



Aurukun Shire Council



2015/2016 ANNUAL REPORT



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Cover photo acknowledgment: Steve Pelham, Weipa



MESSAGE FROM THE MAYOR

2015/16 has certainly been a challenging year for Aurukun Shire Council. The support of the local residents is needed to provide a peaceful and harmonious environment for our community to move forward. Recent positive initiatives have been the introduction of a 24/7 Queensland Police Service presence, the opening of the PCYC centre and the proposed Parents and Citizens Committee for Aurukun school.

I thank the community for their support in re-electing me as Mayor and I congratulate all Councillors who were returned. It was pleasing that Aurukun was the only indigenous council in Queensland to be 100% re-elected. Now we can endeavour to achieve the many goals that we have set ourselves over the next four years.

Aurukun continues to mean business and we seek to develop employment and training opportunities for local people and attract business to our Shire. It is important that Aurukun people are receiving relevant training and are becoming work ready for all developments which may provide many local employment opportunities.

The redevelopment of Wuungkam Lodge and the associated Pikkuw's Restaurant has progressed well. The restaurant proves to be a great facility for the community and visitors. With new management I believe that the accommodation, hospitality and tourism shall continue to grow.

Our local artists, both men and women, continue to achieve. The local art reputation increases on a broad scale. It is most important that these excellent skills further develop with increased local participation.

It is pleasing that our inadequate telecommunications facilities including internet capacity will be rectified when the Aurukun fibre optic project is completed during 2016/17. I look forward to this new system providing enhancement of our community lifestyle and servicing.

I appreciate the ongoing efforts of our management team and staff. Their contributions to a broad range of essential services is to be commended.

Again Council has achieved an unqualified report from the Queensland Audit Office. This highlights that Council's financial and operational processes continue at a high standard. We will continue to further strengthen our financial position in future.

Council operates as the main employer and leading community agency and endeavours to operate as a strong local government unit that is not controlled by external organisations. It is most important that service providers directly deliver local community services. Any service delivery by remote control outside Aurukun must decrease.

Finally I wish to conclude by stating that through the difficult times of the last year I consider that we are well placed to come out of this for the overall betterment of the Aurukun shire and community. We have a very bright future.

Yours in local government,
Cr. Dereck Walpo
Mayor Aurukun Shire Council

Mayor Dereck Walpo at work in Aurukun



*Top Left: ILF Forum, Mayor Lacey, Mayor Tayley & Mayor Dereck Walpo
Top Right: Aurukun visit, Minister Curtis Pitt & Mayor Dereck Walpo
Bottom Left: Minister Scullion & Mayor Dereck Walpo
Bottom Middle: Aurukun visit, Mayor Dereck Walpo & Minister Kate Jones
Bottom Right: Aurukun visit, Mayor Dereck Walpo & Premier Annastacia Palaszczuk*

AURUKUN SHIRE PROFILE

Legal Status

The Aurukun Shire Council operates under Queensland Government Legislation, namely *The Local Government Act 2009*. Furthermore, two Regulations working hand-in-glove with the Act are the *Financial Planning & Reporting Regulation* and the *Operations Regulation*. Council is constituted by the Councillors who are elected or appointed to the local government under this Act. Councils' **ABN is 32 338 490 426**. Council's GST registration is effective from 1 July, 2000.



Councillors: Doris Poonkamelya, Vera Koomeeta, Ada Woolla, Mayor Dereck Walpo & Edgar Kerindun

COUNCILLOR PROFILES

Portfolio and Committee Representation

Mayor Cr Dereck Walpo	Served 1994-97, 2004-2008. Elected 2012 to date. Portfolio – Health, Business Development, Community Safety and Environment. Council Representative: <ul style="list-style-type: none"> • Local Government Association of Queensland (LGAQ) • Cape Indigenous Mayors Alliance (CIMA) • Island and Cape Retail Enterprises (ICRE) • Cape York Sustainable Futures (CYSF) • Local Disaster Management Group (LDMG)
Deputy Mayor Cr Edgar Kerindun	Served 2008-2016. Elected 2016 to date Portfolio – Transport and Infrastructure, Training and Employment, Local Disaster Management Group Member: Family Responsibilities Commission (FRC)
Cr Ada Woolla	Served 2012-2016. Elected 2016 to date Portfolio – Arts, Craft, Culture Member: Family Responsibilities Commission (FRC)
Cr Vera Koomeeta	Served 2012-2016. Elected 2016 to date Portfolio – Sport, Recreation and Education Services Member: Family Responsibilities Commission (FRC) Council Representative: Western Cape Communities Trust
Cr Doris Poonkamelya	Appointed Oct 2015. Elected 2016 to date. Portfolio – Housing and Community Services Member: Family Responsibilities Commission (FRC)



Cairns new office opening: Cr Edgar Kerindun, Mayor Dereck Walpo, Minister Curtis Pitt, Cr Vera Koomeeta, Cr Ada Woolla & Cr Doris Poonkamelya

OUR SENIOR EXECUTIVE TEAM

Chief Executive Officer	Bernie McCarthy
Director Corporate Services	Ron Fenner
Director Technical Services	Perry Gould
Director Community Services	Vivien Bull
Chief Accountant	Marina Schaefer

Land Tenure: Aurukun Land Transfer Day

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

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

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



Aurukun Day

Services Available in Aurukun:

Aurukun has the following services available to residents and visitors:

- School - Prep to Gr 7 (Koolkan Campus of the Cape York Australian Aboriginal Academy)
- Airport and Skytrans agency - daily flights (weekdays) from and to Cairns
- Kang Kang Café and Delicatessen.
- Health Clinic
- RFDS (Emergency Service)
- Wellbeing Centre
- Child Care Centre and Family Support
- CYP Parenting Hub
- Queensland Police Service (12 person station)
- SES and QMV Unit
- Community Police
- Bendigo Bank
- Post Office
- Library/IKC Services & internet facilities (also the Queensland Remote Aboriginal Media Service)
- Cape York Partnerships Opportunity Hub
- Centrelink
- Freight Services:
 - Dry Season Freight (Hawkins and Tuxworth & Woods)
 - Wet Season Freight (Sea Swift Barge Service)
- Police Citizens Youth Club/Activities
- Safer Streets Task Force
- Sports Centre/Gymnasium (PCYC)
- Rugby Field
- Tennis/Basketball Courts
- Wik and Kugu Art Gallery
- Kooth Pach Guest House Accommodation
- Wuungkam Lodge (Accommodation)
- Pikkuws Restaurant
- Supermarket, fast food take-away and fuel sales
- Church
- Wo'uw Ko'alam Community Centre (ex-Tavern)
- Boat ramp for recreational fishing/freight
- Training Centre
- Family Responsibilities Commission
- Community Justice Group
- Cape York Employment (RJCP)
- Aak Puul Ngantam (APN) Office/Depot
- Ngan Aak Kunch Aboriginal Corporation (NAKAC) Office
- Child Support Services
- Women's Shelter
- Women's Art Centre

- Aged Care Facility (Chivaree Respite Centre)
- Rio Tinto Office
- Ergon Power Station
- Radio Stations: ABC, Blackstar, Vision
- TV Stations: ABC Regional, SBS, ABC 24 hours News, WIN. Satellite TV also available
- Queensland Government Hub
- Queensland Department of Housing and Public Works
- Themp Street Offices

Location:

The Aurukun Shire is a very remote area of Queensland which is starkly different to most other Queensland shires. Our community is among the most disadvantaged in Australia but it has outstanding potentials for growth and prosperity. The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 200km (2hrs 30mins) by road south of the mining town of Weipa and 831km (11hr 25min) from Cairns. The community is located within the Aurukun Shire; nearly the entire population (99.6%) lives within the township.

The Shire covers an area of 7500 sq. km. (approximately 192km long and up to 50km wide). It has about 107 km of Gulf of Carpentaria coastline. The Accessibility/Remoteness Index of Australia (ARIA) produced by the Department of Health and Ageing rates Aurukun in the highest category of remoteness.



Aerial of Aurukun township and airport

Aurukun is a Welfare Reform Community:

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

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

- Eco-cultural tourism - supported by the large and pristine areas of the Shire with rare ecological values and the strong traditional culture and arts and crafts industry of the community;
- The development of the Shire through road improvement and transport services;
- Mining - Significant discussions are on-going to investigate the establishment of mining operations. If mining proceeds, there will be benefits in direct employment, in service industries to support mining operations, and in the clearing and rehabilitation of the land mined including plantings that will create sustainable timber-related industries including timber, furniture manufacture and bush tucker supplies;
- “Import replacement” and improved retail and service businesses supporting a higher standard of living in the community;
- Employment in construction - approved and anticipated infrastructure development includes: a large number of new community dwellings and refurbishments; upgrading of the water supply; redevelopment of accommodation facilities and the development of a major art complex. Refurbishment of the sports stadium, as well as the former Tavern building are currently under review.

Alcohol Management Plan

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

Additionally local brew is not permitted and heavy fines apply for offenders. For more information please refer to:

<http://www.datsip.qld.gov.au/communities/alcohol-limits/alcohol-reforms/fag.html>

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

Safer Community Strategy

This is part of a national campaign and Council participates actively in the local Safer Streets task-force which also includes police and State Government agencies. Council installed CCTV cameras in the Shire and will execute a Memorandum of Understanding with the Queensland Police Service. The use of CCTV cameras has found to be effective in other communities in reducing the incidence of crime. Council is also ensuring street lights are repaired by Ergon within a reasonable time to make our Shire streets safer. Other safety initiatives include reviewing street speed limits and reducing some to 40KM; sealing all streets to improve traffic flow and inhibit dust; replacing all damaged street signs and undertaking an audit for the installation of pedestrian crossings and appropriate signage.



Mayor Dereck Walpo with ASC Police Vehicle & Staff



Mayor Dereck Walpo & CEO Bernie McCarthy, CCTV Installation - Shire Office Building

Corporate Vision

Our Community Vision and Council Mission

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



**Aurukun – Growing
Community, Growing
Respect and Growing
Leaders**

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



**Aurukun Shire Council –
Strong leadership and
excellence in service to our
community**



Shire History

Cape Keerweer, on the Gulf of Carpentaria coast, was the site of the first attempted European 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 the 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.

However, 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 land with two trustees:

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

Both Trustees are responsible for managing the land that they hold and make decisions about that land on behalf of the people they hold the land for. The Council retains Local Government responsibility for all the land, including land that the Council and NAKAC are trustee for.

Challenges We Face

- Size - The Shire comprises some 7,500 square kilometres.
- Isolation - The isolation of Aurukun limits its ability to attract skilled workers. The cost of materials and services is high due to freight costs and the distance from regional centres.
- Wet Season - The climate creates special challenges. Roads outside of the community are impassable during the wet season. This greatly increases freight costs - which flow through and raise the cost of just about everything. Extreme isolation for nearly half of the year also causes social and community stresses.

Housing

Council provides the following housing services within Aurukun:

- Management and maintenance of 45 staff and agency houses.
- Contracting for the construction of ten community houses for the Department of Housing and Public Works.
- Council is also supporting the construction of 6 independent 2 Bedroom detached social housing residences in a new subdivision near the Chivaree Centre.
- Providing subcontract maintenance services to the Department of Housing and Public Works on a stock of 215 community houses.
- It is projected that there will be 247 houses refurbished in the ten year program.
- Houses are closed by the relatives for cultural reasons upon the passing of a resident. After a Council-prescribed period of three months an Opening Ceremony is held. The five clan groups come together at the opening to celebrate this event with traditional dancing and a smoking ceremony. After this ceremony the family returns to reside within the house.



Our Environment

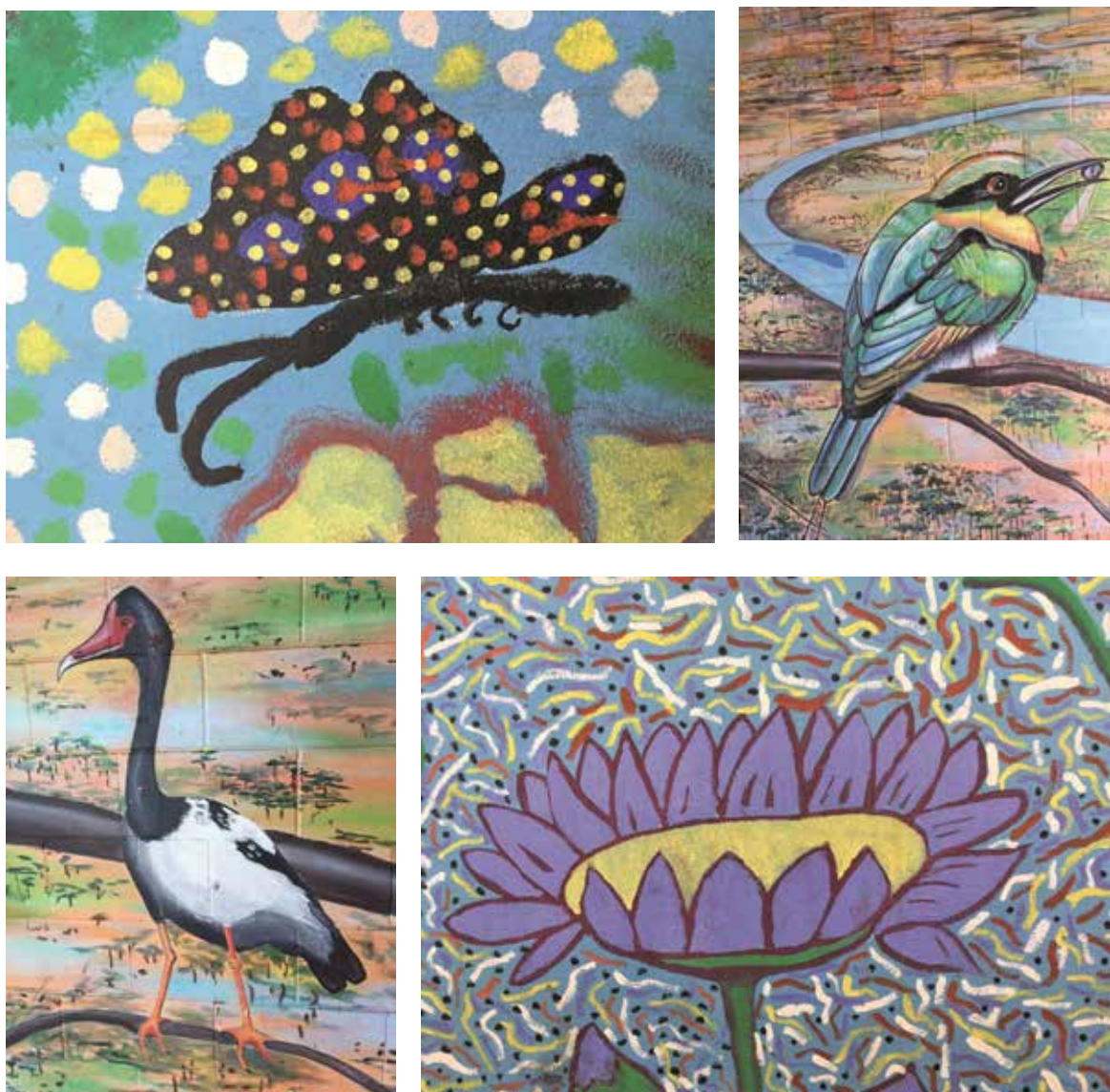
Wik, Wik Way & Kugu Country - Almost the whole Shire is comprised in five areas of high conservation significance. The majority of the Shire is very high quality wilderness. There are several areas that demonstrate the geology of the region and the geological processes that formed most of the Gulf coastline.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

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

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

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

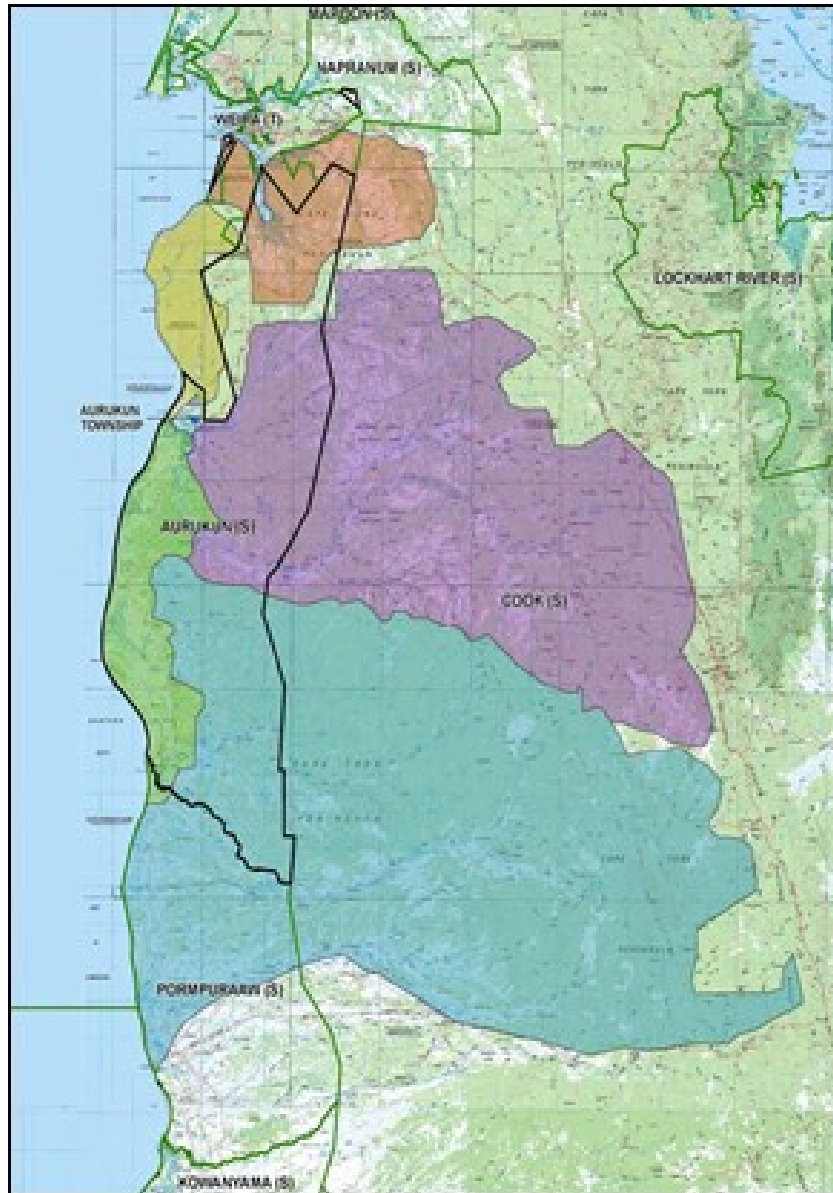
The Aurukun Wetlands comprise high quality coastal wetland habitats. About 25% of their extent is of very high wilderness quality. They may be the most important dry season refuge for water birds on Cape York Peninsula. They include major breeding colonies for Magpie Geese and other water birds and two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








Mural artwork of local fauna & flora: Butterfly, Bee Eater, Magpie Goose & Water Lilly

The Shire boundaries are shown black in the map shown.

Areas of natural conservation significance located partly or wholly within the Shire are colour-code by conservation area:



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

For Visitors

Access to Country (Outside Aurukun Township)

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

Meals and Supplies in Aurukun

Aurukun is currently providing a range of accommodation for all types of visitors. You can stay at the Kooth Pach Guest House or Wuungkam Lodge and self-cater. Alternatively eat at Pikuuws Restaurant located adjacent to the Lodge. Lunch packs are available.

There is also a takeaway food bar at the Island and Cape Supermarket which is usually open to 5:00 p.m. on weekdays serving a variety of takeaway meals. Island & Cape Supermarket carries a large range of foodstuffs including groceries, milk, meat and fruit and vegetables. Its hours are 8:30 a.m. to 12:30 p.m. and 1:30 p.m. to 5:00 p.m. weekdays, Saturday and Sunday 8:00 am to 12 noon. If you are arriving in the community late in the afternoon you might not be able to purchase food before the supermarket closes. It is worthwhile to consider bringing some food with you.

The Kang Kang Café and bakery is located at the Sam Keridun Snr. Business Precinct building. This operates 8:00 am to 8:00 pm Monday to Friday, 8:00 am to 4:00 pm Saturday and Public Holidays, and closed on Sunday. The gift shop is open 9.00 am to 4.00 pm Monday to Friday, 9.00am to 12.00pm Saturday and closed Public Holidays.

Aurukun Shire Council has completed upgrading accommodation facilities at Wuungkam Lodge. The restaurant is open to the public. Wuungkam Lodge also has a small range of convenience items for sale at reception. Pikkuws Pitstop also provide a range of takeaway food.

Travel & Transport to Aurukun

By Road

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

Road condition reports can be obtained from Department of Transport & Main Roads (Phone: 131940), the RACQ website (http://www.racq.com.au/travel/drive_travel/road_conditions) and (in relation to the Aurukun Access Road, the last 105 km of the trip), from the Aurukun Police (Phone: 07 4083 4999) and www.aurukun.qld.gov.au.

Fuel can be purchased at Mareeba, Lakeland, Musgrave, Coen and Archer River Roadhouse. Freight transport to Aurukun, when accessible by road, is provided by Hawkins Transport (Qld) Pty Ltd for the Council's purposes. Hawkins can be found at: <http://www.hawkinsqld.com.au> Phone: 0427 028 966.

Tuxworth & Woods Carriers also services the community – their telephone contact is 07 4035 4022.

By Air

Passenger and freight transport to Aurukun is available on scheduled flights operated by Skytrans. Visit their website at <http://www.skytrans.com.au/> for schedules and bookings. Phone: 1300 SKYTRANS (1300 759 872)

Skytrans flights may also be booked through Aurukun Shire Council at the Post Office. Eligible residents may also claim discounted Skytrans air travel. For further information: <http://www.tmr.qld.gov.au/Travel-and-transport/Local-Fare-Scheme-Far-North-Queensland>.

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

By Sea

The shipping company Seaswift provides barge transport to the Torres Strait and Weipa. During the wet season it is the most economical freight service for bulky and heavy items to be transported to Aurukun. Freight items may be transhipped at Weipa for delivery to Aurukun. This service operates weekly and does the trip around Cape York Peninsula in about four days, leaving on a Tuesday and arriving in Weipa on Friday. Seaswift can be contacted on 07 4035 1234.



Black Kite



Skytrans plane

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Bernie McCarthy
Chief Executive
Officer

In my fourth year as Chief Executive Officer I am enjoying the challenge and progress being achieved within the Aurukun community and Shire. Council is proud to advise that its four senior managers continue to work effectively from the head ASC office in Aurukun. Our Cairns based staff provides tremendous support and their regular Aurukun visits are greatly appreciated.

Council's communications strategy is improving and the ASC Facebook page is an excellent means to relate the many positive stories to the local community and outside world. Our Cairns based Media Officer plays a major part in this process.

The emphasis has been maintained on servicing township residents with the best possible services and facilities.

The financial statements for 2015/16 demonstrate that Council is in a strong position. With the stagnant government funding, Council continues to stringently monitor its budget and ensure that there is a focus on core business activities plus increasing non-grant revenue.

Council pursues business development opportunities to hopefully see local economy grow stronger and more employment and training opportunities be provided for local Indigenous people.

During the year Council has taken the initiative to purchase its own office in Cairns. This comes after paying rent for over 20 years. Also we plan to lease commercial premises from this location and also display Aurukun art that should assist greater promotion and sales.

Main ASC key priorities are community safety, better security improvements, upgraded infrastructure, community harmony, engagement of disengaged youth, stronger and transparent governance, and effective service delivery and customer service.

During the following year Council as the major service provider is committed to positively moving forward with wholehearted community support to ensure that there is a better quality of life for all Aurukun residents.

Bernie McCarthy
Chief Executive Officer

Corporate Services Overview



Ron Fenner
Director of Corporate Services

Summary

The financial year ending 30 June 2016 was another busy year for Corporate Services. My thanks to all the departmental heads who contributed to the efficient running of their areas listed. Without your assistance, Corporate Services would not be able to function as effectively. Also thank you to the CEO and Council for their continuing support.

Corporate Services covers the areas of Finance, Customer Service, Staff Housing, Human Resources, Records Management, Information Technology, Grants, Commercial Accommodation and the Arts Centre. The function is primarily as an internal council service provider but this extends through the areas of arts, commercial accommodation and grants to the provision of external services as well.

Arts Centre

ASC recruited a new Arts Centre Manager in January with the resignation of Lucy Bond in September. Charles Street was the interim Manager until Robin Maxwell took up her position.

The Wik and Kugu Men's Centre continues to produce excellent work. Great enthusiasm is being shown by the Artists with the result that many works are being sought after by visitors to the Gallery. The Premier of Queensland and her staff have purchased six of the Aurukun Camp Dogs since her visit to the Gallery as an example.

The Centre has scheduled four workshops through funding from the Indigenous Regional Arts Development Fund (IRADF) Backing Indigenous Arts (Arts QLD) covering Printmaking, Textile production, and Sculpture, plus the Cairns Indigenous Art Fair. IVAIS continues to fund the Art Centre Managers position, and Art Centre administration position which we have successfully acquired and the Indigenous Employment Strategy position.

The Centre has established an informal usage agreement with Cape York Employment which has the Women accessing the Women's Centre from 5 days a week. The Women are producing excellent work and work is in progress to have an exhibition with Kick Arts during CIAF 2017. In March 2016, the Women celebrated International Woman's Day with morning tea. The Men's and Women's Centre continue to work together and meeting regularly for to discuss any issues but more importantly to share time together.

The Art Centre continues to work with Gallery Partners in Cairns, Melbourne, Sydney, Brisbane, Canberra and Hobart. The Art Centre was successful in its funding application to the WCCCA for \$30,000 to assist in the refurbishment of the Art Centre Gallery.

Highlights for the year have been: successful exhibition with the Woolloongabba Gallery in Brisbane; successful exhibition at the Cairns Indigenous Arts Fair (CIAF) and commissions in excess of \$30,000 from CIAF participants; successful exhibition with Maunsell Wicks Gallery Sydney and excellent sales from the Wik and Kugu Gallery to local service providers, Government agencies and visitors.

Improved work ethics by the Men Carvers have resulted in greater output and a safer and happier workplace.

Customer Service

EFTPOS transactions keep growing every month to where they are currently at 2,500 transactions per month which is a greater number of transactions than the Cairns branches of Bendigo Bank.

We have had Bendigo Bank Officials in Aurukun for an operational review in May 2016 and October 2015 resulting in a positive outcome on each occasion.

Bendigo Bank Agency is still having issues with internet dropouts and slow receptions on a daily basis. Faults login with Bendigo IT Services has become a daily occurrence for the Staff at the Agency. There is a solution to fix the issue but it will be too expensive, over \$100,000.00. IT/Record Officer has been corresponding with Bendigo Bank Network Engineer on this issue.

Cash surplus and deficiency has improved in the Financial Year 2015/2016. Administration Manager overseeing the procedures put in place for Cash Handling. Overall, cash management has improved 100%. Sourcing of ATM Machine in progress with installation at the end of this year. The Agency also has had a large turnover of staff due to issues beyond our control.

Security Issues have improved in the Bank and Post Office since relocating the Security and Community Police to the Business Centre. There are still threats and abusive behaviour toward Staff but not as regular.

Post Office had its fair share of Staff turnover. Currently we have a temporary Customer Service Officer with Post Office experience doing an excellent job. Cash daily balancing has improved 100% and all stocks were accounted for during stocktake at end of Financial Year 2015/2016.

Ongoing bookings for Skytrans occur at the Post Office and the Council Office, including promotion of the Local Fare Scheme trial by TMR which ends 31 June 2017. Number of registered local residents on the scheme is 280.

Ongoing recruiting for a receptionist with the best option being to hire and train someone locally through a traineeship is being considered. Recruiting of two groundsman was successful to help maintain around the Council Office and frontage of Business Centre. There has been ongoing cleaning of Staff Accommodation due to temporary staff movement, Business Centre, Training Centre, Airport, Depot and Council Office.

Staff Housing

As staff requirements rise to service the community grow this places more strain on council staff housing. However Council spent around \$400,000 on staff housing during the year ended 30 June 2016. Central to this expenditure are major renovations and security concerns.

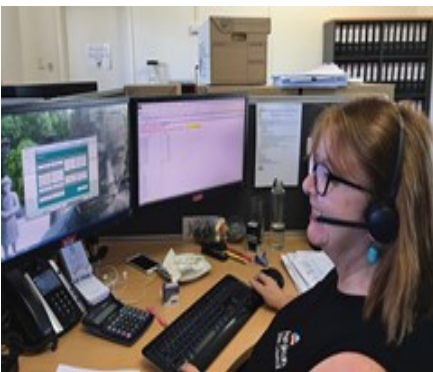
Information Technology

The 2015 – 2016 financial year has seen a number of new systems and equipment rolled out. These systems and equipment have increased productivity and communication for ASC employees across council's sites. Which has only been possible due to the previous projects that were implemented during the 2014 – 2015 financial year. This has been in line with the ASC Corporate Plan.

Projects and Millstones for 2015 – 2016

- Migration to Office 365 and Exchange Online
- Upgrade to NBN for the Finance Office
- Finance Office relocation to 200 McLeod St, Cairns North
- Bluetooth Headsets for desk phones
- Video Cameras for desk phones
- Auto-Attendant for Finance Office and Council Office
- Online training resource Lynda.com
- Mobile Device Management System
- Video Conferencing to external clients
- Site to Site redundancy back ups

Our focus on the 2016 – 2017 financial year will be to improve the telecommunications connection into Aurukun. Both with Telstra and the NBN, this will be an exciting new phase for the Council and the township of Aurukun.



Wireless headsets



iPad for IKC



Laptops for ASC Employees

Finance

Staffed by skilled and dedicated personnel, the Cairns office provides support to Aurukun Shire Council's financial function.

In 2015-16 the finance department implemented measures to improve processes in management and control. Accountabilities at each level of financial delegation continued to be stringently reinforced. There was also strong focus on effective revenue collection and provision of critical financial information to assist Council and management in Making informed decisions. Capital works programs and budget variances were highlighted at each Management and Council meeting. Leased property and private works registers were reviewed and updated. New award and restructuring of employee classifications were implemented.

As in previous financial years, Council's major source of revenue (52.3%) is from grants and subsidies provided by both Federal and State governments. Council has continued to pursue opportunities to widen its revenue base through development of enterprises such as Pikkuw's Restaurant, Wuungkam Lodge and Kooth Pach Guesthouse accommodation. In spite of its limited resources, Council has delivered major programs in the year:

A new Chart of Accounts grouped by Council function will be adopted in early 2016-17.

Increasingly the finance department has been involved in developing Council's strategic direction under the direction of the Management Team.

One of the highlights of 2015-16 is the move of the Cairns office to the new premises at 200 McLeod St, Cairns North on 17 June 2016. Purchased as a long term investment for Council, the property has the front section available for lease.

Council again achieved an unqualified Audit and remained in a strong cash position at years end. Sustainability in the long term still remains an issue with Council being heavily dependent on government grants to replace major public infrastructure.

ASC leasing revenue continues to increase. ASC has invested heavily in infrastructure refurbishment as well as staffing in order to better service the community which has had an obvious effect on councils cash flow.

The finance team thank Council and Management for their continued support.

Human Resources

For Council to meet its organisational goals, it must attract staff with appropriate capabilities and skills. During the last 12 months we have focused on improving the attraction and retention of suitable staff with the aim of developing a positive culture within the workforce.

Council's objective of increased local employment continues to be a challenge however with the assistance of key local stakeholders and government departments, the efforts to engage with all levels of the community continues in a positive manner with local community members filling 48% of the positions within Council's Aurukun workforce.

New traineeship and apprenticeship opportunities in the Technical, Administrative, Child Care, Aged Care and Hospitality field are planned for the coming year. These opportunities will be available to existing and new employees.

Work Health Safety

The focus in this area has been the review and implementation of an updated Safety system. Work continues to improve and implement new initiatives and engage with all employees and contractors to ensure a strong safety culture exists in all areas of Council.

Training

Training of staff in all key areas ensures compliance with legislative requirements and ensures the operational requirements of Council continue to be met. The focus has been on developing the skills of the local workforce which enables the Council to assist in the development of the younger generation and provide them with the skills required to carry out the tasks of their roles and to provide them with future skills and experience. This development also assists the community where employment opportunities become available and more individuals have the skills and experience to enable to successfully apply for these roles.



Business Development and Grants

The 2015/16 year has seen significant progress in Council project delivery via successful grant applications and business activity.

The Aurukun Tourism Action Group has been formed to promote and encourage tourism activities. The group will identify existing and potential new activities to encourage local economy and jobs growth. These may include country tours, bird watching, photographic and fishing tours.

Grants still provide the bulk of operational and capital works funding for the Council. State and Federal Government funding continue to support our main activities in providing services to our residents.

Major Non Recurrent Grants Received by Council 2015-16

Grant Description	Department	Amount
CCTV	Community Services	\$1,000,265
National Disaster Relief	Technical Services	\$4,252,831

Commercial Accommodation

Council has continued to invest in capital upgrades at Wuungkam Lodge and the guesthouse during the year 15-16 to the value of \$161,000.

The upgrade of facilities will include a BBQ area for guests, new security fencing and the refurbishment of additional rooms. Occupancy levels for both the lodge and guest house are high and Council has recognised the need to provide accommodation for visitors and service providers. Both facilities provide revenue to Council.

Wuungkam Lodge and Kooth Pach Guesthouse are operating successfully with a dedicated management team.

Council has appointed Kondo Korp as the interim managers. Kondo Korp's principal partners are Dennis Cartwright and Elena Karoll.

Records Management

Council appointed a Records Manager for a period of six months in October 2015 to February 2016 to attend to a backlog in filing and also to try and centralise the filing in one area.

This was highly successful and Council has budgeted for another period of four months in the 2016/17 budget.

Ron Fenner

Director of Corporate Services



Cairns office staff: Anne Boundy, Alana Tier, Jeff Ryman, Jenny Browne, Alan Neilan, Sue Phillips, Marina Schaefer

Community Services Overview



Vivien Bull Director Community Services

The Financial Year 2015/2016 was an exciting one for the Community Services Department. Highlights included development of the Environmental Health / Animal Control portfolio, improvement of Service Delivery for Disability Clients in preparation for NDIS, transition towards Child Care Benefit based funding at Koolkan Childcare and Family Support Hub, and capacity building in the Community Police Team.

The entire Community Services Portfolio is made up of:

- Koolkan Childcare and Family Support Hub, including Playgroup Services
- Chivaree Home and Community Care Centre including aged care and disability services
- Community Police
- Security & CCTV
- Indigenous Knowledge Centre & Radio Broadcasting
- Animal Control
- Environmental Health
- Funerals
- Community Events



Men's Shed Garden



Chivaree Home and Community Care Centre

The Chivaree Home and Community care Centre (HACC) has continued to provide services to the elderly and disabled client group in Community. The funding agreements have been revised and significant changes made to the way services are costed and in turn, funded. This has caused additional pressure on the Coordinator who has had to adjust their data collection processes and employee accountability.

Official Opening Chivaree Centre

Overall, clients provided positive feedback to the services they are receiving, which include meal delivery, social support, household support and material effects.

The purchase and establishment of two staff dongas on site has commenced and will be finalised during the coming year. This will allow greater security at the centre as well as convenience and comfort for ASC staff members living there.

Koolkan Childcare and Family Support Hub including Playgroup Services

Koolkan Early Childhood Centre (KECC) faced a number of challenges during the year, particularly with recruitment and retention of suitably qualified staff. This had an effect on numbers of children and numbers of employees at the centre, as well as general atmosphere in the centre. Partnership with Montessori and tenacity of Aurukun local staff helped strengthen the situation to continue delivery of service provision. Having weathered this difficult period, staff and client numbers have steadily risen and KECC is once again a place where children and families feel welcome and at home.

Ongoing professional development and assistance from external stakeholders will ensure that KECC remains on this positive path and produces children that are happy, well-adjusted and ready to go to school when the time comes.



(L-R): Koolkan Kids & carers • Graduating student



(L-R): Student with Mayor Derek Walpo • Students making damper

Community Police

Council agreed this year that Community Police Officer (CPO) numbers should be capped at eight at any one time. This covers 24/7 hours, with some CPO's working at the Supermarket and Bank during the day, and others driving the patrol vehicle during afternoon and night shift.

Two senior CPO's were inducted to become Police Liaison Officers, working with PCYC, which is a positive reflection on the preparation and attitude of these officers.

The program received two vehicles, one of which was significantly damaged due to poor treatment by staff members. This vehicle has not yet been replaced as Council needs to find a way to control the treatment and misuse of the patrol vehicle.

Partnership with Queensland Police Service has been a challenge, with the Police having low staffing numbers and thus not being in a position to support and train the CPO's appropriately. This needs to be reviewed and improved in the coming year, both for safety reasons and to improve effectiveness of the CPO Service.

Security & CCTV

Aurukun has received much media attention due to challenging and sometimes violent incidents. As a result, Aurukun Shire Council has invested heavily in the provision of Security Services by providing a Day Guard and a Night Guard to patrol and protect Council Assets, and report community issues and incidents.

Aurukun Shire Council received significant funding from Department of Aboriginal and Torres Strait Islander Partnerships and Department of Prime Minister and Cabinet for the implementation of a state of the art CCTV system in Aurukun. The tender was awarded and cameras placed in their correct position with the system nearly fully operational by end of financial year.

While CCTV will never stop all crime from happening, it should deter some individuals from committing a crime; it will also assist in the much quicker assessment of crimes and lead to charges being laid due to evidence present.

Indigenous Knowledge Centre and Radio Broadcasting

Aurukun Shire Council was successful in receiving a grant towards the refurbishment of the Indigenous Knowledge Centre (IKC). Additionally to the grant, Council made a significant contribution towards the cost of refurbishment, covering well over 70% of the \$121,000 cost. Our partners at State Libraries Queensland also provided some financial assistance as well as significant logistical support, assisting in recruiting and training a suitable candidate.

As a result of these partnerships, the IKC building has been refurbished to a high standard, with state of the art technology and access to WIFI. Due to staffing issues the doors have not yet been opened however it is ready to go and will no doubt be a great asset to the community in the coming years.

Our partnership with Blackstar Radio has led to frequent opportunities to spread Aurukun's positive messages, with a fortnightly community event slot and occasional additional interviews.

Animal Control

This relatively new portfolio has had many challenges but just as many successes in the past year. Dog numbers are slowly reducing, with any untreatable or unclaimed dogs and cats being put down to prevent spread of disease and animal numbers.

Community dogs have been treated extensively for Mange, and overall the health of dogs has improved significantly. Vet services have been utilised on a regular basis, and large numbers of dogs have already been de-sexed.

Communication with dog owners need to continue, to encourage people to de-sex and register their animals, and adhere to the two dog per property policy.

Environmental Health

The Environmental Health portfolio is quite complex and spans many different areas, including pest control, food safety, mosquito control, waste removal and tip management to name a few.

An Assistant Environmental Health Officer was recruited but did not continue with the role after a few months. It is important to ensure that an Aurukun based resident be trained in the delivery of this position, as this area is a community owned responsibility and must be addressed from within; this applies particularly to illegal dumping of rubbish, and pest control in private homes. All effort will be made in the coming year to fill this position locally again.

Overall, some inroads have been made to reduce the illegal dumping of rubbish, with signage to be installed at critical locations. Residents have voluntarily worked on reducing the amount of waste in their yards to assist in reducing mosquito numbers. The Environmental Health officer attended pest control training in order to be officially able to treat pests such as cockroaches and rats in homes and buildings.

Funerals

The number of funerals conducted was lower than the annual average in previous years. Community members are greatly benefited by the arrangement with WCCCA who continue to provide financial assistance for funerals and house openings.

Community Events

Aurukun Shire Council has continued to host a number of events throughout the year, with a particular highlight being ANZAC Day celebrations. 51 Battalion attended the service from Weipa, showing a great sign of support to Aurukun ex-servicemen.

Other events included Aurukun Day, Clean up Australia (Aurukun) Day, DV Art Competition, Aurukun's Annual Christmas Event, the inaugural River to Ramp Fun Run, NAIDOC Kup Murri and the Aurukun Newcomers event.

Focus must now be placed on getting assistance from other stakeholders to really make these community events a highlight and provide the entertainment for community it so frequently requests.

Vivien Bull

Director Community Services



Top (L-R): Clean Up Aurukun Day • Aurukun Day
Bottom (L-R): Aurukun Day • River to Ramp Fun Run, Winners - Nicole Coates & Noel Waterma

Technical Services Overview



Perry Gould Director Technical Services

The Technical Services Department provides services in the following areas:

- Civil Construction and Maintenance
- Building Construction and Maintenance
- Water and Sewerage
- Workshop Operations
- Parks and Gardens
- Airport Operations
- Disaster Management

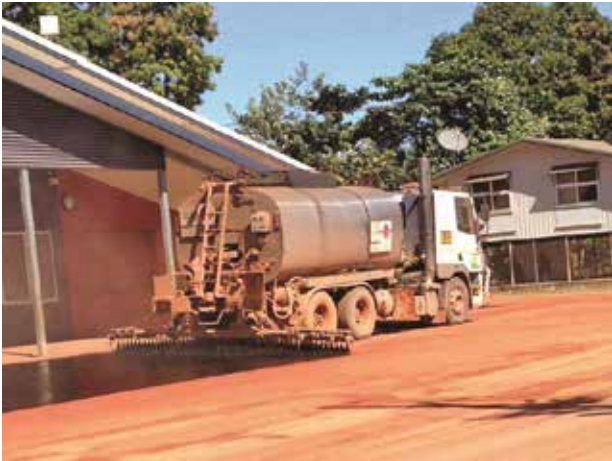
Civil Construction and Maintenance:

Maintenance and further development of the Aurukun Access Road has continued on the 70 kilometre section of this road which is maintained by Council. This is undertaken using a delivery model which partners with the Department of Transport and Main Roads and employs additional construction personnel from the community. Council relies on funding from external sources to complete major maintenance and capital works. This year Council was successful with obtaining \$8.0M of funding from NDRRA (Natural Disaster Relief and Recovery Arrangements), TIDS (Transport Infrastructure Development Scheme), R2R (Roads to Recovery).

In addition, the following works were completed:

1. Completion / sealing of Wuungkam Street sections of War and Themp Streets.
2. Resealing Kang Kang Road.
3. Sealing of Pikkuws Restaurant, Wuungkam Lodge, Council Chambers, Island and Cape Supermarket carparks.





Laying the new road & carparks

Building Construction and Maintenance:

Building and Asset Services (BAS) in conjunction with ASC continues minor maintenance and major refurbishments of community housing. The system allows community members to phone in maintenance requests to the Department of Housing and Public Works (DHPW), which are then entered as work orders to Council. Works consist of carpentry and cabinet making, plumbing, or electrical works. Major refurbishments are awarded to Council as the principal contractor, using a panel of pre-qualified subcontractors to complete the works.

In addition, a community housing construction project has been undertaken by the DHPW.. This project provided increased community benefits in employment and training opportunities using a mentoring and training model. It is part of a program to provide an additional 23 community houses between 2015 and 2016. Strategic Builders have now completed all of these houses.

Other building projects included:

1. Upgrade of Wuungkam Lodge to provide improved accommodation (25 rooms available for occupancy) and contribute to Council's own source revenue. Aurukun has opened a new restaurant, new kitchen and dining room.
2. Ongoing maintenance, renovations and security measures continues on ASC staff housing as required.

Water Supply and Sewerage Operations:

Maintenance and testing of councils water and sewerage infrastructure is undertaken on a daily basis. Quarterly reporting is required for sewerage (QWDS) Queensland Waste Data System and Drinking Water (DWQMP) Drinking Water Quality Management plan.

Workshop Operations:

Maintenance and repair services were provided by the workshop for Council plant and also provided a limited service to community members and allowed employment of trainees / apprentices who were supervised by the workshop tradesmen. Extension of existing workshop is presently being undertaken and due for completion by October 2016.

Airport Operations:

Ongoing operation and maintenance of the Aurukun Airport was undertaken by Council staff. In addition support was provided to the Royal Flying Doctor Service. On Thursday 31/3/2016 Aurukun Shire Council conducted an airport exercise as required by Civil Aviation Authority (CASA) which are required to be conducted on a two yearly basis. In attendance for the exercise where ASC staff, QLD Health, SES, QLD Fire / Emergency Services and QPS.

Disaster Management:

During the year Council acted as the coordinator for emergency services in the community and provided support to the operation of individual emergency services including Volunteer Marine Rescue, Queensland Rural Fire Service and State Emergency Service.

The Aurukun Local Disaster Management Plan was reviewed by the Local Disaster Management Group, with an updated Plan in August 2015.

**Perry Gould
Director Technical Services**



Organisation Chart as at 30th June 2016

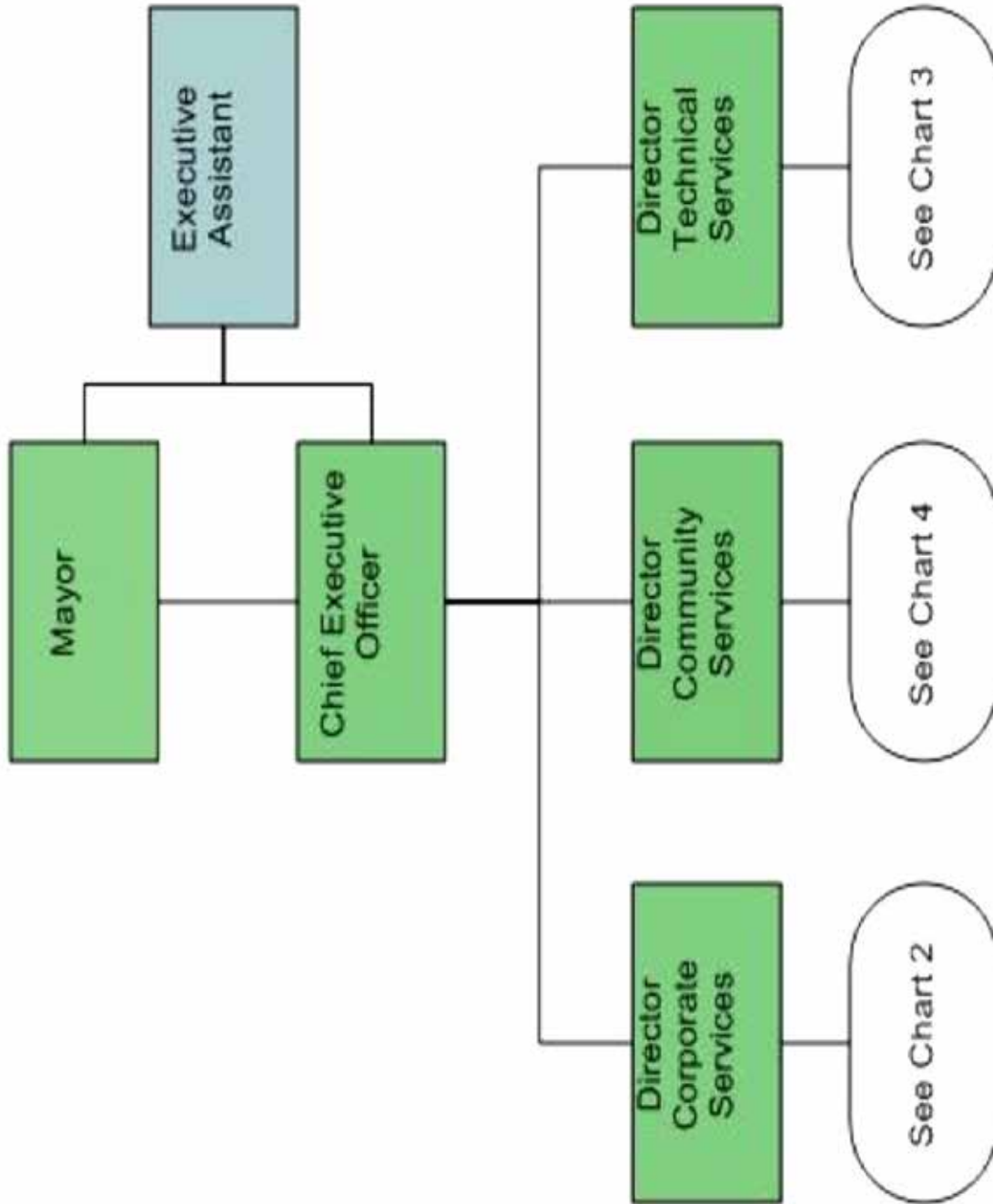


Chart 2

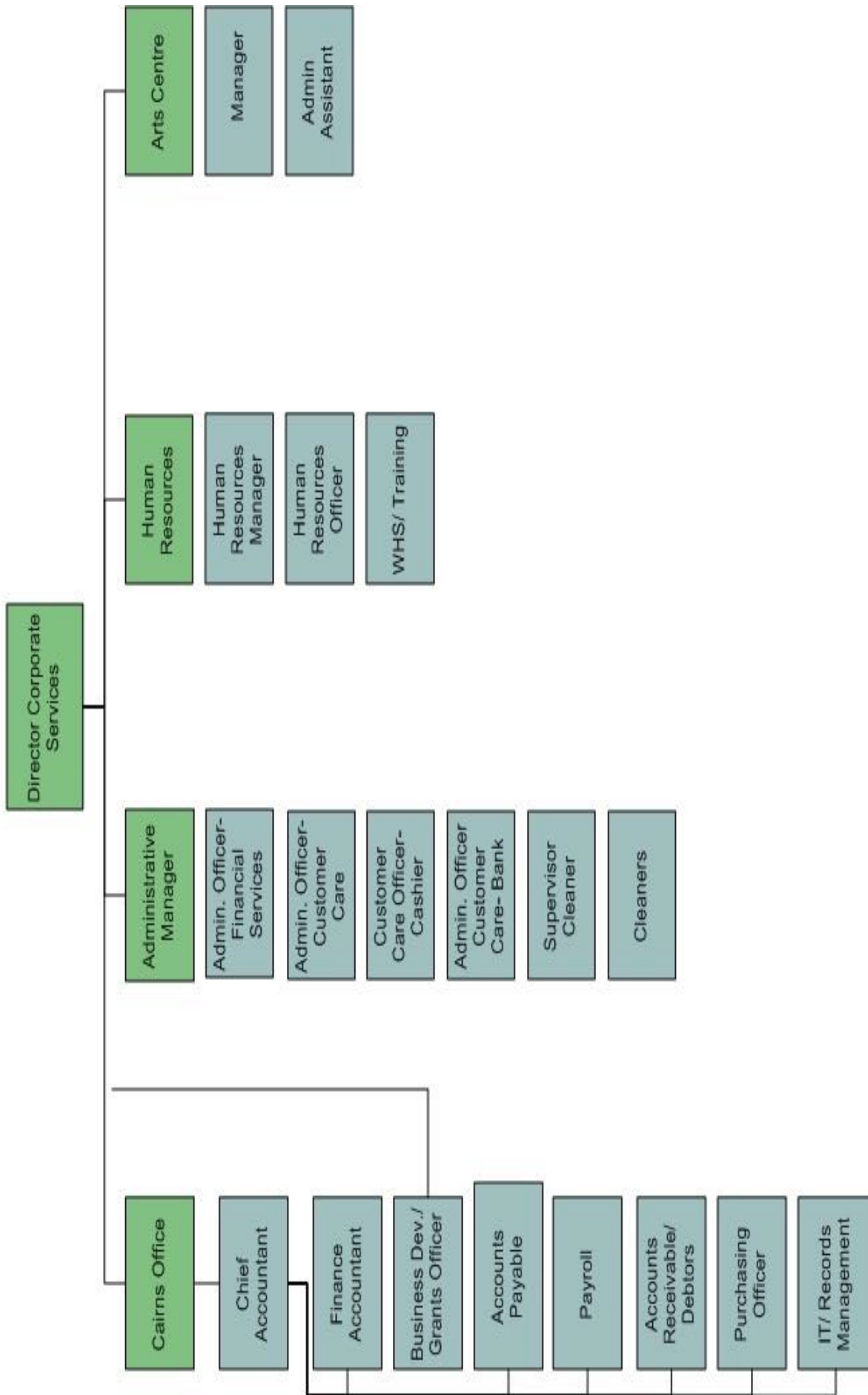


Chart 3

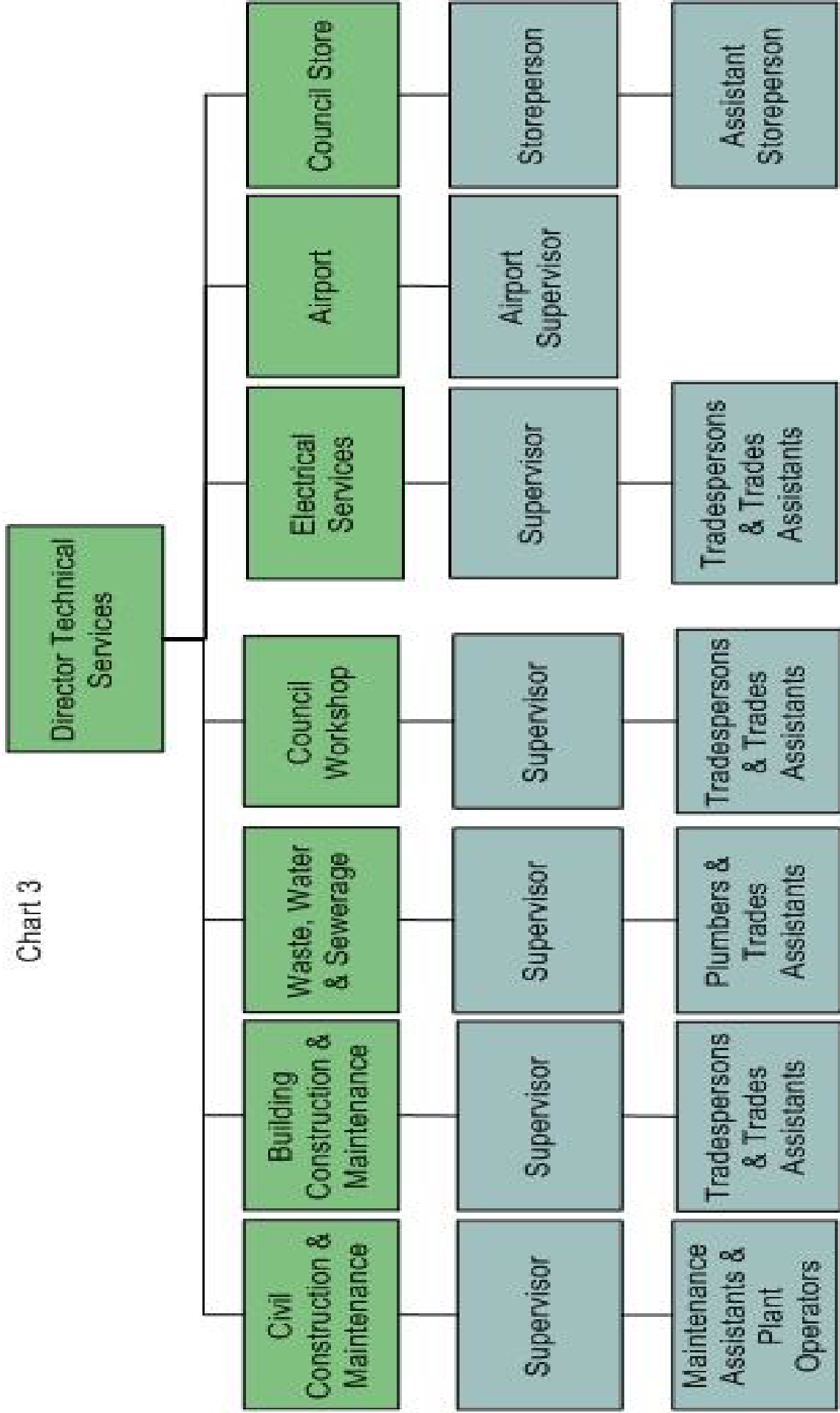
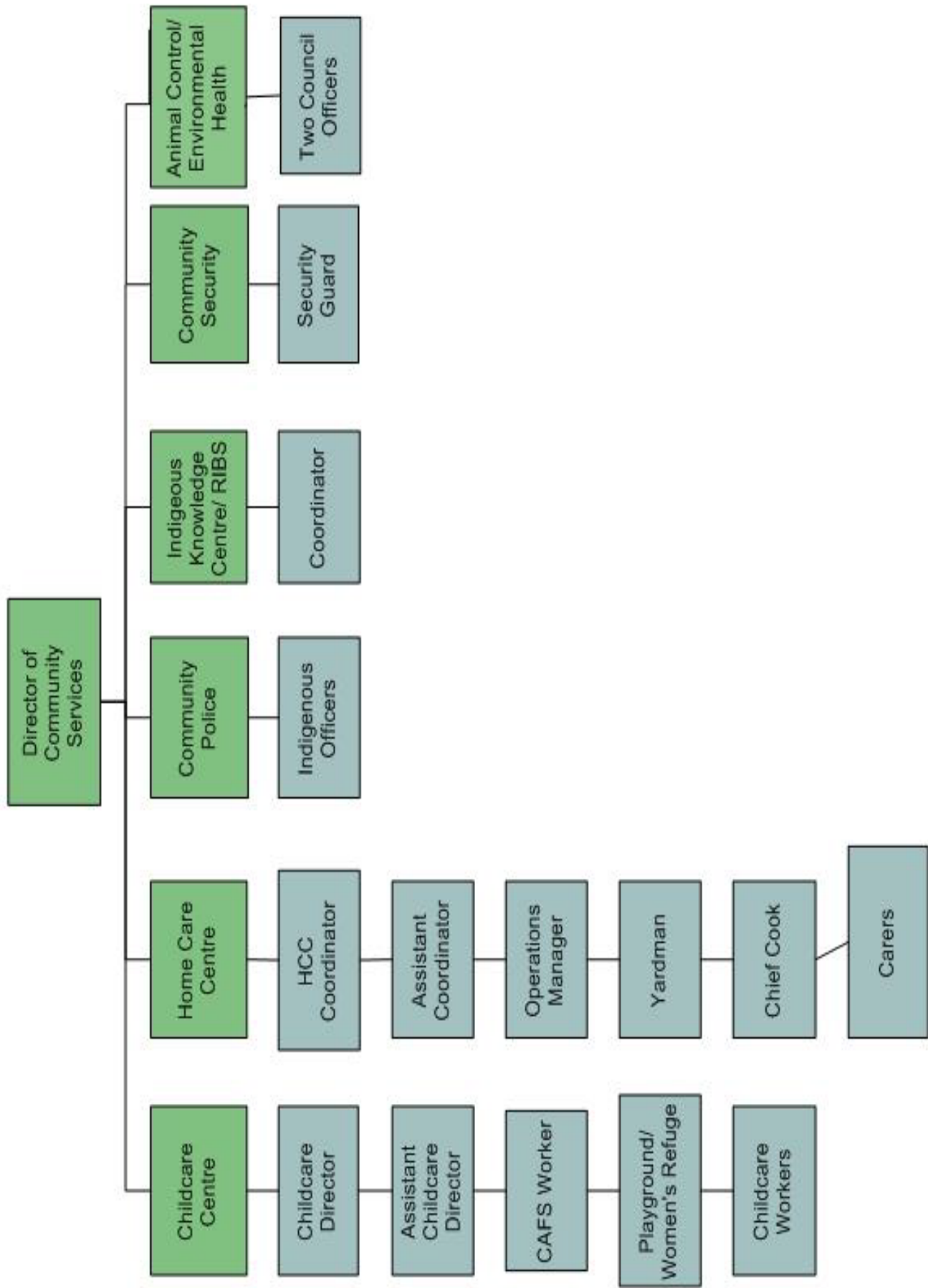
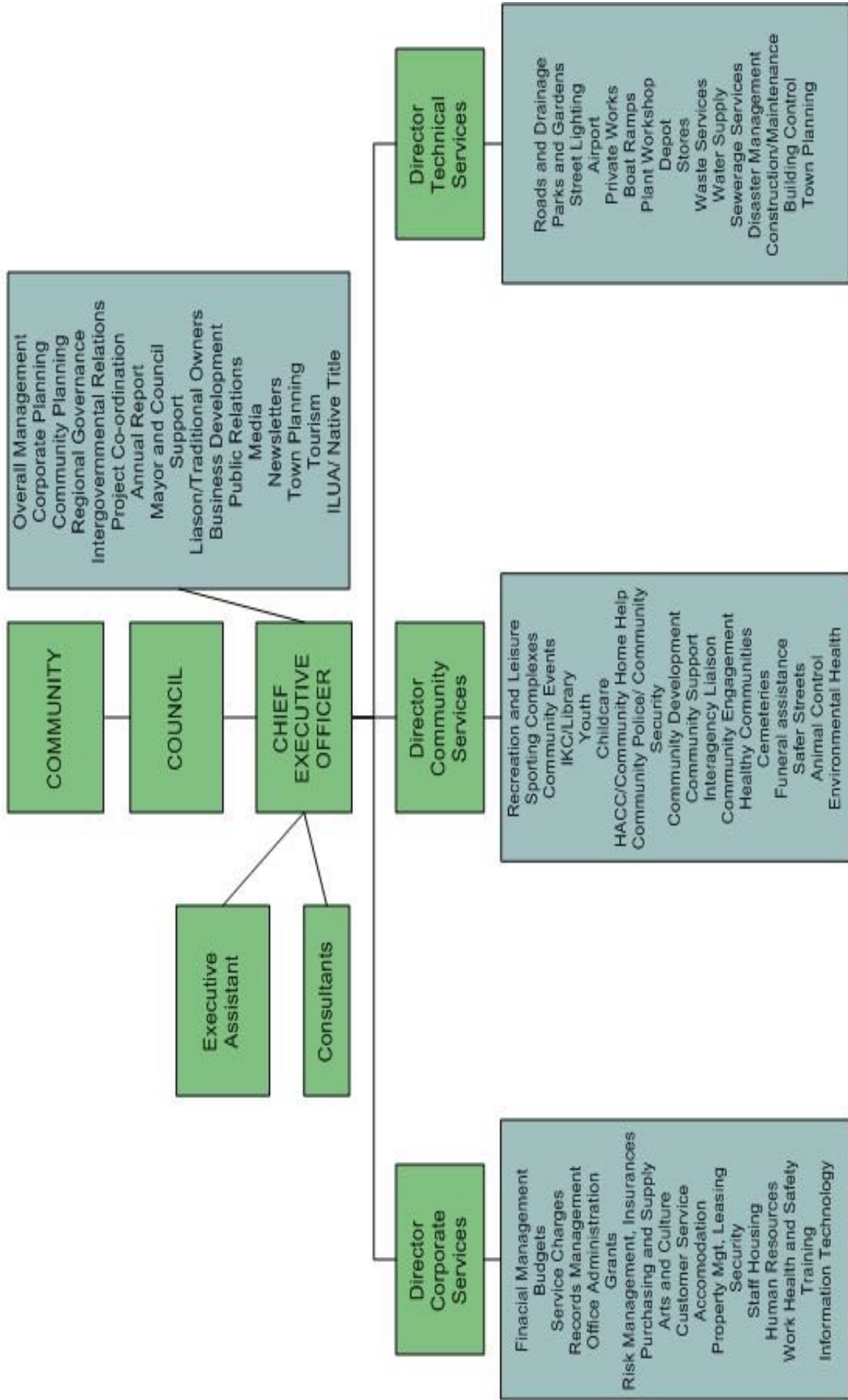


Chart 4



Aurukun Shire Council Functional Chart



COMMUNITY FINANCIAL REPORT

This community financial report is produced as part of Council's Annual Report. It explains in an understandable format Council's financial position to the community, employees and other interested parties.

It is a summary only. A full set of 2015-16 Financial Statements, including Notes to the Financial Statements is included in this Annual Report.

Financial Statements

The formal records of Council's financial performance and position are contained in four sets of financial statements: Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows

1. Statement of Comprehensive Income

Shows all the revenue Council has earned and the expenses incurred for the financial year. There are two main categories of revenue for the financial year, Recurrent Revenue and Capital Revenue

Council's net surplus in 2015-16 was \$1.509 million. However this was out of the ordinary due to the requirement to treat flood damage grants as income when received. Council made an operating loss of \$1.474 million in 2015-16. Two major expense components that contributed to this loss are depreciation expense in excess of \$2.3 million and security operating expense of \$681 thousand.

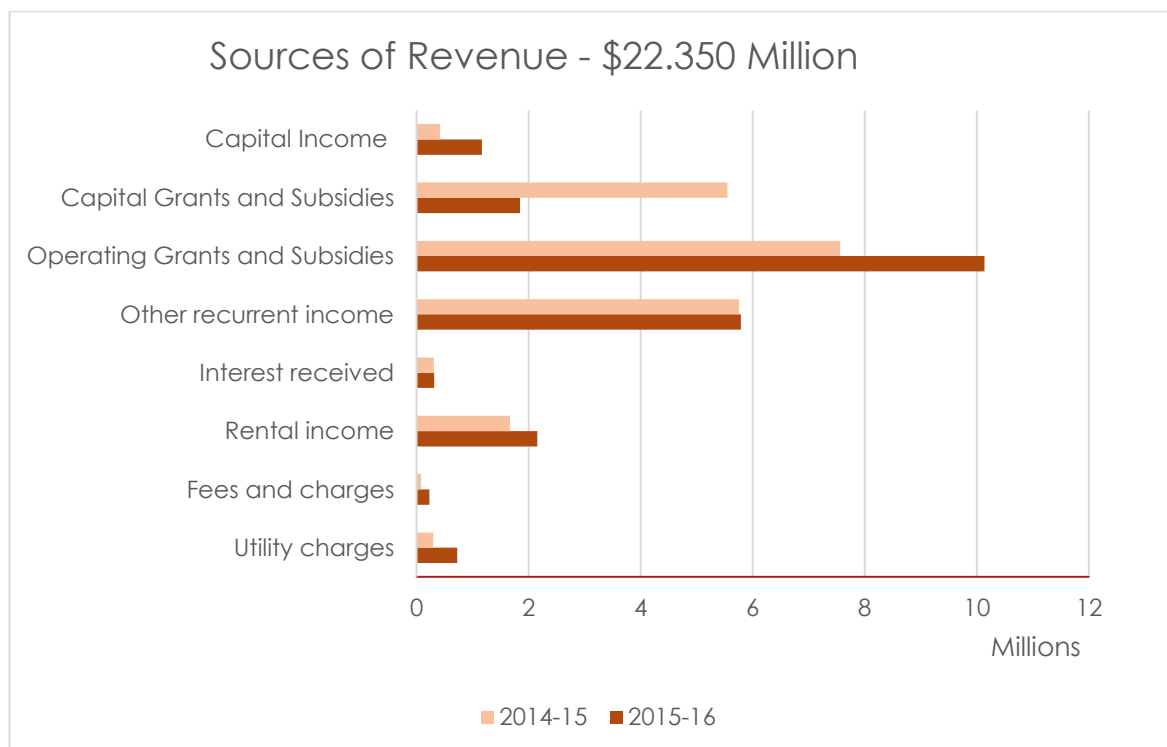
Statement of Comprehensive Income	2015-16	2014-15
Recurrent Revenue	19,342,779	15,663,465
Capital Revenue	3,007,485	5,964,093
Total Revenue	22,350,263	21,627,558
Recurrent Expenses	20,816,642	19,287,615
Capital Expenses	24,617	1,987,254
Total Expenses	20,841,259	21,274,868
Net Result	1,509,004	352,690
Increase/(Decrease) in asset revaluation surplus	9,929,121	(8,198,512)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	11,438,125	(7,845,822)

Sources of Revenue – Where our money comes from

For 2015-16 financial year, 53.6% of total revenue comes from Federal and State grants. These include \$1.817 million of Financial Assistance Grant (Federal), \$1.144 million of State Government Financial Aid, and \$4.252 million from Queensland Reconstruction Authority for roads maintenance and upgrade.

Other major source of income which is included in Other Recurrent Income is from recoverable works which amounted to \$5.16 million.

Council will continue to improve its own source revenue to improve Council’s net operating result.



Expenses – Where our money goes

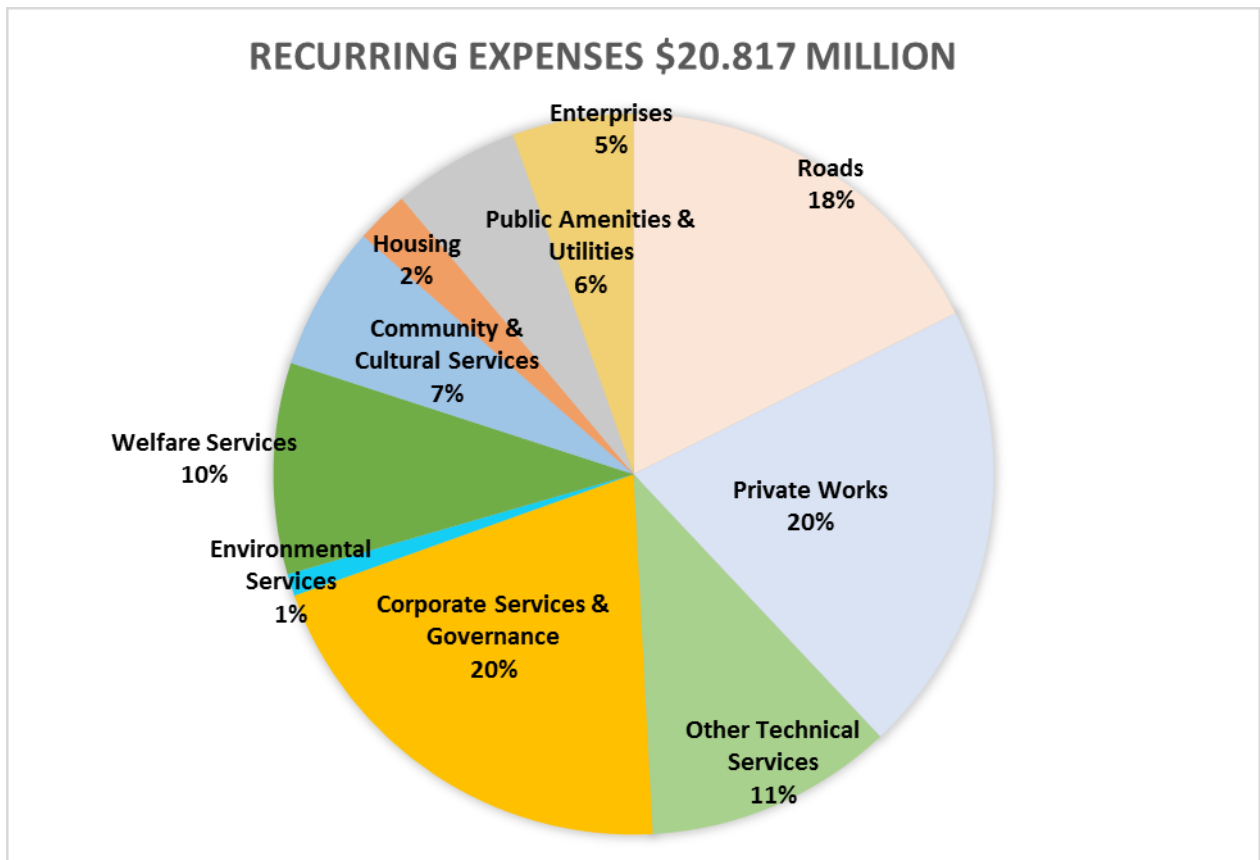
The costs for materials and services includes payments for the delivery of essential services such as roads, water, sewerage, airport, building services and airport. Community services incorporates Aged Care, Child Care, Environmental Management, Indigenous Knowledge Centre, and Cultural Activities through the Wik Kugu Arts Centre. Community policing and security incurred over \$681 thousand of direct expenses.

Total expenses decreased by 2% over the previous year.

Expenses	2015-16	2014-15	(Decrease)/ Increase
Employee benefits	6,421,538	6,524,139	(102,601)
Materials and Services	12,001,288	10,890,531	1,110,757
Finance Cost	48,619	195,814	(147,195)
Depreciation and Amortisation	2,345,197	1,677,131	668,066
Capital Expenses	24,617	1,987,254	(1,962,637)
Total	20,841,259	21,274,868	(433,609)

The chart below shows the breakdown of recurring expenses (excluding capital expenses).

Council's depreciation expenses does not represent cash spent, but the book value of assets consumed. The significant increase in depreciation was due 16.5% increase in asset valuations in 2014-15. Council's ageing assets will eventually have to be replaced.



2. Statement of Financial Position

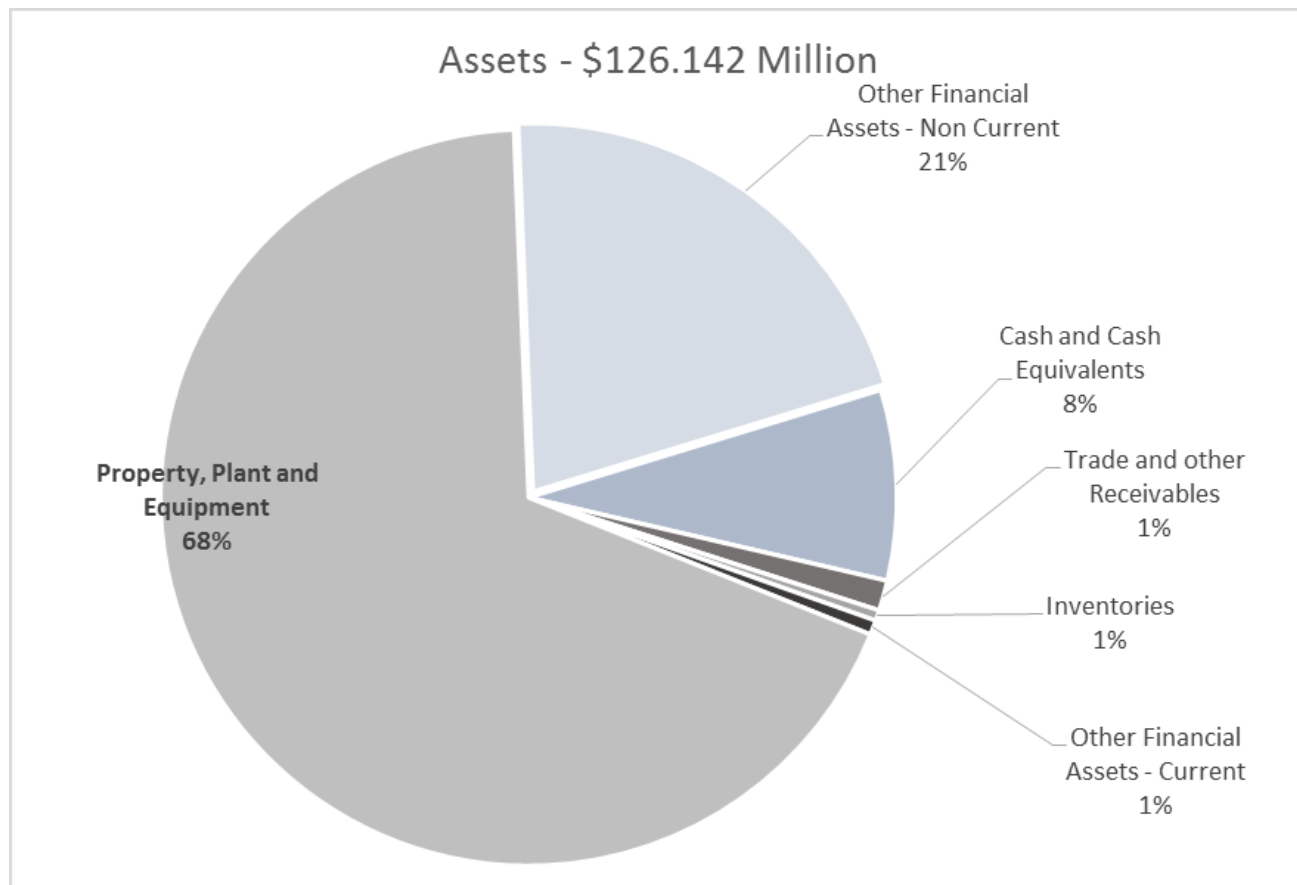
Shows the assets and liabilities of Council. The difference makes up the community equity.

Statement of Financial Position	2015-16	2014-15
Current Assets	13,609,570	13,054,154
Non-current Assets	112,532,990	99,947,442
Total Assets	126,142,560	113,001,596
Less:	-	-
Current Liabilities	3,585,987	1,881,998
Non-current Liabilities	735,926	737,076
Total Liabilities	4,321,912	2,619,074
Net Community Assets	121,820,648	110,382,523
Asset Revaluation Surplus	116,267,485	106,338,363
Retained Surplus	5,553,163	4,044,160
Total Community Equity	121,820,648	110,382,523

Assets – What Council owns

Council controlled assets had a total value of \$126 million as at 30 June 2016 of which Plant and Equipment was 68.2%. The 40-year leases on social housing comprise 21% of total assets.

The chart depicts the major categories of assets.



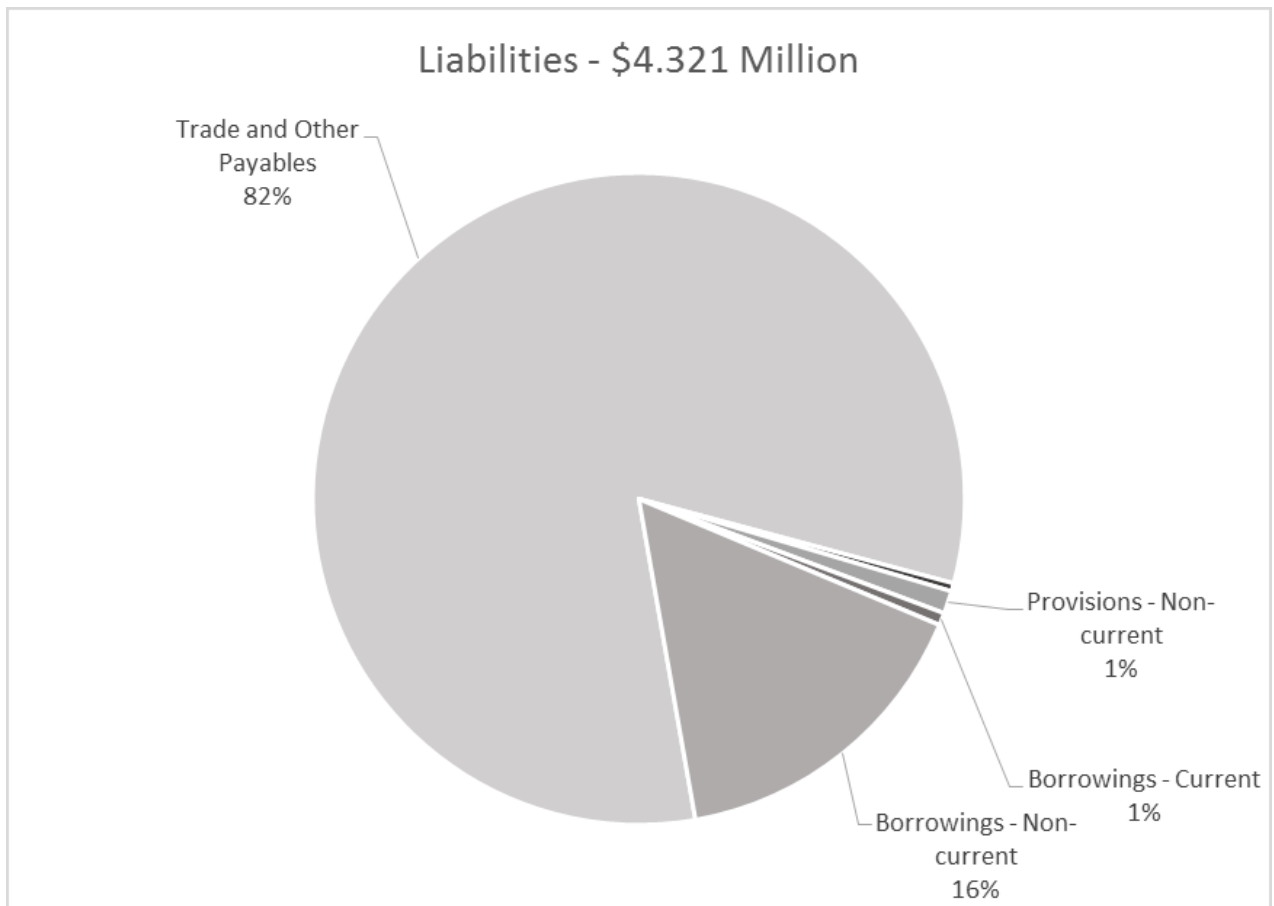
A major addition to Council's assets in 2015-16 is the installation of \$1.366 million CCTV camera.

Council acknowledges that in order for it to provide the levels of service that the community needs, it must be able to maintain its financial capital and infrastructure now and in the future. To this end Council is endeavouring to integrate a long-term asset management plan for key infrastructure assets into its 10-year financial forecast.

Liabilities – What Council owes

Council's liabilities of \$4.321 million comprised amounts owed to Queensland Treasury Corporation (loan - \$713 thousand for the installation of Wuungkam Lodge), suppliers (\$3.346 million for roads and CCTV camera) and to employees for leave entitlements (\$261 thousand).

Council is focusing on improving and developing its financial position by achieving value for money and gaining efficiencies in its operations.



3. Statement of Changes in Equity

Shows the change in value of Council's net worth for the financial year

Community equity is the value of what Council is worth. It is measured as assets (what Council owns) less liabilities (what Council owes). Council's total community equity as at 30 June 2016 was \$121.820 million.

Statement of Changes in Equity	2015-16	2014-15
Asset Revaluation Surplus	116,267,485	106,338,363
Retained Surplus	5,553,163	4,044,160
Total Changes in Equity	121,820,648	110,382,523

4. Statement of Cash Flows

Shows the cash inflows and outflows of Council during the financial year

The Statement of Cash Flows only reports on cash at the beginning of the reporting period and cash received in the period less cash disbursed in the period.

As at 30 June 2016, Council held \$10.536 million in cash. Most of this is invested in term deposits to maximise interest earned.

The net increase in cash is due to advance payment from QRA for roadworks.

Council was in a sound cash position and had the ability to pay its obligations when they fell due.

Statement of Cash Flows	2015-16	2014-15
Cash at the beginning of the year	9,683,355	12,444,873
Less (Decrease) in cash from operating activities	2,959,717	(3,802,601)
Less (Decrease)/Increase in cash from investing activities	(2,032,106)	301,085
Plus (Decrease)/ Increase in cash from financing activities	(74,789)	740,000
Cash at the end of the financial year	10,536,175	9,683,355

Financial Sustainability Ratios

Operating Surplus Ratio	2015-16	2014-15	Target	Analysis
Indicates the extent to which operating revenues cover operational expenses only or are available of capital purposes	-8%	-17%	Between 0% and 10%	The negative ratio indicates that Council was not able generate sufficient revenue to cover operating expenses or fund capital expenditure.
Asset Sustainability Ratio				
Indicates the extent to which Council is replacing its assets as they reach the end of their useful lives	0%	212%	Greater than 90%	In 2015-16 expenditure on assets were limited to repairs and maintenance, and not to replacement or renewals.
Net Financial Liabilities Ratio				
Indicates the extent to which the net financial liabilities of Council can be serviced by its operating revenue	-48%	-67%	Not greater than 60%	Council has the capacity to fund its financial obligations and may have the capacity to increase its loan borrowings if required.

Council continues to focus on closing the deficit gap between revenue and expenditure over the next few years to improve its financial position.

Considerable work has commenced in implementing more efficient and effective processes thereby reducing the cost of service.

Statutory Reporting Requirements

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

1. Councillors and Councillor Remuneration

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

Councillors must:

- Attend Council meetings regularly and all other meetings as required from time to time;
- Vote on matters requiring a decision;

- Perform their duties and responsibilities in a transparent, impartial and faithful manner at all times.

Meetings:

The following table displays the Councillors' attendance at meetings for 2013/2014:

2015/2016	Ordinary Meetings	Special Meetings
Cr Dereck Walpo	12	9
Cr Angus Kerindun	2	1
Cr Edgar Kerindun	12	9
Cr Doris Pookamelya	8	7
Cr Vera Koomeeta	8	7
Cr Ada Woolla	9	9

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

Councillor	Gross \$	Superannuation \$	Total \$
Cr Dereck Walpo	99,520	9,454	108,975
Cr Angus Kerindun	9,513	904	10,417
Cr Edgar Kerindun	51,094	6,131	57,226
Cr Doris Poonkamelya	35,504	3,391	38,895
Cr Vera Koomeeta	49,447	5,933	55,380
Cr Ada Woolla	53,291	6,395	59,686

Resolution – Councillors Remuneration

At an Ordinary Meeting of Council held on 17 May 2016, the following resolution was passed:

Resolution 16.5164

That Council adopts the Councillor Remuneration Policy.

This policy applies to all members of the Aurukun Shire Council unless expressly excluded.

Amount of Remuneration to be paid to Councillors

Maximum remuneration payable to Councillors effective from 1 July 2015, as determined by the Tribunal, is in accordance with the following table:

Description	Remuneration Payable
Mayor	\$97,684
Deputy Mayor	\$56,356
Councillors	\$48,842

Councillor Expenses

Councillors travel and accommodation expenses 2015/16	
Cr Dereck Walpo	\$16,187.85
Cr Edgar Kerindun	0
Cr Angus Kerindun	0
Cr Doris Poonkamelya	0
Cr Vera Koomeeta	0
Cr Ada Woolla	0
Total	\$16,187.85

2. Councillors' code of conduct

In accordance with sections 186 of the Local Government Regulation 2012, the annual report must provide the following information:

Item	Result
Section 186 (d)	
(i) The total number of the orders and recommendations made under section 180 (2) or (4) of the Act.	Nil
(ii) Orders made under section 181 of the Act.	Nil
Section 186 (e)	
(i) The name of each councillor in relation for whom an order or recommendation was made under section 180 of the Act or as order was made under section 181 of the Act.	Section 180 – Not applicable Section 181 – Not applicable
(ii) A description of the misconduct or inappropriate conduct engaged in by each of the Councillors.	Nil
(iii) A summary of the order or recommendation made for each Councillor.	Not applicable
Section 186 (f)	
(i) Complaints about the conduct or performance of Councillors assessed as frivolous or vexatious under section 176C (2) of the Act.	Nil
(ii) Complaints referred to the department's	Nil

Chief Executive under section 176C (3)(a)(i) of the Act.	
(iii) Complaints referred to the Mayor under section 176(3)(a)(ii) or (b) (i) of the Act.	Nil
(iv) Complaints referred to the department's Chief Executive under section 176C (4)(a) of the Act.	Nil
(v) Complaints assessed by Chief Executive Officer as being about official misconduct.	Not applicable
(vi) Complaints heard by a conduct review panel.	Not applicable
(vii) Complaints heard by the tribunal.	Not applicable
(viii) Complaints to which section 176C (6) of the Act applied.	Nil

3. Complaints Management

The Council has a complaints management process in place and is committed to dealing fairly with administrative complaints. The complaints management process is designed to ensure that any member of the public can lodge a complaint about how they have been dealt with by Council staff or how they have been affected by any Council administrative decision. The complaints management process will be made available to the public on Council's website. During 2015/16, no complaints were lodged with Council under the complaints management process.

4. Senior Contract Employees

At 30 June 2015 Aurukun Shire Council employed five senior contract employees. Details of the total remuneration packages for the senior contract employees are as follows:

- Five senior contract employees with a total remuneration package in the range of \$100,000 to \$200,000.

5. Overseas travel

No Council staff or Councillors undertook any overseas travel on Council business during the 2015/16 financial year.

6. Grants to Community Organisations

Concessions were not paid for the waiver of:

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

During the 2015/16 financial year no grants were paid to community organisations.

7. Reserves and Controlled Roads

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

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

Corporate Plan

The Council adopted its corporate plan for the five years ending 30 June 2019 at its meeting held on 4 February 2014. The corporate plan sets out the strategic direction of the Council's operations and activities for the abovementioned period. A review of this Corporate Plan is due in 2016/17.

Operational Plan

The operational plan has been developed annually and is linked to the objectives in the new corporate plan. The operational plan sets out the projects and services Council will deliver in the financial year.

9. Invitations to Tenderers to Change Tenders

There were nil instances during 2015/16 where persons who had submitted a tender to Council were invited to change their tenders.

10. Registers kept by Council

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 interest of Councillors
- Register of Personal interest of Chief Executive Officer/ and Senior Executive Managers
- Road Register/Road Map
- Schedule of Fees and Charges
- Register of Local Laws and Subordinate Local Laws
- Registers of Burials
- Register of Regulatory Fees
- Register of Delegations
- Register of Council Policies
- Register of Contact by Lobbyists

11. Summary of Service Charges

Utility charges for water, sewerage and cleansing are levied on all Government and Private Enterprises yearly.

Rates, Charges and Service Levy are charged in accordance with the fees and charges schedule approved during the 2014/15 Budget and Council did not grant any concessions for the above charges.

Airport Landing fee is charged for all commercial, chartered and private flights. Council grants an exemption of this fee to the Royal Flying Doctors.

12. Internal Audit

Pacifica Chartered Accountants are internal auditors for three years until 2016/17. The internal auditors work with management to identify and recommend improvements in Council's operations, systems and processes.

Council will be seeking compliance with the changes to the Local Government Regulation 2012 provisions concerning internal audit in the year 2016/17. Helen Wilkes from Grant Thornton has been appointed by council as the internal audit committee's financial advisor for the same term as Pacifica Chartered Accountants.

13. Equal Employment Opportunity

Aurukun Shire Council is an equal opportunity employer and does not discriminate against any individual or members of groups. The Council is committed and dedicated throughout its management and operations in recruiting and retaining the best available staff to:

- Improve the Council's efficiency and productivity, and
- Ensure effective and efficient service delivery to the community of Aurukun, and
- Meet and fulfil its obligations of equity and fairness.

Council's EEO Management Plan is aimed at ensuring all employees and applicants for employment are treated fairly, basing selection and promotion only on factors relevant to the job, such as skills, qualification, abilities and aptitude.

14. Capital Project Works

Council completed the following works program during the period 1 July 2015 to 30 June 2016.

- Aged Care Facility additions: skillion roof and patio roof
- Residential subdivision
- Wuungkam Lodge accommodation upgrade (part completion) and restaurant
- Indigenous Knowledge Centre Refurbishment
- Town Road Sealing and Aurukun Access Road restoration works

AURUKUN SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

AURUKUN SHIRE COUNCIL
Financial statements
For the year ended 30 June 2016

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AURUKUN SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Income			
Revenue			
Recurrent revenue			
Utility charges	3	725,745	293,367
Fees and charges		227,297	79,932
Rental income	3	2,154,033	1,668,341
Interest received		312,727	306,559
Other recurrent income	3	5,788,276	5,754,238
Grants, subsidies, contributions and donations	4	10,134,700	7,561,028
Total recurrent revenue		<u>19,342,779</u>	<u>15,663,465</u>
Capital revenue			
Grants, subsidies, contributions and donations	4	1,844,920	5,548,224
Other capital income	11	1,162,565	415,870
Total capital income		<u>3,007,485</u>	<u>5,964,093</u>
Total Income		<u>22,350,263</u>	<u>21,627,558</u>
Expenses			
Recurrent expenses			
Employee benefits	5	(6,421,538)	(6,524,139)
Materials and services	6	(12,001,288)	(10,890,531)
Finance cost		(48,619)	(195,814)
Depreciation and amortisation	12	(2,345,197)	(1,677,131)
Total recurrent expenses		<u>(20,816,642)</u>	<u>(19,287,615)</u>
Capital expenses			
Profit/(loss) on disposal of assets	7	(24,492)	(1,987,254)
Revaluation decrements	12	(125)	-
Total capital expenses		<u>(24,617)</u>	<u>(1,987,254)</u>
Total expenses		<u>(20,841,259)</u>	<u>(21,274,868)</u>
Net result		<u>1,509,004</u>	<u>352,690</u>
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	9,929,121	(8,198,512)
Total other comprehensive income for the year		<u>9,929,121</u>	<u>(8,198,512)</u>
Total comprehensive income for the year		<u>11,438,125</u>	<u>(7,845,822)</u>

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

AURUKUN SHIRE COUNCIL
Statement of Financial Position
as at 30 June 2016

	Notes	2016 \$	2015 \$
Current assets			
Cash and cash equivalents	8	10,536,175	9,683,355
Trade and other receivables	9	1,674,164	2,197,038
Inventories	10	594,418	382,300
Other financial assets	11	804,813	791,461
Total current assets		13,609,570	13,054,154
Non-current assets			
Property, plant and equipment	12	86,149,415	73,921,619
Other financial assets	11	26,383,575	26,025,823
Total non-current assets		112,532,990	99,947,442
Total assets		126,142,560	113,001,596
Liabilities			
Trade and other payables	14	3,541,900	1,822,001
Provisions		17,397	33,556
Borrowings	15	26,689	26,441
Total current liabilities		3,585,987	1,881,998
Non-current liabilities			
Provisions		48,786	23,517
Borrowings	15	687,140	713,559
Total non-current liabilities		735,926	737,076
Total liabilities		4,321,912	2,619,074
Net community assets		121,820,648	110,382,523
Community equity			
Asset revaluation surplus	16	116,267,485	106,338,363
Retained surplus		5,553,163	4,044,160
Total community equity		121,820,648	110,382,523

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

AURUKUN SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2016

	Asset revaluation surplus Note 16		Retained surplus		Total	
	2016	2015	2016	2015	2016	2015
Balance as at 1 July	\$ 106,338,363	\$ 114,536,875	\$ 4,044,160	\$ 3,691,471	\$ 110,382,523	\$ 118,228,347
Net result	-	-	1,509,004	352,690	1,509,004	352,690
Other comprehensive income for the year						
Increase/(decrease) in asset revaluation surplus	9,929,121	(8,198,512)	-	-	9,929,121	(8,198,512)
Total comprehensive income for the year	9,929,121	(8,198,512)	1,509,004	352,690	11,438,125	(7,845,822)
Balance as at 30 June	116,267,485	106,338,363	5,553,163	4,044,160	121,820,648	110,382,523

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

AURUKUN SHIRE COUNCIL
Statement of Cash Flows
For the year ended 30 June 2016

	Notes	2016	2015
		\$	\$
Cash flows from operating activities:			
Receipts from customers		7,534,919	6,226,268
Payments to suppliers and employees		<u>(16,905,935)</u>	<u>(18,550,734)</u>
		(9,371,016)	(12,324,466)
Interest received		312,727	306,559
Rental income		1,883,306	1,668,341
Non capital grants and contributions	4	<u>10,134,700</u>	<u>7,561,028</u>
Net cash inflow (outflow) from operating activities	20	<u>2,959,717</u>	<u>(2,788,538)</u>
Cash flows from investing activities:			
Payments for property, plant and equipment	12	(4,533,188)	(4,419,532)
Proceeds from sale of property, plant and equipment	7	28,752	124,091
Finance lease receipts	11	791,462	707,949
Grants, subsidies, contributions and donations		<u>1,680,868</u>	<u>2,874,514</u>
Net cash inflow (outflow) from investing activities		<u>(2,032,106)</u>	<u>(712,978)</u>
Cash flows from financing activities:			
Repayment of borrowings	15	(26,170)	740,000
Finance costs		<u>(48,619)</u>	<u>-</u>
Net cash inflow (outflow) from financing activities		<u>(74,789)</u>	<u>740,000</u>
Net increase (decrease) in cash and cash equivalent held		852,820	(2,761,517)
Cash and cash equivalents at beginning of the financial year		<u>9,683,355</u>	<u>12,444,873</u>
Cash and cash equivalents at end of the financial year	8	<u>10,536,175</u>	<u>9,683,355</u>

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies

1.01 Basis of preparation

These general purpose financial statements are for the period 1 July 2015 to 30 June 2016 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board.

Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

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

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

Recurrent/capital classification

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

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

The following transactions are classified as either "Capital Income" or "Capital Expenses" depending on whether they result in accounting gains or losses:

- disposal of non-current assets
- discount rate adjustments to restoration provisions
- revaluations of investment property, property, plant and equipment and other financial assets.

All other revenue and expenses have been classified as "recurrent".

1.02 Date of authorisation

The financial statements were authorised for issue on the date they were submitted to the Auditor-General for final signature. This is the date the management certificate is signed.

1.03 Adoption of new and revised Accounting Standards

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective, with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards - Fair Value Disclosures for Not-For-Profit Public Sector Entities*. Generally, Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations within Level 3 of the fair value hierarchy.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.03 Adoption of new and revised Accounting Standards (continued)

At the date of authorisation of the financial report, AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* and AASB 16 *Leases* is the only new accounting standard with a future application date that is expected to have a material impact on Council's financial statements.

From 1 July 2016, AASB 124 *Related Party Disclosures* will apply to Council, which will mean that Council will disclose more information about related parties and transactions with those related parties.

AASB 16 *Leases* will apply for the first time to Council's 30 June 2020 financial statements. The main impact of AASB 16 is the introduction of a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term greater than 12 months, unless the underlying asset is of low value. Council is still reviewing the requirements of AASB 16 in order to determine the impact it will have on future financial statements.

Council is still reviewing the way that revenue is measured and recognised to identify whether AASB 15 *Revenue from Contracts with Customers* will have a material impact. To date no impact has been identified. AASB 15 is effective from 1 January 2018 and will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. It contains a comprehensive and robust framework for the recognition, measurement and disclosure of revenue from contracts with customers.

Other amended Australian Accounting Standards and Interpretations which were issued at the date of authorisation of the financial report, but have future commencement dates are not likely to have a material impact on the financial statements.

1.04 Critical accounting judgement and key sources of estimation uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.10, Note 12 and Note 13

Provisions - Note 1.14

Valuation of finance leases Note 1.12 and Note 11

Contingent liabilities - Note 17

1.05 Revenue

(i) Utility charges

Utility charges are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to funds.

(ii) Rental income

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

(iii) Private works

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.05 Revenue (continued)

(iv) Grants, subsidies, contributions and donations

Grants, subsidies, contributions and donations that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Restrictions that have been placed on Council's cash and cash equivalents due to funding agreements are disclosed in Note 8.

(v) Non-cash contributions

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

1.06 Financial assets and financial liabilities

Council recognises a financial asset or financial liability in its Statement of Financial Position when, and only when, Council becomes a party to the contractual provisions of the instrument.

Council has categorised and measured the financial assets and financial liabilities held at balance date as follows:

Financial assets

Cash and cash equivalents (Note 1.07)

Receivables - measured at amortised cost (Note 1.08)

Other financial assets (finance leases) - measured at fair value (Note 1.12)

Financial liabilities

Payables - measured at amortised cost (Note 1.13)

Borrowings - measured at amortised cost (Note 1.15)

The fair value of financial instruments is determined as follows:

The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities approximate their carrying amounts and are not disclosed separately.

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost. For other financial assets (finance leases), refer to note 1.12.

Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position except for other financial assets (finance leases).

1.07 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, all cash and cheques receipted but not banked at the year end, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Council's cash and cash equivalents are subject to a number restrictions that limit the amount that is available for discretionary or future use. Restrictions that have been placed on Council's cash and cash equivalents are now disclosed in Note 8.

1.08 Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase price/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically and, if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in 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 2016

Note 1: Significant accounting policies (continued)

1.08 Receivables (continued)

All known bad debts were written-off at 30 June. Subsequent recoveries of amounts previously written off in the same period are recognised as finance costs in the Statement of Comprehensive Income. If an amount is recovered in a subsequent period it is recognised as revenue.

1.09 Inventories

Plant and equipment stores and miscellaneous saleable items are held for distribution and valued at cost, adjusted when applicable for any loss of service potential.

1.10 Property, plant and equipment

Each class of property, plant and equipment is stated at amortised cost or fair value. Items of plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

The classes of property, plant and equipment recognised by the Council are:

Office equipment	Aerodrome
Plant and equipment	Sewerage
Buildings and other structures	Water
Road, drainage, and bridge network	Capital works in progress

(i) Acquisition of assets

Acquisitions of assets are initially recorded at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including freight in, architect's fees and engineering design fees and all other establishment costs.

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

(ii) Capital and operating expenditure

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

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

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

(iii) Valuation

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.10 Property, plant and equipment (continued)

(iii) Valuation (continued)

Non-current physical assets measured at fair value are revalued, where required, so that the carrying amount of each class of asset does not materially differ from its fair value at the reporting date. This is achieved by engaging independent, professionally qualified valuers to determine the fair value for each class of property, plant and equipment assets at least once every 3 years. This process involves the valuer physically sighting a representative sample of Council assets across all asset classes and making their own assessments of the condition of the assets at the date of inspection (referred to as a "comprehensive" valuation).

In the intervening years, Council engages independent, professionally qualified valuers to perform a 'desktop' valuation. A desktop valuation involves management providing updated information to the valuers 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 the non-current assets measured at fair value.

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

On revaluation, accumulated depreciation is either restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life or the accumulated depreciation is eliminated against the gross carrying amount of the asset depending on the method of valuation used.

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

Details of valuers and methods of valuations are disclosed in Note 13.

(iv) Capital work in progress

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

(v) Depreciation

Depreciation on property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Major spares purchased specifically for particular assets that are above the asset recognition threshold are capitalised and depreciated on the same basis as the asset to which they relate.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Council or the unexpired period of the lease, whichever is the shorter.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.10 Property, plant and equipment (continued)

(v) Depreciation (continued)

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at written down current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 12.

(vi) Land tenure

The Aurukun Shire Council is located on land assigned to it under the Aboriginal Lands Lease No 1 granted to the Council pursuant to the provisions of the Local Government (Aboriginal Lands) Act 1978. In September 2013, the Queensland Government granted Aboriginal freehold title for lands constrained within the Aurukun Shire Council lease under the Deed of Grant of Land over an area of 286.1425 hectares described in Title References 40066957 and 4066958.

The land is administered through the provisions of the aforementioned legislation and the Council has restricted use of this land for the benefit of shire inhabitants. The grant was made to secure, for the benefit of the Aborigines who reside on the land, preservation of their traditional rights, use and occupancy of the land enjoyed by them as at 6 April 1978. The freehold land has not been taken up in the Council's assets as it cannot be reliably measured.

1.11 Impairment of non-current assets

Each non-current physical asset and group of assets is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use.

An impairment loss is recognised as an expense in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation surplus increase.

1.12 Leases

Leases of plant and equipment under which the Council as lessee assumes substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

(i) Finance leases as lessee

Where Council enters into a finance lease as lessee, Council recognises an asset equal to the lower of fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are charged as finance costs. The asset is accounted for on the same basis as other assets of the same class. Contingent rentals are written off as an expense in the accounting period in which they are incurred.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.12 Leases (continued)

(ii) Finance leases as lessor

Council has leased 267 dwellings 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 \$2,964.28. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are measured at the present value of the expected future lease payments receivable (fair value). Gains or loss on revaluation of finance lease assets are recognised as Capital Income or Expenses.

1.13 Payables

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

1.14 Liabilities - employee benefits

(i) Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months are calculated on projected future wages and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 14 as a payable.

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

(ii) Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees.

Details of those arrangements are set out in Note 19.

(iii) Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment 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 interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 1: Significant accounting policies (continued)

1.15 Borrowings and borrowing costs

Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these liabilities are measured at amortised cost.

In accordance with the Local Government Regulation 2012, 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.

All borrowing costs are expensed in the period in which they are incurred. No borrowing costs are capitalised on qualifying assets.

1.16 Asset revaluation surplus

The asset revaluation surplus comprises adjustments relating to changes in the carrying values of property, plant and equipment that do not result from the use of those assets. Net incremental changes in the carrying value of classes of non-current assets since their initial recognition are accumulated in this surplus.

Increases and decreases on revaluation are offset within a class of assets.

Where a class of asset is decreased on revaluation, that decrease is offset first against the amount remaining in the asset revaluation surplus in respect of that class. Any excess is treated as an expense.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus.

1.17 Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include security deposits lodged to guarantee performance and unclaimed monies (e.g. wages) paid into the trust account by the Council. 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. The monies are disclosed in Note 18 to the financial statements for information purposes only.

1.18 Taxation

Local authorities are exempt from Commonwealth taxation except for Fringe Benefits Tax and Goods and Services Tax ('GST'). The net amount of GST recoverable from the Australian Taxation Office or payable to the Australian Taxation Office is shown as an asset or liability respectively.

The Council is not required to pay payroll tax to the Queensland Government.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 2: Analysis of results by function

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

Year ended 30 June 2016 Functions	Gross program income			Total income	Gross program expenses			Total expenses	Net result from recurring operations	Net result	Assets
	Recurring	Grants	Capital		Recurring	Capital					
	Grants	Other	2016	2016	Other	2016	2016	2016	2016	2016	2016
Corporate services	\$ 2,980,883	\$ 875,774	\$ 1,164,317	\$ 5,020,974	\$ -	\$ 4,243,041	\$ 125	\$ (386,384)	\$ 777,808	\$ 16,960,585	
Engineering services	3,866,947	5,274,967	585,027	9,726,941	-	10,231,304	24,482	(1,089,390)	(528,855)	19,394,154	
Environmental services	175,446	120	-	175,566	-	205,642	-	(30,076)	(30,076)	415,578	
Welfare & social services	2,019,474	92,136	-	2,111,610	-	1,972,684	-	138,926	138,926	5,233,472	
Community & cultural services	390,915	166,792	32,537	590,244	-	1,352,290	-	(794,583)	(782,046)	10,649,810	
Housing	-	520,226	-	1,682,791	1,162,595	495,181	-	25,045	1,187,610	37,991,654	
Public amenities & utilities	33,334	978,379	-	1,011,713	-	1,185,003	-	(173,290)	(173,290)	21,894,140	
Enterprises	667,700	1,299,685	63,039	2,030,424	-	1,131,497	-	835,889	898,928	13,603,168	
Total	10,134,700	9,208,079	1,844,920	22,350,263	1,162,585	20,816,642	24,617	(1,473,863)	1,509,004	126,142,560	

Year ended 30 June 2015 Functions	Gross program income			Total income	Gross program expenses			Total expenses	Net result from recurring operations	Net result	Assets
	Recurring	Grants	Capital		Recurring	Capital					
	Grants	Other	2015	2015	Other	2015	2015	2015	2015	2015	2015
Corporate services	\$ 3,348,117	\$ 643,004	\$ -	\$ 4,408,990	\$ 415,869	\$ 4,214,248	\$ 1,987,254	\$ (223,127)	\$ (1,794,512)	\$ 13,249,634	
Engineering services	685,951	5,474,740	1,868,424	8,029,115	-	8,978,420	-	(2,817,728)	(949,305)	14,559,175	
Environmental services	166,254	4	-	166,258	-	307,191	-	(140,933)	(140,933)	78,977	
Welfare & social services	1,812,029	23,255	35,880	1,871,164	-	1,776,995	-	58,289	94,169	8,208,401	
Community & cultural services	465,478	184,023	13,610	663,111	-	1,524,560	-	(875,059)	(861,449)	11,682,422	
Housing	415,500	384,599	2,673,710	3,453,809	-	538,512	-	241,587	2,915,297	36,812,468	
Public amenities & utilities	667,700	1,055,546	182,600	1,905,846	-	879,488	-	(522,223)	251,777	21,214,747	
Enterprises	7,561,029	8,102,436	5,548,224	21,627,558	415,869	19,287,614	1,987,254	(3,624,149)	352,690	113,001,596	
Total	10,134,700	9,208,079	1,844,920	22,350,263	1,162,585	20,816,642	24,617	(1,473,863)	1,509,004	126,142,560	

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 2: Analysis of results by function (continued)

(b) Components of Council functions

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

Corporate services

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

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

Engineering services

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

Environmental services

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

Welfare and social services

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

- Child care services
- Aged care program
- Home and community care program

Community and cultural services

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

This function includes:

- Libraries
- Cemeteries
- Youth programs
- Training programs
- Traditional arts and crafts

Housing

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

Public amenities and utilities

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

Enterprises

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

	Notes	2016 \$	2015 \$
Note 3: Revenue analysis			
(a) Utility charges			
Community charges			51,948
Water		240,292	92,725
Sewerage		312,291	101,215
Garbage charges		173,161	47,480
		<u>725,745</u>	<u>293,367</u>
(b) Rental income			
Housing, building and land rental		1,678,701	1,171,679
Operating lease income	21	475,333	496,662
		<u>2,154,033</u>	<u>1,668,341</u>
(c) Other recurrent income			
Private works		5,160,704	5,358,623
Art work sales		97,611	90,927
Agency commissions		194,564	133,899
Other income		335,397	170,788
		<u>5,788,276</u>	<u>5,754,238</u>

Note 4: Grants, subsidies, contributions and donations

(a) Recurrent			
General purpose grants (State and Commonwealth Governments)		2,962,042	2,981,248
State Government specific and special purpose grants		5,219,561	2,767,527
Commonwealth Government specific and special purpose grants		1,952,505	1,502,656
Contributions, donations and other grants		591	309,596
		<u>10,134,700</u>	<u>7,561,028</u>
(b) Capital			
State Government capital grants		1,042,908	5,169,504
Commonwealth Government capital grants		637,960	378,720
Contributions, donations and other grants		164,052	-
		<u>1,844,920</u>	<u>5,548,224</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

	Notes	2016	2015
		\$	\$
Note 5: Employee benefits			
Total staff wages and salaries		4,830,621	4,837,279
Councillors' remuneration		295,220	294,938
Annual, sick and long service leave entitlements		566,420	727,767
Superannuation	19	574,694	547,580
		<u>6,266,956</u>	<u>6,407,564</u>
Other employee related expenses		207,861	182,795
		<u>6,474,817</u>	<u>6,590,359</u>
Less: capitalised employee expenses		(53,279)	(66,220)
		<u>6,421,538</u>	<u>6,524,139</u>

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

Total Council employees at the reporting date:

Elected members	5	5
Administrative staff	24	47
Depot and outdoors staff	79	51
Total full time equivalent employees	<u>108</u>	<u>103</u>

Note 6: Materials and services

Administration expenses	1,176,292	1,194,344
Aged care	503,616	454,628
Arts centre	313,585	287,099
Audit services	88,225	37,292
Child care	460,467	379,665
Other materials and services	1,163,886	681,645
Plant operations	320,834	318,365
Private works	3,758,162	3,914,316
Property, building and housing	768,774	994,819
Road works	2,438,560	1,774,428
Technical services	761,158	413,438
Write-down of inventories	247,731	440,492
	<u>12,001,288</u>	<u>10,890,531</u>

Note 7: Capital expenses

Loss on the disposal of non-current assets

Book value of property, plant and equipment disposed	53,244	2,111,344
Less: proceeds from the sale of property, plant and equipment	(28,752)	(124,091)
	<u>24,492</u>	<u>1,987,254</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		\$	\$
Note 8: Cash and cash equivalents			
Cash at bank and on hand		6,081,127	2,602,236
Term deposits - 3 months or less		4,455,048	7,081,119
Balance per Statement of Cash Flows		<u>10,536,175</u>	<u>9,683,355</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		8,507	573,099
Future recurrent expenditure		2,465,329	674,891
Total unspent restricted cash	23	<u>2,473,836</u>	<u>1,247,990</u>

Note 9: Trade and other receivables

Service charge debtors		195,237	18,307
Rent debtors		528,609	257,882
Other debtors		801,500	2,014,769
GST receivable		160,852	-
Less: impairment		(12,034)	(93,920)
		<u>1,674,164</u>	<u>2,197,038</u>

Movement in accumulated impairment losses (other debtors) is as follows:

Opening balance at 1 July 2015		(93,920)	(45,494)
Additional impairments recognised		0	(48,426)
Impairments reversed		81,886	-
Closing Balance at 30 June 2016		<u>(12,034)</u>	<u>(93,920)</u>

The following table represents an analysis of the age of the Council's receivables that are either fully performing, past due or impaired:

30-Jun-16	Fully performing	Past due 30-60 days	Past due 61-90 days	Past due 90+ days	Total
Receivables	617,725	77,241	64,359	766,022	1,525,347
Less impairment	-	-	-	(12,034)	(12,034)
GST receivable	160,852	-	-	-	160,852
Net receivables	778,577	77,241	64,359	753,988	1,674,164

30-Jun-15	Fully Performing	Past due 30-60 days	Past due 61-90 days	Past due 90+ days	Total
	\$	\$	\$	\$	\$
Receivables	968,867	966,301	137,268	218,522	2,290,958
Less impairment	0	0	0	(93,920)	(93,920)
GST receivable	-	-	-	-	-
Net receivables	968,867	966,301	137,268	124,602	2,197,038

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
Note 10: Inventories			
Inventories for sale:			
Miscellaneous saleable items		9,528	13,532
Total inventories for sale		<u>9,528</u>	<u>13,532</u>
Inventories for consumption:			
Plant and equipment stores		594,891	378,769
Less: Provision for slow moving and obsolete materials		(10,000)	(10,000)
Total inventories for consumption		<u>584,891</u>	<u>368,769</u>
Total inventories		<u>594,418</u>	<u>382,300</u>

Note 11: Other financial assets

Current

Finance leases on social housing		804,813	791,461
		<u>804,813</u>	<u>791,461</u>

Noncurrent

Finance leases on social housing		26,383,575	26,025,823
		<u>26,383,575</u>	<u>26,025,823</u>

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

Gross minimum lease payments receivable:			
Not later than one year		804,813	791,461
Later than one year but not later than five years		4,024,066	3,957,307
Later than five years		24,082,297	24,481,031
		<u>28,911,176</u>	<u>29,229,799</u>
Add: Estimated contingent rent		17,081,509	17,938,760
Less: Present value adjustment		(18,804,297)	(20,351,274)
Fair value of lease payments		<u>27,188,388</u>	<u>26,817,285</u>

The fair value of lease payments are receivable as follows:

Not later than one year		804,813	791,461
Later than one year but not later than five years		3,190,797	3,127,611
Later than five years		23,192,778	22,898,212
		<u>27,188,388</u>	<u>26,817,285</u>

Movements in finance leases were as follows:

Opening balance		26,817,285	24,435,653
Add: Initial recognition of new leases		-	2,673,710
Less: Lease receipts		(791,462)	(707,949)
Plus: Gain on revaluation		1,162,565	415,870
Closing balance		<u>27,188,388</u>	<u>26,817,285</u>

The calculation of fair value has included an estimate of average annual CPI increases of 2.5% per annum (2015: 2.5%) and a discount rate of 2.865% per annum (2015: 3.000 %).

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

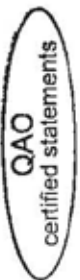
Note 12(a): Property, plant and equipment
For the year ended 30 June 2016

Basis of measurement	Note	Office equipment	Plant & equipment	Buildings and Other Structures	Land	Road, drainage and bridge network	Aerodrome	Sewerage	Water	Capital works in progress	TOTAL
Asset values											
Opening gross value as at 1 July 2015		400,261	5,249,004	55,294,583	-	17,446,285	3,631,831	10,687,437	7,609,207	2,614,790	102,933,398
Additions at cost		-	511,184	1,496,836	475,125	74,418	-	-	-	2,139,677	4,697,240
Disposals	7	(5,898)	(1,673,278)	-	-	-	-	-	-	-	(1,679,176)
Transfers from capital work in progress		-	141,070	861,186	-	1,355,568	-	-	-	(2,357,824)	-
Revaluation adjustment to expenditure (capital)		-	-	-	(125)	-	-	-	-	-	(125)
Revaluation adjustment to asset revaluation surplus		-	-	4,770,923	-	392,746	37,036	186,771	193,587	-	5,581,063
Closing gross value as at 30 June 2016		394,363	4,227,981	62,423,528	475,000	19,269,017	3,668,867	10,874,208	7,802,794	2,396,644	111,532,402
Accumulated depreciation											
Opening balance as at 1 July 2015		267,935	4,300,545	14,459,848	-	8,030,923	131,012	1,353,000	468,514	-	29,011,778
Depreciation provided in period		40,925	252,025	786,683	-	813,562	68,634	200,964	182,403	-	2,345,197
Disposals	7	(5,656)	(1,620,275)	-	-	-	-	-	-	-	(1,625,931)
Revaluation adjustment to asset revaluation surplus		-	-	88,689	-	(3,893,061)	(146,711)	(159,154)	(237,820)	-	(4,348,057)
Accumulated depreciation as at 30 June 2016		303,204	2,932,296	15,335,220	-	4,951,424	52,935	1,394,810	413,097	-	25,382,987
Book value as at 30 June 2016		91,160	1,295,685	47,088,308	475,000	14,317,593	3,615,932	9,479,397	7,389,697	2,396,644	86,149,415
Residual value		-	94,077	-	-	-	-	-	-	-	94,076.92
Range of estimated useful life in years		3-10	1-25	21-172	Indefinite	19-indefinite	33-indefinite	13-120	22-143	-	-
Additions comprise:											
Infrastructure Renewals		-	-	-	-	-	-	-	-	-	-
Other additions		-	511,184	1,496,836	475,125	74,418	-	-	-	2,139,677	4,697,240
Total additions		-	511,184	1,496,836	475,125	74,418	-	-	-	2,139,677	4,697,240

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 12(b): Property, plant and equipment (continued)
For the year ended 30 June 2015

Basis of measurement	Note	Office equipment	Plant & equipment	Buildings and Other Structures	Road, drainage and bridge network	Aerodrome	Sewerage	Water	Capital works In progress	TOTAL
Asset values		\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2014		400,261	5,692,468	57,079,191	11,693,784	3,651,823	7,791,701	3,160,978	14,685,718	104,165,923
Additions at cost		0	0	0	0	0	0	0	3,405,469	3,405,469
Disposals	7	0	(684,695)	(2,200,631)	0	0	0	0	0	(2,885,325)
Transfers from capital work in progress		0	241,230	1,891,949	3,525,308	911,083	2,796,859	6,119,968	(15,486,397)	0
Revaluation adjustment to asset revaluation surplus		0	0	(1,475,925)	2,227,194	(931,075)	98,877	(1,671,740)	0	(1,752,669)
Closing gross value as at 30 June 2015		400,261	5,249,004	55,294,583	17,446,285	3,631,831	10,687,437	7,609,207	2,614,790	102,933,398
Accumulated depreciation										
Opening balance as at 1 July 2014		226,833	4,767,946	7,775,252	3,414,011	1,315,272	1,916,028	2,247,447	0	21,662,790
Depreciation provided in period		41,102	193,849	582,976	398,974	236,434	183,787	40,008	0	1,677,131
Depreciation on disposals	7	0	(661,250)	(112,731)	0	0	0	0	0	(773,981)
Revaluation adjustment to asset revaluation surplus		0	0	6,214,352	4,217,938	(1,420,696)	(746,815)	(1,818,941)	0	6,445,838
Accumulated depreciation as at 30 June 2015		267,935	4,300,545	14,459,848	8,030,923	131,012	1,353,000	468,514	0	29,011,778
Book value as at 30 June 2015		132,326	948,458	40,834,735	9,415,361	3,500,819	9,334,437	7,140,692	2,614,790	73,921,619
Residual value		0	110,674	0	0	0	0	0	0	110,674
Range of estimated useful life in years		3-10	1-25	21-172	12-Indefinite	15 - 115	13.75-150	21.75-120		
Additions comprise:		\$	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure Renewals		0	0	0	0	0	0	0	2,535,955	2,535,955
Other additions		0	0	0	0	0	0	0	869,514	869,514
Total additions		0	0	0	0	0	0	0	3,405,469	3,405,469



AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 13: Fair value measurements

(i) Recognised fair value measurements

Council measures and recognises the following assets at fair value on a recurring basis:

Property, plant and equipment	
- Buildings and other structures	- Sewerage Infrastructure
- Land	- Water Infrastructure
- Road, drainage and bridge network	- Other financial assets
- Aerodrome	

Council does not measure any liabilities at fair value on a recurring basis.

Council has assets and liabilities which are not measured at fair value, but for which fair values are disclosed in other notes. Council borrowings are measured at amortised cost with interest recognised in profit or loss when incurred. The fair value of borrowings disclosed in Note 15 is provided by the Queensland Treasury Corporation and represents the contractual undiscounted cash flows at balance date (level 2).

The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature (level 2).

In accordance with AASB 13 fair value measurements are categorised on the following basis:

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

The below table categorises fair value measurements as either level 2 or level 3 in accordance with AASB 13. Council does not have any assets or liabilities measured at fair value which meet the criteria for categorisation as level 1.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for all of Council's assets, except for the McLeod Street property, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

	Note	Level 2		Level 3		Total	
		2016	2015	2016	2015	2016	2015
		\$	\$	\$	\$	\$	\$
Recurring fair value measurements							
Buildings and other structures	12						
- Non-specialised		940,000	-	-	-	940,000	-
- Specialised		-	-	46,148,308	40,834,735	46,148,308	40,834,735
Land	12	475,000	-	-	-	475,000	-
Road, drainage and bridge network	12	-	-	14,317,593	9,415,361	14,317,593	9,415,361
Aerodrome	12	-	-	3,615,932	3,500,819	3,615,932	3,500,819
Sewerage	12	-	-	9,479,397	9,334,437	9,479,397	9,334,437
Water	12	-	-	7,389,697	7,140,692	7,389,697	7,140,692
Other financial assets	11	-	-	27,188,388	26,817,285	27,188,388	26,817,285
		1,415,000	-	108,139,316	97,043,330	109,554,316	97,043,330

There were no transfers between levels during the year.

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 13: Fair value measurements (continued)

(ii) Valuation techniques used to derive fair values for level 2 valuations

Land

Land fair values were determined by an independent valuer, Herron Todd White, effective 30 June 2016. Level 2 valuation inputs were used to value land in freehold title. Sales prices of comparable land sites in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach was price per square metre.

Buildings (non-specialised)

Where there is a market for Council building assets, fair value has been derived from the sales prices of comparable properties after adjusting for differences in key attributes such as property size. Such buildings have been disclosed above as "non-specialised buildings".

For buildings where a market does not exist, refer to section (iv) below.

The fair value of Council's non-specialised buildings was determined by an independent valuer, Herron Todd White, effective 30 June 2016. The most significant input into this valuation approach was the price per square metre.

(iii) Valuation techniques used to derive fair values for level 3 valuations

General valuation techniques used to value property, plant and equipment

Highest and best use

All assets are valued on the assumption that the highest and best use for that asset is its current use.

Components

All assets are componentised into significant parts which exhibit different useful lives.

Residual values

Except in rare circumstances it has been assumed that an asset's residual value is nil.

Long-life and short-life parts of the component

Typically the service potential of assets are restored through regular renewal. The split between the short-life and long-life parts is based on an assessment of the costs that would be involved to restore the asset back to "as new" if it were ever to reach the "unacceptable level of service" phase due to physical deterioration.

Source of replacement cost data

A range of sources (in order of priority) are used in this regard, including:

- Actual construction or purchase prices for recent projects paid by Council. This may include further enquiries with the supplier to ensure adjustments have been made for any recent price movements. Depending on the complexity of the project it may also involve disaggregating the overall cost into greater detail.
- Appropriate valuer database information where details are kept of actual cost from recent valuation projects that were sourced directly from other clients. Preference is given to nearby locations.
- Rawlinson's Construction Guide or similar guides (such as Cordells)
- Development of costs using first principles, based on a number of models for specific asset types (such as fencing)
- Benchmarking against other valuations

Condition assessments

The physical inspection of an asset is a critical aspect of the valuation process. Apart from confirming condition, the process also involves validation of key attributes such as material type, dimensions, etc. For assets valued using the depreciated replacement cost approach, all were physically inspected at the time of the last "comprehensive" valuation. This included validation of physical dimensions and characteristics.

Relationship between consumption score and level of consumed service potential

The valuation methodology applied includes the development of a consumption profile. The consumption profile provides an objective mechanism to translate the assessed consumption score to an estimate of the depreciated replacement costs taking into account the typical asset lifecycle phases and estimated pattern of consumption of the future economic benefit.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 13: Fair value measurements (continued)

(iii) Valuation techniques used to derive fair values for level 3 valuations (continued)

General valuation techniques used to value property, plant and equipment (continued)

Condition assessments

The physical inspection of an asset is a critical aspect of the valuation process. Apart from confirming condition, the process also involves validation of key attributes such as material type, dimensions, etc. For assets valued using the depreciated replacement cost approach, all were physically inspected at the time of the last "comprehensive" valuation. This included validation of physical dimensions and characteristics.

Relationship between consumption score and level of consumed service potential

The valuation methodology applied includes the development of a consumption profile. The consumption profile provides an objective mechanism to translate the assessed consumption score to an estimate of the depreciated replacement costs taking into account the typical asset lifecycle phases and estimated pattern of consumption of the future economic benefit.

Specific valuation techniques used to value property, plant and equipment

The last "comprehensive" valuation for buildings and infrastructure assets was performed effective 30 June 2015 by APV Valuers and Assets Management. At 30 June 2016, buildings and infrastructure assets were subjected to a "desktop" valuation by APV Valuers and Assets Management.

Buildings (specialised) and Aerodrome

The valuation of buildings (specialised), structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting etc). The location and characteristics of Aurukun make it impossible for buildings located in the Aurukun region to be valued using a market value approach (level 2). As such, all buildings located in the Aurukun region have been valued using the below described method of depreciated replacement cost. Under this approach the cost to replace the asset is calculated and then adjusted to take into account accumulated depreciation. The buildings were disaggregated into different components and for each component a value based on the interrelationship between a range of factors was determined. These included asset condition; legal and commercial obsolescence; and the determination of key depreciation related assumptions such as the pattern of consumption of the future economic benefit.

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component. The unobservable inputs (such as pattern of consumption and (based on the asset consumption score) its relationship to the assessed level of remaining service potential of the depreciable amount) required professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Aurukun Shire Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Aurukun Shire Council's own understanding of the assets and the level of remaining service potential.

Road, drainage and bridge network, sewerage and water infrastructure

All infrastructure assets were valued using level 3 valuation inputs using the depreciated replacement cost approach. This approach estimated the depreciated replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2), other inputs (such as estimates of residual value; useful life; pattern of consumption; and asset condition) required professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Inputs to the valuation include the design and construction, average cost of construction, condition and consumption score for each component. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of Aurukun Shire Council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against Aurukun Shire Council's own understanding of the assets and the level of remaining service potential.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 13: Fair value measurements (continued)

(iii) Valuation techniques used to derive fair values for level 3 valuations (continued)

Valuation techniques used to value other financial assets

Finance leases

The fair value of financial assets (finance lease debtors) are determined at each reporting date by calculating the present value of the expected future

(iv) Changes in fair value measurements using significant unobservable inputs (level 3)

The changes in level 3 assets with recurring fair value measurements are detailed in Note 11 (other financial assets) and Note 12 (property, plant and equipment). However, since the buildings disclosed in those notes comprise both level 2 and level 3 assets, the movement in level 3 non-specialised buildings are detailed below. There have been no transfers between level 1,2 or 3 measurements during the year.

Changes in non specialised buildings (Level 3)	2016
	\$
Opening gross value as at 1 July 2015	55,294,583
Additions	557,431
Disposals	-
Transfer from work in progress	861,186
Revaluation adjustment to asset revaluation reserve	4,770,329
Closing gross value as at 30 June 2016	61,483,528
Accumulated depreciation	
Opening balance as at 1 July 2015	14,459,848
Depreciation provided in period	786,683
Depreciation on disposals	-
Revaluation adjustment to asset revaluation surplus	88,689
Accumulated depreciation as at 30 June 2016	15,335,220
Book value as at 30 June 2016	46,148,308

(v) Valuation processes

Council's valuation policies and procedures are set by the executive management team which comprises the Chief Executive Officer, Chief Accountant, Director of Corporate Services and Director of Technical Services. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policies in relation to the valuation of property, plant and equipment and in relation to other financial assets are set out in note 1.10 and note 1.12 respectively.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

<u>Notes</u>	<u>2016</u>	<u>2015</u>
	\$	\$
Note 14: Trade and other payables		
Current		
Creditors and accruals	3,346,990	1,562,140
Annual leave payable	194,910	259,861
	<u>3,541,900</u>	<u>1,822,001</u>
Note 15: Borrowings		
Current		
Loans - Queensland Treasury Corporation	<u>26,689</u>	<u>26,441</u>
Non-current		
Loans - Queensland Treasury Corporation	<u>687,140</u>	<u>713,559</u>
	<u>713,830</u>	<u>740,000</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	740,000	0
Loans raised	0	740,000
Principal repayments	(26,170)	0
Book value at end of financial year	<u>713,830</u>	<u>740,000</u>

The QTC loan market value at the reporting date was \$786,224.18 (2015: \$744,414). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts. The contracted undiscounted cashflow at balance date is shown below.

	0 to 1 year	1 - 5 Years	Over 5 years	Total
	2016	2016	2016	2016
	\$	\$	\$	\$
Loans - QTC	54,018	216,073	756,256	1,026,348
Total	54,018	216,073	756,256	1,026,348

	0 to 1 year	1 - 5 Years	Over 5 years	Total
	2015	2015	2015	2015
	\$	\$	\$	\$
Loans - QTC	56,804	214,265	803,817	1,074,885
Total	56,804	214,265	803,817	1,074,885

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Notes	2016 \$	2015 \$
Note 16: Asset revaluation surplus		
Asset revaluation surplus		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of financial year	106,338,363	114,536,875
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings and other structures	4,682,235	(7,690,277)
Road, drainage and bridge network	4,285,808	(1,990,747)
Aerodrome	183,747	489,619
Sewerage	345,924	845,691
Water	431,407	147,202
	<u>9,929,121</u>	<u>(8,198,512)</u>
Balance at end of financial year	<u>116,267,485</u>	<u>106,338,363</u>

Asset revaluation surplus analysis

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

Buildings and other structures	90,193,408	85,511,173
Road, drainage and bridge network	16,262,378	11,976,570
Aerodrome	2,593,347	2,409,600
Sewerage	5,321,930	4,976,005
Water	1,896,422	1,465,015
	<u>116,267,485</u>	<u>106,338,363</u>

Note 17: Contingent liabilities

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

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or being 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 of any year that a deficit arises.

As at 30 June 2016 the financial statements reported an accumulated surplus and it is not anticipated that 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 \$129,563.30.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

<u>Notes</u>	<u>2016</u>	<u>2015</u>
	\$	\$
Note 18: Trust funds		
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	206,883	413,404
Security deposits	49,428	49,428
Mission account	641	641
	<u>256,952</u>	<u>463,473</u>

The Council performs only a custodial role in respect of these monies. As these funds cannot be used by the Council, they are not brought to account in these financial statements. These funds are kept and maintained in a separate bank account by Council.

Note 19: Superannuation

The Council contributes to the Local Government Superannuation Scheme (Qld) (the scheme). The scheme is a Multi-employer Plan as defined in the Australian Accounting Standard AASB119 Employee Benefits.

The Queensland Local Government Superannuation Board, the trustee of the scheme, advised that the local government superannuation scheme was a complying superannuation fund for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation.

The scheme has three elements referred to as:

The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund

The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and

The Accumulation Benefits Fund (ABF)

The ABF is a defined contribution scheme as defined in AASB 119. Council has no liability to or interest in the ABF other than the payment of the statutory contributions as required by the Local Government Act 2009.

The Regional DBF is a defined benefit plan as defined in AASB119. The Council is not able to account for the Regional DBF as a defined benefit plan in accordance with AASB119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs. The funding policy adopted in respect of the Regional DBF is directed at ensuring that the benefits accruing to members and beneficiaries are fully funded as they fall due.

To ensure the ongoing solvency of the Regional DBF, the scheme's trustee can vary the rate of contributions from relevant local government employers subject to advice from the scheme's actuary. As at the reporting date, no changes had been made to prescribed employer contributions which remain at 12% of employee assets and there are no known requirements to change the rate of contributions.

Any amount by which either fund is over or under funded would only affect future benefits and contributions to the Regional DBF, and is not an asset or liability of the Council. Accordingly there is no recognition in the financial statements of any over or under funding of the scheme.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 19: Superannuation (continued)

As at the reporting date, the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2015. The actuary indicated that "At the valuation date of 1 July 2015, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date."

In the 2015 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

Under the Local Government Act 2009 the trustee of the scheme has the power to levy additional contributions on councils which have employees in the Regional DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

There are currently 72 councils contributing to the Regional DBF plan and any changes in contribution rates would apply equally to all 72 councils. Aurukun Shire Council made less than 4% of the total contributions to the plan in the 2015-16 financial year.

The next actuarial investigation will be conducted as at 1 July 2018.

The amount of superannuation contributions paid by the Aurukun Shire Council to the superannuation scheme in this period for the benefit of employees is disclosed in Note 5.

<u>Notes</u>	<u>2016</u>	<u>2015</u>
	\$	\$
	574,694	547,580

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

Net result		1,509,004	1,366,754
Non-cash operating items:			
Depreciation and amortisation		2,345,197	1,677,131
		<u>2,345,197</u>	<u>1,677,131</u>
Investing and development activities:			
Net (profit) loss on disposal of non-current assets	7	24,492	1,987,254
(Gain) loss on revaluation of finance leases	11	(1,162,565)	(415,870)
Capital grants and contributions	4	(1,844,920)	(5,548,224)
Finance costs		48,619	
Revaluation decrements		125	
		<u>(2,934,249)</u>	<u>(3,976,841)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	9	522,874	(92,030)
(Increase)/decrease in other operating assets		(212,118)	196,734
Increase/(decrease) in payables	14	1,719,899	(1,931,779)
Increase/(decrease) in provisions		9,110	(28,506)
		<u>2,039,765</u>	<u>(1,855,582)</u>
Net cash inflow/(outflow) from operating activities		<u><u>2,959,717</u></u>	<u><u>(2,788,538)</u></u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 21: Operating lease income (Council is lessor)

The Council has leased the Aurukun General Store to an operator until 2 September 2020. The lease receipts are based on 6% of gross sales calculated for each two month period.

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
		\$	\$
Lease receipts		475,333	496,662

Note 22: Correction of errors

In the process of valuing Council's assets at 30 June 2016 and reconciling Council's income for the period ended 30 June 2016, an error was discovered. Consultation with engineers regarding the restoration road works, relating to flooding and associated rainfall from the Tropical Cyclone Oswald event, 21 - 29 January 2013, were determined to be repairs and maintenance. The related costs had been treated as capital works in progress in previous financial reports. This error has been corrected by adjusting the comparative amounts for 2014-15. The adjustments are as follows:

	<u>Period ended 30 June 2015</u>
	\$
(Increase)/Decrease in material and services expense	(1,014,063)
Increase/(Decrease) in net result	<u>(1,014,063)</u>
Increase/(Decrease) in capital work in progress	(1,014,063)
Increase/(Decrease) in net assets	<u>(1,014,063)</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 23: Tied grants by project

Source of funds and/or projects	Balance 1/07/2015 \$	Revenue \$	Expense \$	Balance 30/06/2016 \$
General purpose grants				
Grants for the whole of Council:				
State government financial aid	-	1,144,614	1,144,614	-
Financial assistance grant	-	1,817,428	1,817,428	-
	-	2,962,042	2,962,042	-
Specific purpose grants				
Wireless CCTV Camera System - PM&C	-	637,960	637,960	-
Closed-circuit television system - DATSIP	-	362,305	728,441	(366,136)
Improvements to Aurukun SES shed	-	-	50,000	(50,000)
SGFA - service delivery fund 2014/15	(18,750)	18,750	-	-
Natural disaster relief & recovery to 2014	(1,260,945)	972,106	(52,222)	(236,617)
Natural disaster relief & recovery 2015	-	2,657,358	1,423,864	1,233,494
Natural disaster relief & recovery 2016	-	623,367	66,990	556,377
TIDS	79,685	-	251,314	(171,629)
Roads to recovery	0	199,143	275,234	(76,091)
Cape York - CIMA	-	-	96,878	(96,878)
Royalties to regions	160,707	-	152,200	8,507.00
ATSI public health	-	154,630	154,630	-
Family income management	66,044	-	-	66,044
Get ready Queensland	-	6,154	-	6,154
Indigenous regional arts development fund	-	15,000	15,000	-
Backing indigenous arts (Arts Qld)	-	62,500	62,500	-
IAC professional development fund	2,174	-	500	1,674
Queensland ANZAC centenary program	(5,553)	4,537	(1,016)	-
NAIDOC family fun run	-	1,000	-	1,000
Domestic and family violence prevention	-	3,000	2,553	447
HACC - transitions (IT)	16,997	-	16,997	-
Aurukun community home help project	-	140,638	140,638	-
Community care services	-	77,025	72,659	4,366
Service system development	-	15,000	15,000	-
Commonwealth home support program	-	281,357	226,491	54,866
Queensland seniors week	-	400	-	400
Home care packages	93,371	475,732	413,720	155,383
Improve workforce sustainability	-	5,480	5,480	-
Cape York jobs packages	-	96,872	96,872	-
Aged care package	304,963	-	153,043	151,920
Broadband for seniors	-	360	360	-
Healthy communities initiative - healthy lifestyles	42,449	-	42,449	-
Indigenous economic development	-	80,000	80,000	-
WCCT - Aurukun swimming pool upgrade	27,273	-	27,273	-
Indigenous knowledge centre	1,239	39,600	34,810	6,029
Refurbishment of indigenous knowledge centre	-	28,000	28,000	-
Tech savvy seniors Queensland program	-	6,100	-	6,100
Koolkan Woyan Min child and family hub program	-	126,507	97,264	29,243
Koolkan Woyan Min hub program - small assets	13,428	-	7,044	6,384
Aurukun playgroup and early childhood learning	68,085	109,013	144,126	32,972
Koolkan Woyan Min child care centre - long day care	-	246,395	243,858	2,537
Child care budget based funding program	-	444,695	360,815	83,880
	(408,831)	7,890,984	6,071,725	1,410,427
	(408,831)	10,853,026	9,033,767	1,410,427

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2016

Note 23: Tied grants by project (continued)

Source of funds and/or projects	Balance 1/07/2015 \$	Revenue \$	Expense \$	Balance 30/06/2016 \$
Specific purpose grants - continued				
Remote airstrip upgrade (Dept of Infrastructure and	75,303	-	75,303	-
Remote airstrip upgrade (Dept of Transport and Main	69,714	-	69,714	-
Sports hall sewer upgrade	-	-	40,615	(40,615)
Water fluoridation assistance	-	33,334	6,666	26,668
Barge landing upgrade	181,360	-	181,360	-
Further upgrade of Wuungkam Lodge	-	63,039	73,169	(10,129)
Revenue replacement program	-	667,700	667,700	-
Indigenous broadcasting program	11,882	-	11,882	-
Arts and craft centre - Cape York job transition in arts	9,194	33,215	3,020	39,389
Indigenous visual arts industry support	-	150,000	150,000	-
Language camps	14,129	-	14,129	-
WCCT - arts and cultural activities	9,992	-	9,992	-
	<u>(37,257)</u>	<u>11,800,314</u>	<u>10,337,318</u>	<u>1,425,741</u>
Add back negative grants	1,285,247			1,048,095
Unspent grant revenue	1,247,990			2,473,836

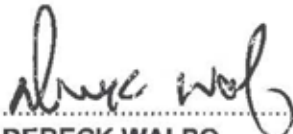
AURUKUN SHIRE COUNCIL
Financial Statements
For the year ended 30 June 2016

Management Certificate
For the year ended 30 June 2016

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

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

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 34, 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.


.....
DERECK WALPO
Mayor

Date: 29/11/2016


.....
BERNIE MCCARTHY
Chief Executive Officer

Date: 29/11/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Aurukun Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Aurukun Shire Council, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Financial Report

The Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Local Government Act 2009* and *Local Government Regulation 2012*, including compliance with Australian Accounting Standards. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of Aurukun Shire Council for the financial year 1 July 2015 to 30 June 2016 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G Strickland



C G STRICKLAND CA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL
FINANCIAL SUSTAINABILITY STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

AURUKUN SHIRE COUNCIL
Financial Statements
For the year ended 30 June 2016

Current year financial sustainability statement

Certificate of Accuracy for the current year financial sustainability statement

Independent Auditor's Report on the current year financial sustainability statement

Long-term financial sustainability statement

Certificate of Accuracy for the long-term financial sustainability statement

AURUKUN SHIRE COUNCIL
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

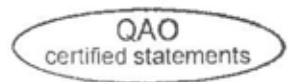
Measures of Financial Sustainability

Council's performance at 30 June 2016 against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-8%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	0%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-48%	not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2016.

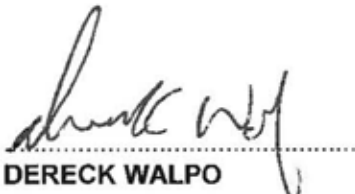


AURUKUN SHIRE COUNCIL
Current-year Financial Sustainability Statement
For the year ended 30 June 2016

AURUKUN SHIRE COUNCIL
Certificate of Accuracy for the current year financial sustainability statement
For the year ended 30 June 2016

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.


.....
DERECK WALPO
Mayor

Date: 29/11/2016


.....
BERNIE MCCARTHY
Chief Executive Officer

Date: 29/11/2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Aurukun Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Aurukun Shire Council for the year ended 30 June 2016, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

The Council's Responsibility for the Current-Year Financial Sustainability Statement

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

Auditor's Responsibility

My responsibility is to express an opinion on the current-year financial sustainability statement based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. 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.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

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 2016, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, attention is drawn to Note 1 which describes the basis of accounting. The current-year financial sustainability statement has been prepared in accordance with the *Financial Management (Sustainability) Guideline 2013* for the purpose of fulfilling the Council's reporting responsibilities under the *Local Government Regulation 2012*. As a result, the statement may not be suitable for another purpose.

Other Matters - Electronic Presentation of the Audited Statement

Those viewing an electronic presentation of this special purpose financial report should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

C G STRICKLAND CA
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2016

Measures of Financial Sustainability	Measure	Target	Projected for the years ended									
			Actuals at 30 June 2016	30 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-8%	-4.08%	-5.71%	-7.50%	-7.28%	-7.06%	-6.85%	-6.64%	-6.43%	-6.23%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	0%	72.14%	95.92%	97.97%	100.08%	102.25%	104.49%	106.80%	109.17%	0.00%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-48%	-47.14%	-69.30%	-57.17%	-56.25%	-55.35%	-54.48%	-53.62%	-52.78%	-51.96%

Council

Aurukun Shire Council's Financial Management

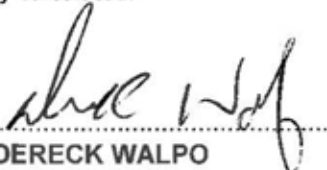
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial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

AURUKUN SHIRE COUNCIL
Long-term Financial Sustainability Statement
For the year ended 30 June 2016

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

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.


.....
DERECK WALPO
Mayor

Date: 29/11/2016


.....
BERNIE MCCARTHY
Chief Executive Officer

Date: 29/11/2016

Annual Report Feedback

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

Acknowledgement of Photographs

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

For next year's annual report, Council is looking for photographs which truly represent the heart of the Shire and its people. Aurukun Shire has many unique features and young and old photographers are encouraged to contribute images of its people at play and work plus our beautiful scenery. Any chosen photos will be acknowledged in the report.

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GST Registered: Yes (01/07/2000)

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Facebook: <https://www.facebook.com/AurukunShireCouncil>



aurukun.qld.gov.au

