | - | - | - | - | - | (522,106) |
| Internal transfers | | - | - | - | - | - | - | (28,236) | 28,236 | - | - | - |
| Revaluation adjustment to asset revaluation surplus | 16 | - | - | 2,697,466 | - | 2,412,981 | 200,545 | 1,550,711 | 1,011,605 | 1,504,553 | - | 9,377,861 |
| Impairment adjustment to income | | - | 58,314 | - | - | - | - | - | - | - | - | 58,314 |
| Accumulated depreciation as at 30 June 2023 | | 137,579 | 2,988,421 | 51,110,560 | - | 10,728,528 | 912,823 | 11,216,101 | 1,147,907 | 4,387,129 | - | 82,629,047 |
| Book value as at 30 June 2024 | | 4,806 | 1,622,586 | 58,461,920 | 770,000 | 40,313,842 | 4,990,532 | 7,971,967 | 1,301,412 | 8,085,036 | 1,101,361 | 124,623,461 |
| Range of estimated useful life in years | | 4-10 | 2-25 | 5-80 | Indefinite | 25-indefinite | 2-indefinite | 7-100 | 10-80 | 10-80 | - | |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

Note 11: Property, plant and equipment (continued)

11(c) Recognition

The asset capitalisation threshold for Council is:

Land: \$1

Land Improvements: \$10,000

Plant and Equipment: \$5,000

Office Equipment: \$5,000

Buildings: \$10,000

Roads, Drainage and other Infrastructure: \$10,000

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 the water infrastructure network.

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 4066958.

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.

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. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Key judgements and estimates:

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

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.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

Note 11: Property, plant and equipment (continued)

11(g) Valuation (continued)

11(g)(i) Valuation processes

Council compares the carrying amount of its property, plant and equipment on an annual basis to current 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 2025

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 2025 | Valuer engaged | Key assumptions and estimates (related data sources) |
|---|--------------------------|-----------------------------------|------------------------------------|----------------------------------|---|
| Land (level 2) | Market value | 30/06/2024 | N/A | JLL | 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) | Market value | 30/06/2024 | 6.00% | APV Valuers and Asset Management | Sales price per square metre of comparable properties, adjusted for differences in key attributes such as condition. |
| Buildings and other structures (level 3) | Current replacement cost | 30/06/2024 | 6.91% | APV Valuers and Asset Management | 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 | 30/06/2025 | N/A | APV Valuers and Asset Management | 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 Rawlinsons' Construction Handbook. |
| Aerodrome (level 3) | | | | | |
| Sewerage (level 3) | Current replacement cost | 30/06/2024 | 3.29% | APV Valuers and Asset Management | 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. |
| Landfill (level 3) | | | 3.30% | | |
| Water (level 3) | | | 3.43% | | |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| <u>Note</u> | <u>2025</u> | <u>2024</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.

| | | |
|--|-------------------|------------------|
| 12(a) Contract assets | 805,686 | 1,689,852 |
| 12(b) Contract liabilities | | |
| Funds received upfront to construct Council controlled assets | 26,068,191 | 2,869,123 |
| Non-capital performance obligations not yet satisfied | 1,229,671 | 102,363 |
| | 27,297,862 | 2,971,486 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | | |
| Funds to construct Council controlled assets | 1,119,245 | 1,078,961 |
| Non-capital performance obligations (including deposits received in advance) | 52,840 | 137,900 |
| | 1,172,085 | 1,216,861 |

Satisfaction of contract liabilities

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

12(c) Significant changes in contract balances

Performance obligations of certain community housing programs have increased contract liabilities while completed projects have decreased 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.

Current

| | | |
|------------------------|------------------|------------------|
| Creditors and accruals | 1,625,874 | 1,285,080 |
| Annual leave payable | 480,803 | 279,527 |
| Sick leave payable | 35,744 | 23,796 |
| | 2,142,421 | 1,588,402 |

Note 14: Borrowings

Interest is expensed as accrued, no interest has 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.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|--|-------------|-----------------|-----------------|
| | | \$ | \$ |
| Note 14: Borrowings (continued) | | | |
| Current | | | |
| Loans - Queensland Treasury Corporation | | 37,331 | 35,938 |
| Non-current | | | |
| Loans - Queensland Treasury Corporation | | 405,434 | 442,032 |
| | | <u>442,765</u> | <u>477,971</u> |
| Loans - Queensland Treasury Corporation | | | |
| Opening balance at beginning of financial year | | 477,971 | 511,781 |
| Principal repayments | | <u>(35,206)</u> | <u>(33,810)</u> |
| Book value at end of financial year | | <u>442,765</u> | <u>477,971</u> |

The QTC loan market value at the reporting date was \$433,484. This represents the value of the debt if council repaid it at that time. As it is the intention of Council to hold the debt for its term, no provision is required to be made.

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.

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. 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 \$1,497,604 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 2025

| | Note | 2025 | 2024 |
|--|-------------|------------------|------------------|
| | | \$ | \$ |
| Note 15: Provisions (continued) | | | |
| Current | | | |
| Long service leave | | 121,874 | 131,260 |
| | | 121,874 | 131,260 |
| Non-current | | | |
| Landfill restoration | | 1,133,520 | 1,103,420 |
| Long service leave | | 160,893 | 106,916 |
| | | 1,294,413 | 1,210,335 |
| Landfill restoration | | | |
| Balance at beginning of financial year | | 1,103,419 | 1,194,145 |
| Increase (decrease) due to unwinding of discount | | 30,100 | (90,726) |
| Balance at end of financial year | | 1,133,520 | 1,103,419 |

Note 16: Asset revaluation surplus

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

| | | |
|---|--------------------|--------------------|
| Land | 295,000 | 295,000 |
| Buildings and other structures | 102,645,047 | 95,009,023 |
| Road, footpath, drainage and bridge network | 26,800,915 | 28,404,111 |
| Aerodrome | 5,205,005 | 4,539,435 |
| Sewerage | 5,642,803 | 4,004,242 |
| Landfill | - | 264,338 |
| Water | 4,227,029 | 4,521,092 |
| | 144,815,798 | 137,037,241 |

Note 17: Commitments for expenditure

Capital commitments

Commitment, within one year, for the construction of water assets contracted for at the reporting date but not recognised as liabilities: \$801,300

Note 18: 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 2025 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 \$397,272.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| <u>Note</u> | <u>2025</u> | <u>2024</u> |
|-------------|-------------|-------------|
| | \$ | \$ |

Note 19: Superannuation

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

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 Brighter Super trust deed changes to council's obligations will only be made on the advice of an actuary.

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, 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 2027.

The most significant risks that may result in Brighter Super 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

| | |
|----------------|----------------|
| 904,792 | 636,032 |
|----------------|----------------|

Note 20: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

| | | | |
|---|-------|--------------------|--------------------|
| Net result | | 108,912 | (3,283,854) |
| Non-cash operating items: | | | |
| Depreciation and amortisation | | 7,270,522 | 5,872,716 |
| | | 7,270,522 | 5,872,716 |
| Investing and development activities (non-cash): | | | |
| Net (profit) loss on disposal of non-current assets | 6 | 152,314 | 249,879 |
| Loss on revaluation of plant and equipment expensed | 11(a) | 383,700 | 58,314 |
| (Gain) loss on revaluation of finance leases | 10(a) | (1,407,748) | 822,628 |
| Gain on initial recognition of finance leases | 10(a) | - | (127,999) |
| Capital grants and contributions | 3(d) | (4,862,811) | (3,736,550) |
| Finance costs | | 78,943 | 11,984 |
| | | (5,655,603) | (2,721,744) |

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2025

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|--|-------------|-----------------------|-------------------------|
| | | \$ | \$ |
| Note 20: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities (continued) | | | |
| Changes in operating assets and liabilities: | | | |
| (Increase)/decrease in receivables | | (401,380) | (444,006) |
| (Increase)/decrease in inventories | | (517,403) | (127,711) |
| (Increase)/decrease in contract assets | | (279,721) | 39,888 |
| Increase/(decrease) in payables | | (442,415) | 378,613 |
| Increase/(decrease) in contract liabilities | | 497,504 | (35,537) |
| Increase/(decrease) in provisions | | 74,691 | (66,302) |
| | | <u>(1,068,724)</u> | <u>(255,054)</u> |
| Net cash inflow/(outflow) from operating activities | | <u>655,107</u> | <u>(387,936)</u> |

Note 21: Reconciliation of liabilities arising from finance activities

Loans

| | | |
|-----------------------|-----------------------|-----------------------|
| Balance as at 1 July | 477,970 | 511,780 |
| Cash flows | (35,206) | (33,810) |
| Balance as at 30 June | <u>442,765</u> | <u>477,970</u> |

Note 22: Events after the reporting date

There were no material adjusting events after the balance date.

Note 23: Transactions with related parties

23(a) Related entities

Aurukun Shire Council has no associates or joint ventures.

23(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 | 1,325,549 | 1,259,783 |
| Post-employment benefits | 113,446 | 108,716 |
| Long-term benefits | - | 7,241 |
| Termination benefits | 63,692 | 12,308 |
| Total | <u>1,502,687</u> | <u>1,388,048</u> |

Detailed remuneration disclosures are provided in the annual report.

23(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 2025

| | <u>Note</u> | <u>2025</u> | <u>2024</u> |
|--|-------------|-------------|-------------|
| | | \$ | \$ |

Note 23: Transactions with related parties (continued)

23(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 | 23(c)(i) | 6,797 | 11,132 |
| Employee expenses for close family members of key management personnel | 23(c)(ii) | 208,267 | 153,114 |
| Purchase of materials and services from close family members of key management personnel | 23(c)(iii) | 3,342 | 36,408 |

23(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.

23(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 173 staff of which 5 (2024: 4) are close family members of key management personnel.

23(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.

23(d) Outstanding balances

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

Receivables

| | | |
|---------------------------|--------------|--------------|
| Current | - | 6,798 |
| Past due 31-60 days | 1,500 | 201 |
| Past due 61-90 days | - | 1,108 |
| More than 90 days overdue | 2,400 | 65 |
| | <u>3,900</u> | <u>8,173</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.

23(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.

23(f) Commitments to/from other related parties

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

23(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
Financial Statements
For the year ended 30 June 2025

Management Certificate
For the year ended 30 June 2025

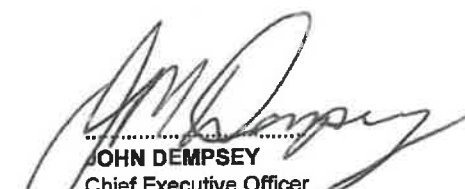
These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the *Local Government Act 2009* and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 3 to 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.


.....
BARBARA BANDICOOTCHA
Mayor

Date: 31.10.25


.....
JOHN DEMPSEY
Chief Executive Officer

Date: 31.10.25

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.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2025, and of its financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

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 (including Independence Standards)* (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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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 2025 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios and long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

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

Prescribed requirements scope

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



Sri Narasimhan
as delegate of the Auditor-General

5 November 2025

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL

SUSTAINABILITY STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

AURUKUN SHIRE COUNCIL
For the year ended 30 June 2025

| | |
|---|-----------|
| Current Year Financial Sustainability Statement (audited ratios) | 34 |
| Certificate of Accuracy (audited ratios) | 35 |
| Independent Auditor's Report (Current Year Financial Sustainability Statement) | 36 |
| Current Year Financial Sustainability Statement - Contextual Ratios (unaudited ratios) | 39 |
| Certificate of Accuracy - Contextual Ratios (unaudited) | 40 |
| Unaudited Long Term Financial Sustainability Statement | 41 |
| Certificate of Accuracy - for the Long Term Financial Sustainability Statement | 42 |

AURUKUN SHIRE COUNCIL
Current Year Financial Sustainability Statement (audited ratios)
For the year ended 30 June 2025

| Type | Measure | Target (Tier 8) | Actual Current Year | 5-Year Average | Council Narrative |
|-------------------------|---------------------------------------|-----------------------|---------------------|----------------|---|
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | 8.1 months | 9.8 months | Council's cash position is healthy and will support borrowings for planned infrastructure and housing upgrades especially when supported with grant funding. |
| Operating Performance | Operating Surplus Ratio | Contextual | -13.3% | -24.1% | The isolation of Aurukun limits its ability to attract skilled workers, as a result expensive contractors and consultants need to be employed. The costs of materials and services is high due to freight costs and the annual wet season that isolates the shire for months at a time. |
| | Operating Cash Ratio | Greater than 0% | 10.0% | 9.3% | Council has limited opportunity to increase own source funding relying upon grant income to provide services to the community. There are plans in place to upscale its plant and upskill staff to generate additional income streams. |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 2.1% | 6.5% | Council's current high reliance upon grant funding does not allow for an adequate budget for asset renewals. Over the past two years a significant improvement in asset management processes has allowed council to identify key infrastructure and with government support asset upgrades and renewals will be undertaken. |
| | Asset Consumption Ratio | Greater than 60% | 58.8% | 63.9% | This ratio shows that council is almost meeting the requirement set, however a high number of councils assets do not meet modern standard and may require upgrades. |
| Debt Servicing Capacity | Leverage Ratio | 0 to 3 times | 0.1 times | -0.8 times | Council has a small debt and this is easily being covered by its annual cash surplus. |

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 2025 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 2025.

AURUKUN SHIRE COUNCIL
Current Year Financial Sustainability Statement (audited ratios)
For the year ended 30 June 2025

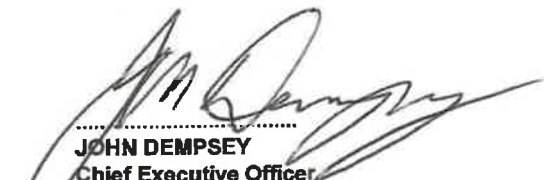
Certificate of Accuracy
for the current year financial sustainability statement (audited ratios)
For the year ended 30 June 2025

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.


.....
BARBARA BANDICOOTCHA
Mayor

Date: 31.10.25


.....
JOHN DEMPSEY
Chief Executive Officer

Date: 31.10.25

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 2025, 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 2025 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 (including Independence Standards)* (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 2024 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

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025 but does not include the financial sustainability statement and our auditor's report thereon.

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 2025 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios, and the long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

5 November 2025

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL**Current Year Financial Sustainability Statement - Contextual Ratios (unaudited ratios)****For the year ended 30 June 2025**

| Type | Measure | Target (Tier 8) | Actual Current Year | 5-Year Average | Council Narrative |
|--------------------|-----------------------------|-----------------|---------------------|----------------|--|
| Financial Capacity | Council-Controlled Revenue* | N/A | 7.3% | 8.4% | Council's ratios are low reflecting the limited amount of own source revenue that council is able to generate, it continues to rely upon State and Federal funding with which to provide basic services to the community. Council is working toward increasing its roadworks capability through the purchase of new plant this will enable council to significantly increase its private works revenue earning capacity. To enable council to address a minor level of unexpected financial shocks council manages its cash flow to ensure that an adequate balance of unrestricted cash is available. |
| | Population Growth* | N/A | 2.7% | -2.2% | Council goals includes provision of more community housing, better sport and recreation facilities, support for the Aurukun Youth Strategy, improvement of education about health within the community, advocate for local drivers and boat licencing capability and reviewing the alcohol management plan are all geared toward increasing community growth. |

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 2025 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 2025.

AURUKUN SHIRE COUNCIL

**Current Year Financial Sustainability Statement - Contextual Ratios (unaudited ratios)
For the year ended 30 June 2025**

**Certificate of Accuracy
for the current year financial sustainability statement - contextual ratios (unaudited ratios)
For the year ended 30 June 2025**

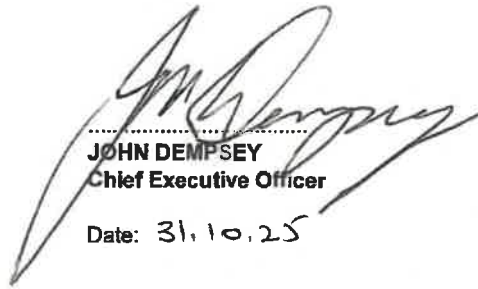
This current-year financial sustainability statement has been prepared pursuant to Section 178 of the Local Government Regulation 2012 (the regulation).

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



BARBARA BANDICOOTCHA
Mayor

Date: 31.10.25



JOHN DEMPSEY
Chief Executive Officer

Date: 31.10.25

AURUKUN SHIRE COUNCIL
Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2025

| Type | Measure | Target (Tier 8) | Actuals at 30 June 2025 | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 | 30 June 2032 | 30 June 2033 | 30 June 2034 |
|-------------------------|---------------------------------------|-----------------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Financial Capacity | Council-Controlled Revenue | N/A | 7.3% | 8.6% | 9.4% | 9.4% | 9.4% | 9.4% | 9.3% | 9.3% | 9.3% | 9.3% |
| | Population Growth | N/A | 2.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Operating Performance | Operating Surplus Ratio | Contextual | -13.3% | -31.9% | -23.2% | -19.2% | -18.5% | -18.2% | -18.9% | -19.4% | -19.6% | -20.1% |
| | Operating Cash Ratio | Greater than 0% | 10.0% | 8.4% | 9.4% | 9.4% | 9.6% | 9.6% | 9.4% | 9.2% | 9.2% | 9.2% |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | 8.1 months | | | | | | | | | |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 2.1% | 51.8% | 99.0% | 64.7% | 92.7% | 95.9% | 36.0% | 41.6% | 33.8% | 34.5% |
| | Asset Consumption Ratio | Greater than 60% | 58.8% | 61.4% | 62.6% | 64.3% | 66.9% | 69.3% | 69.5% | 69.5% | 69.4% | 69.3% |
| Debt Servicing Capacity | Leverage Ratio | 0 to 3 times | 0.1 times | -1.4 times | 0.2 times | 0.2 times | 0.2 times | 0.1 times | 0.1 times | 0.1 times | 0.0 times | 0.0 times |

Council's long term strategy is centred around increasing own source revenue through the purchase of additional plant to increase its road construction capacity, this will also provide upskilling of council staff. In addition as housing is a major focus in council's corporate plan, the funding that has been provided for new housing projects will enable council staff to participate in the construction phases and improve their skills and experience. The long term forecast is showing a gradual improvement in the operational result and cash balance - all reliant upon state and federal government grant support continuing at the current levels.

AURUKUN SHIRE COUNCIL
Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2025

Certificate of Accuracy
for the unaudited long term financial sustainability statement
prepared as at 30 June 2025

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.


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BARBARA BANDICOOTCHA
Mayor

Date: 31.10.25


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JOHN DEMPSEY
Chief Executive Officer

Date: 31.10.25