



Aurukun Shire Council

2010/11 Annual Report

CONTENTS

04	Message from the Mayor
06	Aurukun Shire Profile
20	Message from the Chief Executive Officer
22	Message from the Chief Financial Officer
24	Message from the Chief Operating Officer
26	Wik & Kugu Arts & Crafts Centre
30	Koolkan Child Care Centre
32	Aurukun Day Respite Centre (HACC)
34	Our Country
36	Wik Projects Ltd
38	APN Cape York
42	Community Financial Report
46	Statutory Requirements
50	Organisational Charts & Staff Lists
54	Annual Financial Statements

Cover Photo Credits (clockwise from top left):

Bauxite and kaolinite cliffs near South of Embley Mine site :: Kerry Trapnell

Susie Yunkaporta and Peace Woola collecting pandanus leaves for weaving :: Kerry Trapnell

Dancers in Aurukun :: Aurukun Wetland Charters



Freshwater Creek Mouth :: Kerry Trapnell



Sunset through hand-woven net :: Kerry Trapnell



Waterbirds, Aurukun Wetlands :: Kerry Trapnell



MESSAGE FROM THE MAYOR

2010 to 2011 has been another very busy year for Aurukun Shire Council. Council has again worked hard to secure as much funding as we could for the many projects we wish to complete.

As in previous years Council has been faced with increased demands for maintenance expenditure and for capital investment in infrastructure such as roads, water and sewerage. Additionally, past financial management practices were reviewed so that they can be improved for the benefit of the community. It is pleasing to see that Council has been presented with an unqualified audit report from the Queensland Audit Office indicating that Council's financial and operational processes are to a high standard.

During 2011 the long overdue infrastructure upgrade commenced and will be completed in 2012. This is a major project addressing our aging infrastructure and bringing it up to a superior standard as expected by our community residents. \$11.5m has been allocated by the State Government for this upgrade and will see increased water pressure, improved solid waste handling and emergency standby equipment that will ensure that services are maintained at all times. My goal, which is shared by my fellow Councillors, is to see the major infrastructure works proceed and be completed by 2012 with a Council back in shape and financially strong. Council has received a positive response for the construction of a new aged care facility with preliminary investigative works beginning towards the end of the financial year. It is anticipated that this \$4.5m project will commence construction in 2012 and will meet the current and future needs of the elderly in our community. There is, however, a lot of work to be done during the investigation phase which should be completed by the end of 2011.

It was disheartening to be advised that the long awaited Aurukun Bauxite Resource mine would not be going ahead. We wait patiently for a positive outcome regarding our bauxite resource as the mine will generate a broad range of opportunities for Aurukun residents from business/enterprise development, long term employment

and training. Council will be actively pursuing the establishment of the mine into the coming year to ensure that these opportunities come to fruition.

Council, in partnership and consultation, has worked with the State, Commonwealth and Cape York Partnerships in developing the Local Indigenous Partnership (LIP) agreement so that it reflects fully the community's aspirations. This has been a long drawn out process and it is hoped that the final signing will be achieved in the near future.

Although it has taken some time actions and priorities within the LIP have been progressed and in many cases completed. I wish to extend my own and my Council's appreciation to the State and Commonwealth Governments, Cape York Partnerships and Cape York Institute for their efforts in extending the Cape York Welfare Reform trial for the next twelve months. This is promising and bodes well for the future once the LIP is signed and reviewed regularly for compliance.

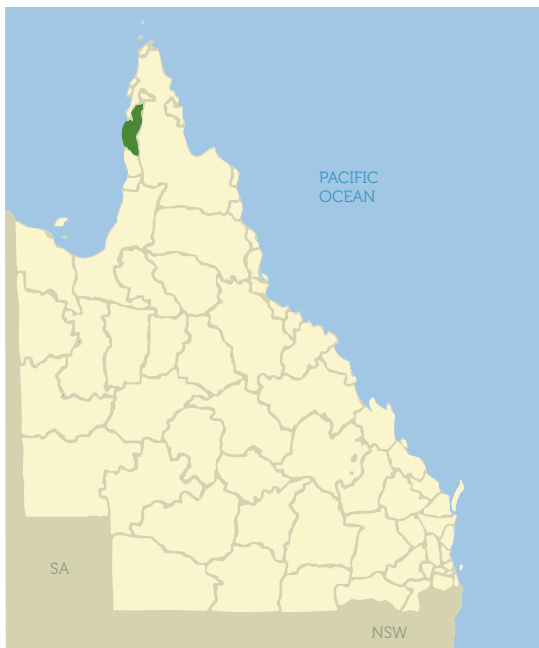
In closing I would like to thank and congratulate my fellow Councillors for their dedication and commitment in advancing Aurukun in a positive and effective way – Deputy Mayor Phyllis Yunkaporta, Cr. Jonathan Korkaktain, Cr. Angus Kerindun and Cr. Patrick Koongotema. Also thanks must go to the Chief Executive Officer and Staff of Aurukun Shire Council for their support and on-going commitment in meeting the needs of the community. Finally I thank the community for their support and commitment to the development of the Shire as they are the true beneficiaries of Aurukun Shire Council's endeavours to make Aurukun a safe and vibrant community for all.

Cr. Neville Pootchemunka
Mayor



AURUKUN SHIRE PROFILE

The Aurukun Shire is a very remote area of Queensland which is starkly different to most other Queensland shires. Its community is among the most disadvantaged in Australia but it has outstanding potentials for growth and prosperity.



Queensland - Aurukun Shire Shaded Green

LOCATION

The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 178km (2hrs 30mins) by road south of the mining town of Weipa and 811km (11hrs) from Cairns. Nearly the entire population (99.6%) lives within the township.

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

REMOTENESS

The Accessibility/Remoteness Index of Australia (ARIA) rates Aurukun in the highest category of remoteness. Aurukun is rated as:

5 *Very Remote (ARIA score >9.08 - 12) - very little accessibility of goods, services and opportunities for social interaction.*

The ARIA rating is based on road distance. It does not recognise: the low rate of vehicle ownership in the community; the half year annual road closures due to flooding and also cultural barriers limiting residents' access to goods, services and opportunities for social interaction.

The alternative to road access, air travel, is expensive. A return flight to Cairns costs nearly \$1,000.

SERVICES AVAILABLE IN AURUKUN

Aurukun has the following services available to residents and visitors:

- » Post Office Agency
- » Bendigo Bank Agency
- » Aurukun Primary Health Care Centre - supported by the Royal Flying Doctor Service
- » Island & Cape General Store
- » School P-10 (Koolkan Campus of the Cape York Aboriginal Australian Academy)
- » Koolkan Early Childhood Centre and Family Support Hub
- » Airport and Skytrans agency - daily weekday flights from and to Cairns

AURUKUN IS A WELFARE REFORM COMMUNITY

Aurukun is one of only four Welfare Reform Communities in this State. Possession of alcohol within the Shire is illegal and Family Income Management is applied to families who do not satisfy certain criteria related to child care, home maintenance and good order.

The school community adopted new programs and transitioned in 2010 to a new education model based on the principles of direct instruction teaching. Since 2007-08 the average rate of school attendance has risen from 37.9% to about 80% in first term 2011.



AURUKUN SHIRE POPULATION

The graphs below are based on published ABS Census 2006 data. They contrast statistics from the Aurukun Indigenous Community, the Aurukun Non-Indigenous Community and the whole Queensland population.

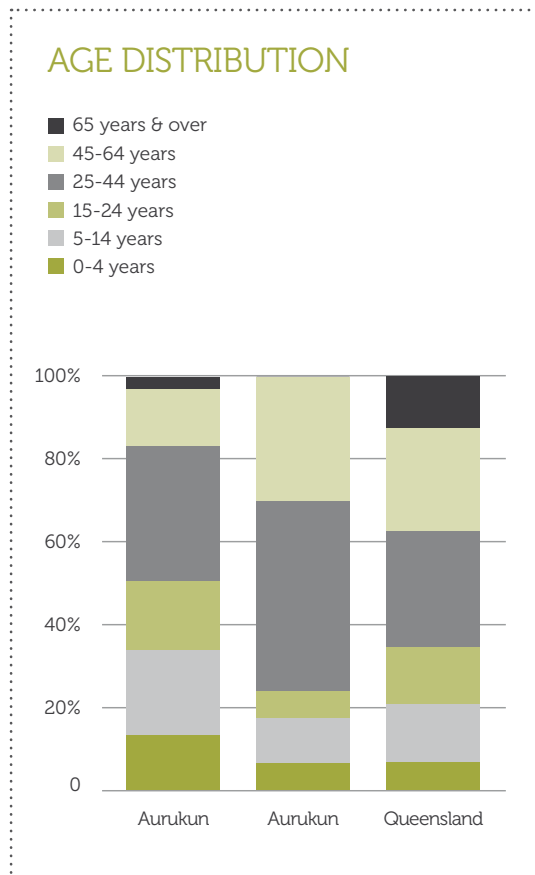
There are interesting contrasts in relation to age distribution, especially:

- » The very young age of the Aurukun Indigenous population;
- » The relative size of the "working age" and "dependent age" populations (comparing those aged between 15 and 64 with the sum of the younger and older age-groups); and
- » The relative size of the "elder" age-group (those aged 45 or more compared with the younger age-group).

The Aurukun Non-Indigenous population primarily comprises persons recruited into the area for a specific job. In most cases the characteristics of this group are closer to the "Queensland" population than the 'Aurukun Indigenous' population.

AGE DISTRIBUTION

Over 50% of the Aurukun population was under 25 in 2006, compared to less than 35% of the Queensland population. On the other hand less than 17% of the Aurukun population was over 44 years of age compared to over 37% of Queenslanders. Only 3.07% of the Aurukun population was over 65 years of age, compared to 12.37% of Queenslanders.



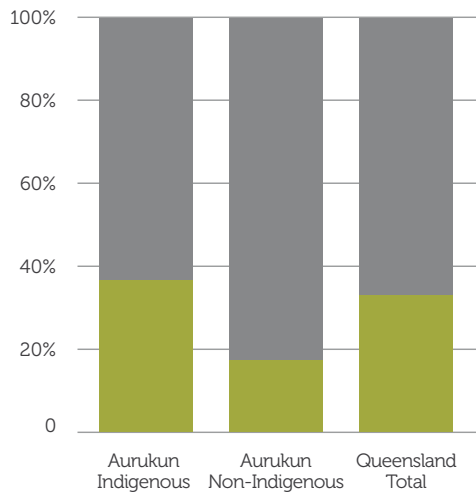


WORKING & DEPENDENT AGE-GROUPS

The "working" age-group of persons 15 to 64 years of age were a slightly bigger proportion of the Queensland population than of the Aurukun population (66.98% compared to 63.22%).

WORKING & DEPENDANT AGE GROUPS

- Working age group; 15-65 years
- Dependant age group; 0-14 years & 65+ years

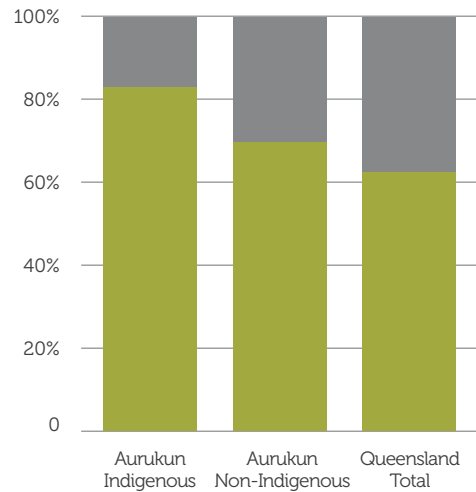


ELDER AGE-GROUP

The "Elder" age-group, persons of or over 45 years of age, comprises a demographic that typically plays a major role in leading the community, whether in business, government or domestic situations. Due to the early age at death of local Indigenous people, this cohort is seriously depleted (16.96% compared to 37.39%). The community's economic, social and emotional problems are made harder to deal with as a result of this deficiency.

ELDER AGE GROUPS

- 45+ years
- 0-44 years



01. Aurukun Township ::
Corey Roderick

02. Waterbirds & Pandanus ::
Kerry Trapnell

02



SHIRE HISTORY

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



Replica of the Dutch ship Duyfken :: Jenny Harris

In 1605 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.

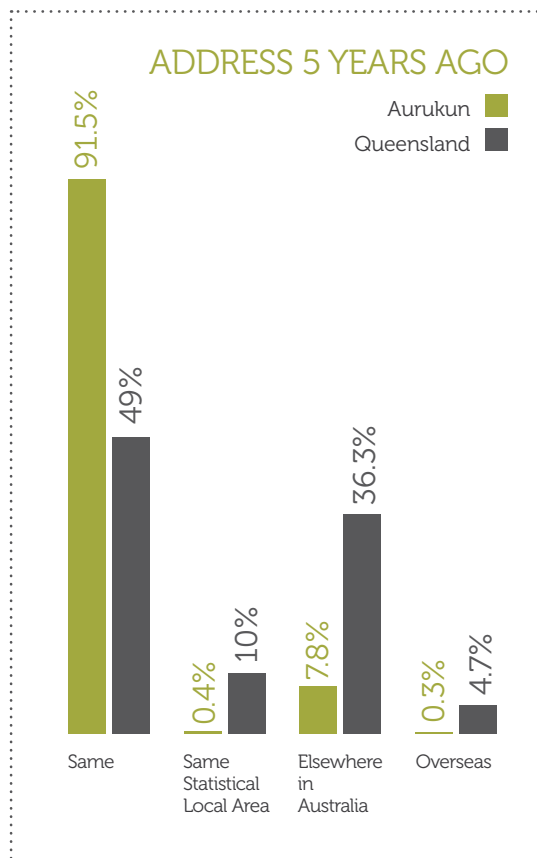
Aurukun was established as a Presbyterian mission (formerly known as the Archer River Mission Station) in 1904. Aboriginal people were relocated from large surrounding areas to the mission settlement over several decades. Today's township is on the site of the original mission.

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.

POPULATION

Aurukun is one of the larger communities in the Cape with a population of approximately 1200. Most residents are Traditional Owners of the Shire and surrounding lands. There are 5 spiritual clan groups: Apalech, Winchanam, Wanam, Chara and Puutch. There are 15 outstations that are occupied during the dry season.

One feature in common with many other Indigenous communities is a very stable (immobile) population. Many Aurukun residents have little opportunity to move away from the area - many lack recognised education or training and to do so would also deprive them of their family and clan supports.



CLIMATE

Aurukun experiences extreme heat and has an annual wet season with very high temperatures and rainfall. The average maximum temperature is 32.3°C and the average minimum is 21.8°C. The average annual rainfall is approximately 1.77 metres. Most of this falls between December and March.

As Aurukun is in the cyclone area of Queensland it has a cyclone season from November to May each year.



CHALLENGES WE FACE

SIZE

The Shire comprises some 7,500 square kilometres. There are 15 outstations to manage and a range of plant and animal pests.

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

The Council provides housing within Aurukun with a stock of 182 community houses and 16 staff houses.

The new federally funded 10 year housing programme commenced this year. The Federal Government has allocated money to the Queensland State Government to build 91 houses and complete 247 refurbishments over the next 10 years in Aurukun. This will have a significant impact on the current level of overcrowding in community housing. The Remote Indigenous Land and Infrastructure Program Office assists in removing impediments that may impact on the program. This program will relieve overcrowding and facilitate social and economic development in Aurukun.

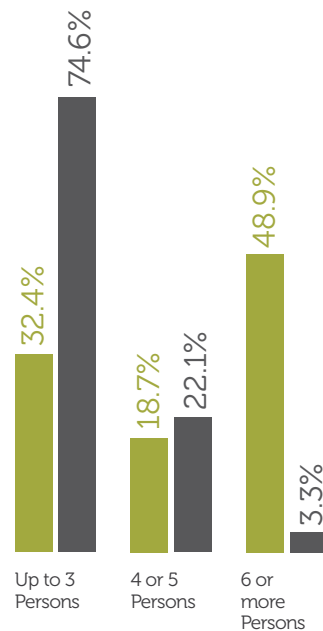
Houses are closed by the relatives for cultural reasons upon the passing of a resident. After a Council-prescribed rent free period of up to three months an Opening Ceremony is held. The five clan groups come together at the opening to celebrate this event with traditional dancing and a smoking ceremony. After this ceremony the family returns to reside within the house.



Aurukun Access Road :: Kristine Japp

HOUSEHOLD CROWDING

■ Aurukun
■ Queensland





SOCIO-ECONOMIC STATUS & DISADVANTAGE

Socio-economic Indexes for Areas (SEIFA) is a suite of four summary measures that have been created from 2006 Census information. The indexes can be used to explore different aspects of socio-economic conditions by geographic areas.

For each index, every geographic area in Australia is given a SEIFA number which shows how disadvantaged that area is compared with other areas in Australia. Aurukun is rated in the poorest 5% of communities Australia-wide. The 34 discrete Indigenous Queensland communities rank below all 123 other Queensland local government areas and Aurukun is the 11th lowest ranking among them.

Tables opposite are based on ABS Census 2006 data. 'Workforce Participation' statistics deserve special comment. Most of those shown as 'Employed Part-time' were employed on the Community Development Employment project earning little more than basic unemployment benefits. Large numbers recorded as 'Not in Workforce' is partly explained by higher than usual health issues. However, if employment was readily available it might be expected that many of these people would move into the workforce.

Full-time employed people in Aurukun totalled 35.25% percent of those actually in the workforce: those unemployed and part-time employed totalled 64.75% of those actually in the workforce. It is not possible to say what proportion of those in full-time employment were non-Indigenous people but it is probable that about one third of those in full-time employment were drawn from the non-Indigenous population.

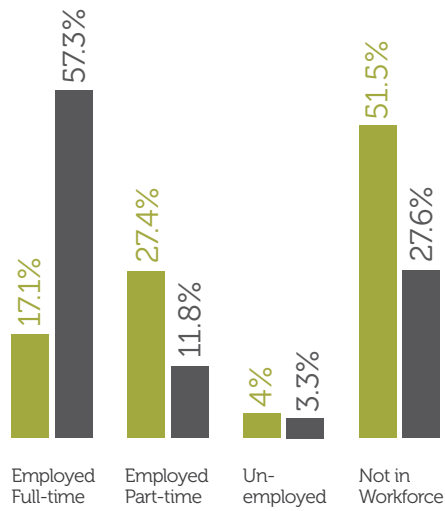
Main Photo :: An armload of pandanus leaves for weaving :: Kerry Trapnell



WORKFORCE PARTICIPATION

Persons over 15 years of age

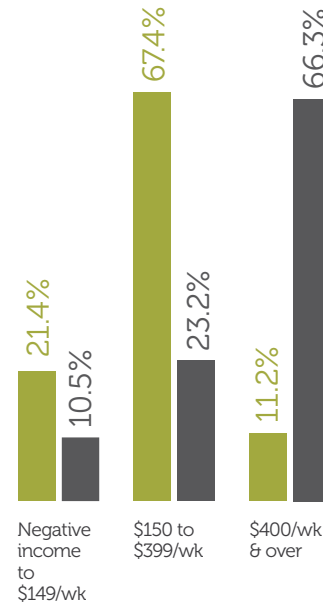
■ Aurukun
■ Queensland



GROSS INDIVIDUAL INCOME

Persons over 15 years of age

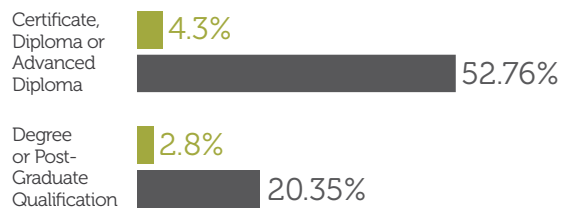
■ Aurukun
■ Queensland



QUALIFICATIONS

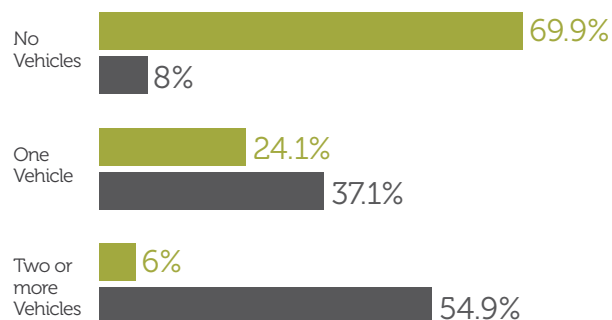
% of workforce holding:

■ Aurukun
■ Queensland



MOTOR VEHICLES PER HOUSEHOLD

■ Aurukun
■ Queensland





Weaving :: Aurukun Wetland Charters



AURUKUN HAS A RARE CULTURE

The traditional homelands of the Wik, Wik Way and Kugu people lie in and around the Aurukun Shire. The community is rich in traditional cultural practices. The predominant language is Wik Mungkan with remains of other dialects still spoken. English is taught in the school.

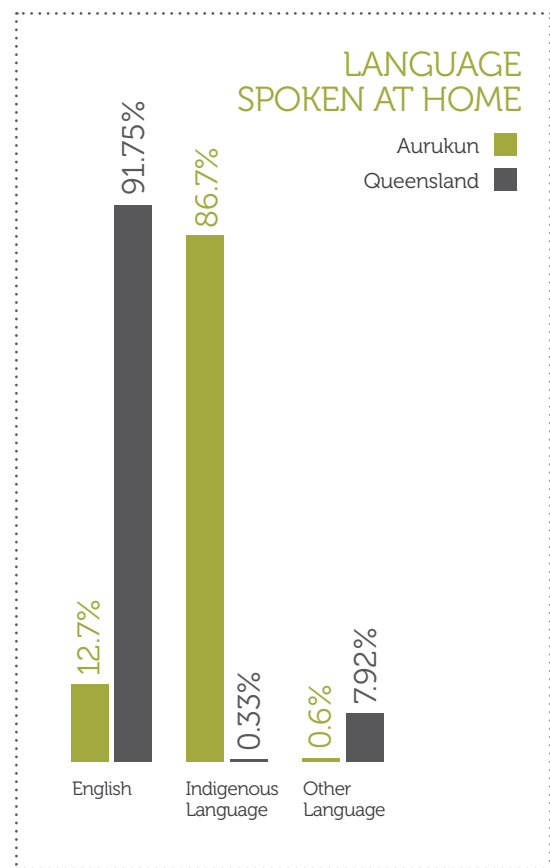
Based on the 2006 Census, 93.7% of the population is Indigenous (3.5% of the Queensland population is Indigenous). Furthermore Aurukun is deeply linked to its traditional culture - 86.7% of the population speaks a traditional Indigenous language at home. This is rare in the Queensland Aboriginal population - only 5.3% of the total Queensland Indigenous population speaks a traditional Indigenous language at home. Traditional culture in the Aurukun community was not deliberately undermined (for example by prohibition of speaking of the native tongues) as it was in most other communities.

Occupation of traditional lands (the outstation movement) has been inhibited by the lack of wet season transport options and by lack of institutional support in recent years. Now, however, traditional owners are receiving strong support from their corporation Aak Puul Nganttam which is placing a strong emphasis on outstation development and sustainability.

The local residents are the creators of stunning arts and crafts now held in high esteem and displayed in prominent museums and galleries around the country and across the World.

Traditional house opening ceremonies take place in Aurukun regularly - they are moving events to witness.

Aurukun is one of the very few remaining places where visitors can immerse themselves in the Aboriginal heritage and learn about the culture from the people, firsthand.



CREATIVITY WITHIN TRADITION

The house opening ceremonies of Aurukun are drawn from ancient tradition, from when people camped in the bush on their traditional lands in temporary shelters.

Traditionally, access to the camp area in which someone had died could be "closed" for up to 2 years. Eventually a ceremony would be held near that place shortly before the wet season to send the deceased person's spirit back to his or her traditional lands and to set the place right for people to live in again. The immediate family and the in-laws of the deceased would hunt and gather food for a large feast and groups from other clans would be invited to participate. Those who came, all well dressed and decorated, would demonstrate their condolences to the close family in moving expressions of grief.

People live in different circumstances today. The people have the benefit of permanent modern homes. However, with a high level of overcrowding in community housing, homes in which people die may now be closed for only three months - that is a family decision. Families still play the same role in arranging and catering for the ceremonies but store-bought food is provided. Songmen and traditional instruments support traditional dances but recorded music is also played. Songs and dances directly address the spirit of the deceased, assuring it of continuing remembrance. Many different groups dance, each group in a distinctive and colourful costume. The ceremonies serve to remind the people of their traditional culture and traditional lands. In the final part of the ceremony the close family return to the home where the death occurred. Ironwood leaves are burned and drive away the spirit so that it does not haunt the children.

Aboriginal people have been described as living in an "intercultural space". Whilst there is deep attachment to land and traditional culture, many of the parameters of daily life are set by the dominant "mainstream" culture and many of the traditional economic and social contexts and supports are lacking. The people of Aurukun show the continuing capacity to adapt traditional cultural expression in a way that preserves its viability. This is shown in the house opening ceremony. It is also shown in the continuing development of the Aurukun artistic tradition.

Whilst still producing traditional carvings and weaving of exquisite design, the artists and craftspeople of Aurukun have adopted new media and techniques to produce a wider variety of sensitive and appealing works. Their repertoire now includes "Ghostnets" weaving using the discarded prawn nets that cause real damage to fish, turtles, dugong and dolphins while drifting and which ultimately wash up on the beaches. There is also a growing new tradition of painting on canvas, especially by Aurukun women. Other new media including linocuts and silkscreen printing are being trialed and it is apparent that there is a powerful impetus behind the Aurukun artistic movement. Even with these changes it is still the case that almost every Aurukun art piece reflects an element of traditional culture.



House Opening Ceremony :: Jane Karyuka



Men Dancing in House Opening Ceremony ::
Jane Karyuka



Youths painted up for dance in House
Opening Ceremony :: Jane Karyuka



01



02



03

- 01. Mining Bauxite :: Rio Tinto Alcan
- 02. Beef Cattle :: Kerry Trapnell
- 03. Construction Industry Aurukun :: Terry Bartholomeusz, ITEC Employment
- 04. Aurukun Wetlands :: Aurukun Wetland Charters



04



AURUKUN'S ECONOMIC POTENTIALS

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. The community needs access to core skills and vocational training.



Opportunities exist in:

- » **ECO-CULTURAL TOURISM** - supported by the large and pristine areas of the Shire with rare ecological values, the strong traditional culture and arts and crafts industry of the community;
- » **DEVELOPMENT OF ROADS AND TRANSPORT SERVICES** - supporting outstations and production of beef and other agricultural, forestry, fishing and aquacultural products;
- » **MINING** - in direct employment, in service industries to support mining operations, and in the clearing and rehabilitation of the land mined. The Rio Tinto Alcan mine about 15km from Aurukun will commence operations in 2013. A second "Aurukun" mine is expected to also be established in the next few years. These mines will bring employment and many other benefits to the Shire;
- » **EMPLOYMENT IN CONSTRUCTION** - approved and anticipated infrastructure development in the coming years includes: 91 new community dwellings over 10 years; 247 dwelling refurbishments; upgrading of the water supply, sewerage and waste disposal at a cost of \$11.5m; the development of a major art complex; a new 'business precinct' including office space and up to 6 new commercial premises; refurbishment of the indoor recreation hall; construction of a barge landing ramp; construction of a new training centre; and refurbishment of the former Three Rivers Tavern as a multipurpose (social, cultural and entertainment) Centre;
- » **IMPROVED RETAIL AND SERVICE BUSINESSES**
- » **EMPLOYMENT IN NATURAL AND CULTURAL RESOURCE MANAGEMENT** - Council is supporting establishment of a Land & Sea Management Office for the Shire, staffed by a Coordinator and Rangers with Government funding and a Traditional Owner board.



Fruit of the Peanut Tree (Mippiy) :: Kerry Trapnell



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to report on the operational performance of Aurukun Shire Council for the 2010/2011 financial year.

During the year there has been a continuation of the development of the Council and staff, including governance, capacity building and financial management programmes and activities. This development included Councillors and senior staff participating in the Local Government Association of Queensland's training programmes and those sponsored by various Government Departments.

All staff contributed to improving Council's governance and statutory and financial reporting, Council's continued attention to improving fiscal management and as such its financial position.

Council has actively participated in the local government asset program which will assist in developing and implementing Council's Asset Management Plan, including the adoption of an Asset Management Policy and supporting strategy. This will place Council in a good position for the introduction of a long term asset management structure that will ensure improved useful life expectations of Council infrastructure and assets.

Council staff were actively involved with providing proactive support for residents during the year particularly for social housing responsive maintenance. The Aurukun Community Plan has been completed in draft form with the final document to be circulated for community consultation during 2011/2012. Inspections of the Council's road infrastructure resulted in a lodgement for funding

through the NDRRA and the commencement of remedial and improvement works which provided important relief for the community. Council has had continued success in receiving external funding assistance for infrastructure developments for the community. This included the commencement of the \$11.5m Indigenous Environmental Health Improvement Program which is aimed to upgrade and improve Council's water, sewerage and waste disposal infrastructure. This included a successful in-house bid by Council for the development of playground and park land on Bowenda and Kleidon Drives all of which will be completed in 2011/2012. All of these developments and improvements will make a significant contribution to the economy and lifestyle within Aurukun Shire.

I would like to thank the staff for the support they gave me and their dedication, hard work and commitment which assisted the Council to achieve the results of the 2010/2011 year. May I take the opportunity to thank the Mayor, Councillor Neville Pootchemunka and the Councillors for their continued guidance and support of the staff during 2010/2011. The cooperation and assistance provided to Council by the Local Government Association of Queensland and the Queensland Government, in particular the Department of Local Government and Planning, is acknowledged. I would also like to thank the Aurukun Shire community for their active participation in the Council's programmes.

John R Japp BBus. MEd. CEng. MIMarEST
Chief Executive Officer



MESSAGE FROM THE CHIEF FINANCIAL OFFICER

This Annual Report provides information on the results and achievements of the Council over the past 12 months. The Council achieved strong results and remains in a good and healthy financial position as at 30 June 2011.

The Council responded well to the difficulties and challenges of the 2010/2011 financial year and has continued to focus on providing effective and accountable financial services through the following strategies:

- » Timely financial planning for Council's operations;
- » Achieving and maintaining financial responsibility by development and review of budgets and monthly reporting on its financial results and achievements;
- » Compliance with legislation and contractual obligations and meeting time frames and deadlines;
- » Actively seeking external funding and other revenue sources to finance its operations due to limited available revenue;
- » Striving for economic and financial sustainability.

Council is working hard in the delivery of services of a high quality and standard to the community and achieving its goals and objectives. Council recorded an operating surplus of \$2.5m before depreciation. The Council does not fund the depreciation of assets as it is mainly dependant on grant funding to fund its operations and replace assets. Grants and subsidies were again significant sources of revenue for the Council and made up 70% of the total revenue received. During the year \$15.3m was spent on operations. Employee costs made up 27% and materials and services 57% of the total expenditure for the year.

Council's assets are \$126.6m while the liabilities are \$1.1m leaving the Council in a strong position with community equity of \$125.5m as at 30 June 2011.

Council during the year maintained its assets to the best of its ability with available funds. Funding has been secured for the upgrade of the water and sewerage infrastructure and this project will commence in the near future. During the financial year new assets of approximately \$3m were acquired. Major capital works that have been undertaken and are completed or close to completion are the construction of the Village Opportunity Hub and extensions to the Health and Well Being Centre.

The construction of the Business Precinct is ready to proceed, dependant on finding additional funding.

It is believed these assets will make a huge difference and will improve and expand on the delivery of quality services to the community.

During the year Council also recorded an impairment loss of \$1.9m to its roads infrastructure assets. This loss arose from flood damage caused to the roads. Funding has been obtained and works to restore the assets to their original condition has already commenced. One of the biggest challenges facing Council is the recruitment and retention of staff. The Council remains committed to recruiting and retaining the best available staff as it believes the quality and effective and efficient performance of its staff has a direct impact on the quality and standard of services provided to the community.

It is a goal of the Council to provide a safe and healthy workplace to its workforce, adequately reward staff for their efforts and contributions and offer career development opportunities.

Finally I would like to thank councillors, management and staff for their continued support, commitment and dedication. They have made a significant contribution in achieving excellent results and ensuring the delivery of high standard and quality services to the community of Aurukun.



Barry Bonthuys
Chief Financial Officer



Chief Financial Officer
Barry Bonthuys

23



Children Playing at Low Tide :: Kerry Trapnell



A Spectacular Sunset :: APN Cape York



MESSAGE FROM THE CHIEF OPERATING OFFICER

In presenting this Annual Report I acknowledge the Elders and Traditional Owners of the Aurukun Shire. As 2011 was the global centenary of the first International Year of Women I acknowledge the many women in our workforce and the invaluable contribution they have made.

The Aurukun Home and Community Care program provides a safe and caring place for the elderly of Aurukun to receive healthy and nutritious meals. Clients are also supported in activities such as creating art works, fishing and socialising.

Funding from State and Federal agencies has been sourced to replace the old and unsuitable building. It has also enabled the purchase of electric scooters to increase the mobility and independence of clients and the purchase of two freezers to store food over the wet season.

The Koolkan Early Childhood Centre provides a safe and caring place for the very young children of working parents and others as space permits. Without this service to free adults up for employment Council and other agencies could not operate effectively.

Funding has been received to expand the kitchen cooking area that will enable staff to provide better nutritious meals to the children. A major upgrade of the Centre is planned for 2012.

A special acknowledgement must be made of Jane Karyuka who will be leaving Aurukun and the Centre at the end of 2011 after many years of service to the Community and Council.

An adjunct to the Child Care centre is the Targeted Parenting Programme and the Locational Playgroup both of these functions assist young parents with the responsibility of parenthood for the first time.

For many years Aurukun has been without an effective Ranger programme. Thanks to a substantial grant from the State we have been able to recruit a Bio Cultural/Ranger Coordinator who has developed a core group of men and women rangers. Initial activities centre around setting up an operational centre, developing a cattle and feral horse control program, replacing/renewing old fencing and training the rangers in safety procedures, weed control and vehicle use. It is envisaged the rangers will be able to monitor illegal activities up and down the coastline of Aurukun Shire.

Aurukun Shire Council was the recipient of a substantial grant from the Federal Government to develop a Healthy Communities Initiative (the only Indigenous Council in Australia to do so). This project will be implemented over the next two years. Our first challenge is to recruit a suitable Coordinator who will work to get people more active and eating more healthily.

Council has continued to carry out repairs and maintenance to our housing under the direction of Q Build.

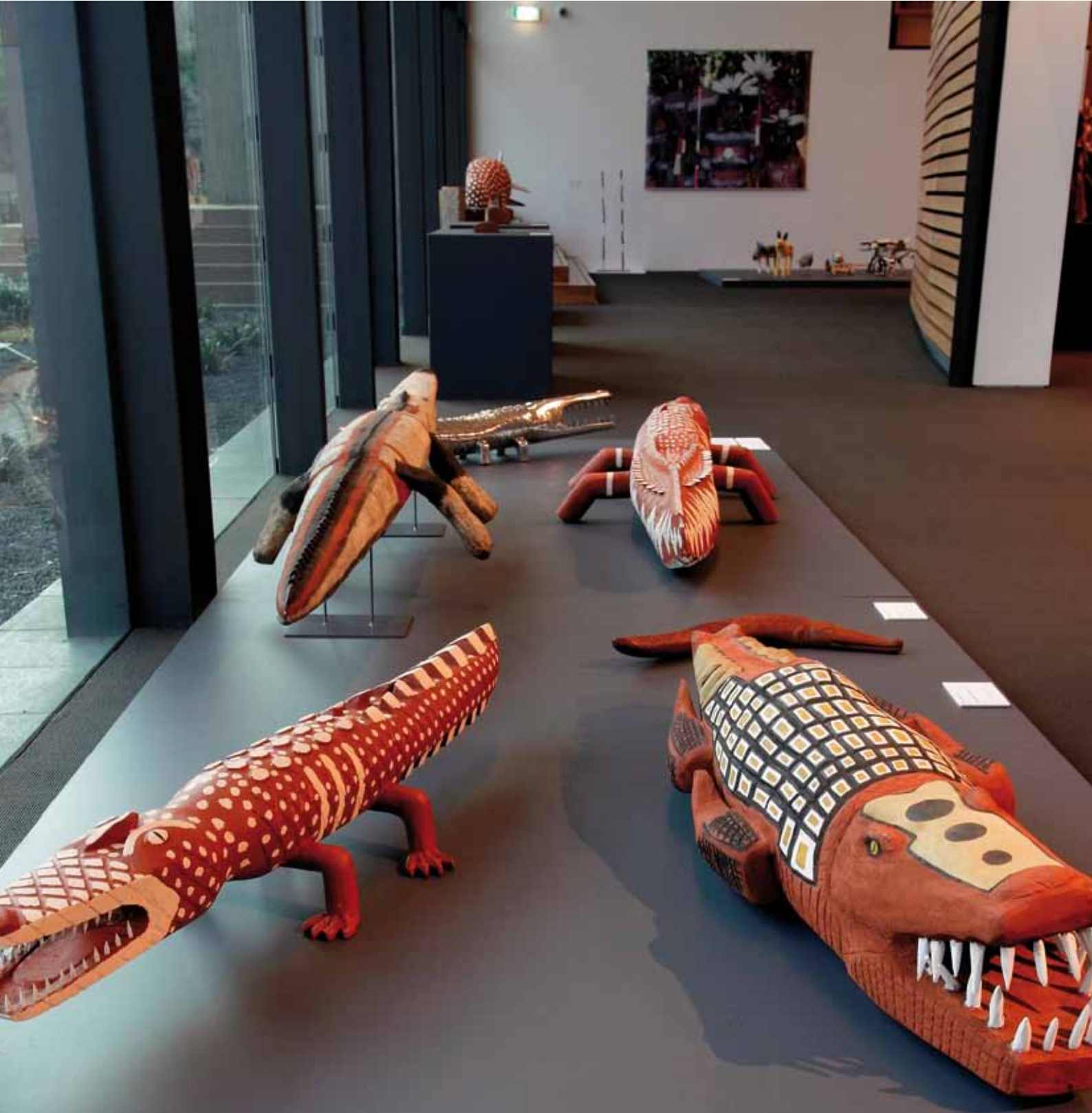
Our tradesmen, contractors and supervisors are to be thanked for keeping on top of the constant flow of work required.

Council will also be taking on the construction of 2 houses next year using local labour, our tradesmen and contractors.

Council has supplied plant, equipment and operators for the Aurukun access road. Thanks to the efforts of the operators and the Department of Main Roads the Access Road is looking better than ever.

In closing it needs to be noted that in some way large or small each staff member has contributed to the ongoing development of Aurukun, physically, socially, environmentally and practically. I acknowledge with gratitude the patient assistance I receive from staff in our Cairns office and in Aurukun. I also wish to thank the CEO John Japp and the Councillors: Mayor Pootchemunka, Deputy Mayor Yunkaporta and Councillors Korkaktain, Kerindun and Koongotema.

Neil Ewart
Chief Operating Officer



Woodcarvings in the "Before Time Today - Reinventing Tradition in Aurukun Aboriginal Art" Exhibition :: UQ Art Museum, Photo Carl Warner



WIK & KUGU ARTS & CRAFT CENTRE

In 2010/11 The Wik and Kugu Arts and Craft Centre (WKACC) and its artists have continued to considerably increased their reputation and position in the Fine Art Market: as Nicholas Rothwell, in the Australian, described it aptly; Aurukun is “an Ultra creative remote Indigenous community (where) deep traditions.... have long seemed ripe for international promotion.”

The 58 members from the community on the Artist register demonstrate an increasing willingness to engage with the activities of the Art Centre, however participation is fluctuating at best of time and rest with the strong commitment from a core of 12 artists which are driving the dynamism and vitality of Artistic expression in Aurukun where the Art Centre membership is free and is open to all of its Community members.

Two major Artistic and Cultural events this year showcased the excellence of the Arts from Aurukun and its inspiring artistic dynamism deep-seated in ancient traditions fuelled by a distinctive creativity that keep the Aurukun culture strong, vibrant and resistant:

“**Before Time Today, Reinventing Tradition in Aurukun Aboriginal Art**” the first major survey to focus on the Arts from the Wik, Wik Waya and Kugu people that presented how their unique traditional ideas and practices from the past can reactivate the idea of authenticity through contemporary developments. Many old Artworks loaned from major Australian cultural institutions and rarely seen by the public were showcased along with more recently created pieces. Twenty-five community members, representing the five Clans of the Wik, Wik Waya and Kugu people, as the Singers and Dancers of Aurukun participated at a breathtaking opening ceremony.

The **Cairns Indigenous Art Fair 2010** where the Wik and Kugu Arts and Craft Centre artists demonstrated again how traditions can powerfully meet contemporary artistic expression.

An installation of 12 carved Aurukun Camp Dogs was created for the event and was subsequently pounced on by the Gallery of Modern Art in Brisbane for its collection. This work was also included in the premier art event: “21st Century, Art in the first decade” one of the few Australian Indigenous works among an exhibition of 140 international Artists.

The recent Aurukun Painting Movement, driven mostly by Women Artists is also continuing to grow, as they explore original expressions of their country and life, with their work acquired by major public institutions including the Art Gallery of South Australia, The Pat Corrigan Collection and the National Gallery of Australia.

Ghostnet Art, also driven by the Women Artists, is continuing to raise strong and increasing interest, as their weaving tradition, still in revered traditional practice, takes other new and creative forms. There is a continuing Aurukun weaving history of innovation and influences; it reinvents itself and still receives the appreciation of the Art Market.

Works have been purchased by the National Gallery and the University of Queensland, but these works are also in high demand from collectors. This medium offers strong and rare economic opportunities for the up-coming weavers of Aurukun.

With the sad loss of our most senior Artist and the relocation to Cairns of our most reputed Artist, the WKACC faced some concerns about the success of its financial operations.

However, growing recognition of the quality of Aurukun art works resulted in figures that continue to show improved results (with a slight increase from sales from the previous year to \$232,000). This demonstrates the sustainability of the Art Centre. There has been a steady earned income increase over four years in a challenging external environment which is affecting sales in the general Art Market.

The strong Program of Exhibitions included:

- » “CIAF 2011”, Cairns, August 2010
- » “Before Time Today”, University Of Qld Art Museum, Brisbane, September to November, 2010. This Included participation of 21 Aurukun dancers and singers at the exhibition opening.

- » "Yuk Wiy Min", Andrew Baker Gallery Brisbane, September
- » "Work in Progress", Exhibition at the Cairns Tanks Art Centre, in partnership with the Centre for Rural and Remote Mental Health QLD. Also includes presentation of a paper by the Art Centre Manager for the conference: "Creating Future" and its publication in the Australasian Journal of Psychiatry, September
- » "Arts Elysees" 2010, Paris, France with Stephane Jacob Gallerie, October 2010
- » 8 Aurukun artists included in the "21st Century: Art in the 1st Decade" at the Gallery of Modern Art in Brisbane, December 2010-April 2011
- » "Wanchinith Ma'Min" Andrew Baker Gallery, February 2011
- » "Aurukun artists" Alcaston Gallery, Melbourne, March 2011
- » "Aurukun Artists", Japingka Gallery, Fremantle, WA, April 20-11
- » On-going exhibition at Canopy Art Space, Cairns. July 2010- June 2011.

An extensive program of 12 professional workshops contributed significantly to further develop artistic capabilities and provided technical supports that also encouraged the development of new artists.

Motivationally, the workshops enhanced creative output, boosted active participation and fostered new talents, young and old. They also provided the creative and professional support that encourages the development of new lines of products, particularly painting and Ghostnet, which continue to draw strong attention and attract critical acclaim. This resulted in the increased interests from art aficionados, art dealers, institutions and broader public, as demonstrated by the number of purchases from major private and public collections. The workshops promoted the economic growth and sustainability of the Art Centre, as demonstrated by the continued increase in earned income and the acknowledgement of the artistic excellence of the Aurukun Artists

The Art Centre has also continued to lobby and push for the development of an Aurukun Art Precinct. With project and cost planning in process and the confirmation of allocated funds for the first stage of the development, the art centre will see the construction of a Women Artists Studio in 2012.

Two murals were created in partnership with the Creative Livelihoods program of the Centre for Rural and Regional Mental Health Qld. Painted on the external Walls of the Aurukun Shop, one by young men from the community and the other by Aurukun Women artists, they beautify the Aurukun environment and

demonstrate the rich Culture of the Wik, Wik Waya and Kugu people.

The Art Centre provided the support that continued to consolidate its position as a premier Indigenous Art Centre in the Country.

Guy Allain
Coordinator
Wik & Kugu Arts & Craft Centre



01

- 01. At the Wik & Kugu Arts & Craft Centre :: Guy Allain
- 02. Gary Namponan speaking at the Alcaston Gallery Opening, Melbourne :: Guy Allain



02



Traditional Weaving in the "Before Time Today - Reinventing Tradition in Aurukun Aboriginal Art" Exhibition :: UQ Art Museum, Photo Carl Warner



Leigh Namponan Carving :: Guy Allain



Children, family and staff at the Koolkan Child Care Centre's Annual Easter Hat Parade :: Jane Karyuka



KOOLKAN CHILD CARE CENTRE

STAFFING

The Centre employs 11 staff (and one trainee employed through Skill360). We have had CDEP workers throughout the year and have one currently working 14hrs a week.

The present Director of Child Care and Hub Co-ordinator was away for five months on leave and the Child Care Service was managed by the Assistant Director, Brenda Cohen with support from all staff especially Yasmin Kerindun.

TRAINING

Staff have been continuing on with their studies in:

- » Certificate III
- » Diploma in Children's Services
- » Numeracy and Literacy; and
- » Computer work

This training has been further supported through the Learning Workshop, Yvonne Auret and Debra Lewerissa coming in every week to support the staff. From this staff have gained certificates of attainment in level one BSBITU101A (Business Services Training Package), Operating a Personal Computer, and some staff have also received an attendance certificate for Language, Literacy & Numeracy. Nine staff members and the Locational Playgroup Leader attended a "Yarning Workshop" in Cairns with the Indigenous Professional Support Unit and also visited other Child Care Centres to gain different ideas on planning and programming and setting up the environment, inside and outside.

Staff members enrolled in Cert III and Diploma courses in Child Care also attended a Residential in Cairns at the TAFE, and Lynne Smith (TAFE teacher) visited the Centre 3 times throughout the year to help support staff. Another two staff at the Child Care Centre graduated with their Cert III this year and we now have six staff working towards their Diploma.

WORKPLACE ENGLISH LANGUAGE & LITERACY PROGRAM

WELL funding was sourced to have a teacher come in to work with Hub and Council employees every week instead of one week per fortnight and this has improved the capacity for staff to gain qualifications as well as increasing self esteem through improved reading skills.

BUILDING

The contract for the refurbishment of the Child Care Centre has been awarded and work is expected to commence mid 2012. This work will put in place permanent shade, increased storage capacity, replacement of air conditioning systems and the upgrade of the kitchen area all of which are essential in terms of the children of the community.

Issues continue around the lack of space at the Centre for children under two years particularly those of working parents.

NUTRITION PROGRAM

A submission was made regarding the Nutrition of children at the Centre and Jane Karyuka and Zoe Wolmby, the Centre cook and qualified Food Supervisor, travelled to Brisbane to receive an award of \$10,000 which went towards the cost of freight to bring in a wider variety of foods.

FUNDRAISING

We wish to thank Ann Ewart for her continuing and efforts throughout the year raising funds to support the Child Care Centre.

LOCATIONAL PLAYGROUP

The Locational Playgroup has been in operation with great attendance around the community.

FAMILY SUPPORT HUB & WIK INANA

Kelly Rioli has taken over the role of supporting the Hub activities and this includes the CAFS workers. Kelly will also be responsible for the Wik Inana, which was not produced in the time Jane was away, and working to support families in Aurukun on a variety of levels.

BUILDING PARENTAL SKILLS

Building Parental Skills funding was taken over by Cape York Partnerships; however there are still some programs run under the Hub mantle including a focus on young mothers through Targeted Parenting.

Jane Karyuka
Child Care Coordinator

AURUKUN DAY RESPITE CENTRE (HACC)

The year July 2010 - June 2011 saw five staff members achieve Certificate 111 in Home and Community Care. Their Teacher; Sandy Kelly, from QATSIHWEPAC returned to Aurukun especially to present these staff members with their certificates.

The Department of Health and Ageing have introduced National Common Standards for aged care.

This change saw the Aurukun Aged Care Service assessed by the Department of Health and Ageing.

I am pleased to report that the results of this assessment showed all the new standards as 'MET'.

A successful application to the GCBF has enabled this service to purchase a 4WD bus, a small trailer, a chainsaw and other items. We now have the capacity to take clients out for the collection of fire wood, and some bush trips, and are better able to cater to our clients needs.

The Ladies Art Work grows from strength to strength with the help of Guy Allain from the Council's Art Centre and visiting Art Therapist Gina Allain. Our little group of elderly lady artists have attended Gallery Exhibitions of their work in Melbourne, Fremantle, Darwin, and Brisbane.

This service has purchased two Freezer Rooms which have been installed into the existing building. This now enables us to save both time and money by ordering bulk amounts of many food items just twice yearly. This helps to ensure we are able to maintain the nutritional requirements to keep all clients well fed during the Wet Season Road Closure.

Funding has been approved for a new aged care building. Planning processes are in progress before any building can commence.

To enable the quick and efficient upkeep of Client's yards during the Wet Season, a commercial grade ride on mower has been purchased. This machine has made it possible for staff to maintain the yards of all clients requiring their mowing to be done.

With Client numbers now well into the Sixties, more room was needed in the existing condemned building we currently occupy. We are now utilising the previously disused back section of the building. This allows us to have two Client Activities Rooms, and more storage area.

Management and Staff look forward to providing the best possible care and service for the Aged and people with disabilities in Aurukun.

Christene Friend
Aged Care Coordinator

01. Leanne Ned & Giles Ngakyunkwokka packing meals for delivery

02. Clients painting mural on General Store; from left: Jean Walmbeng, Rebecca Wolmby & Akay Koo'oil





Aged Care Staff with their teacher Sandy Kelly from QATSIHWEPAC (top) and HACC Coordinator, Christene Friend (Right) :: Kerry-Anne Hogan



Giles Ngakyunkwokka driving rideon mower :: Christene Friend



01



02

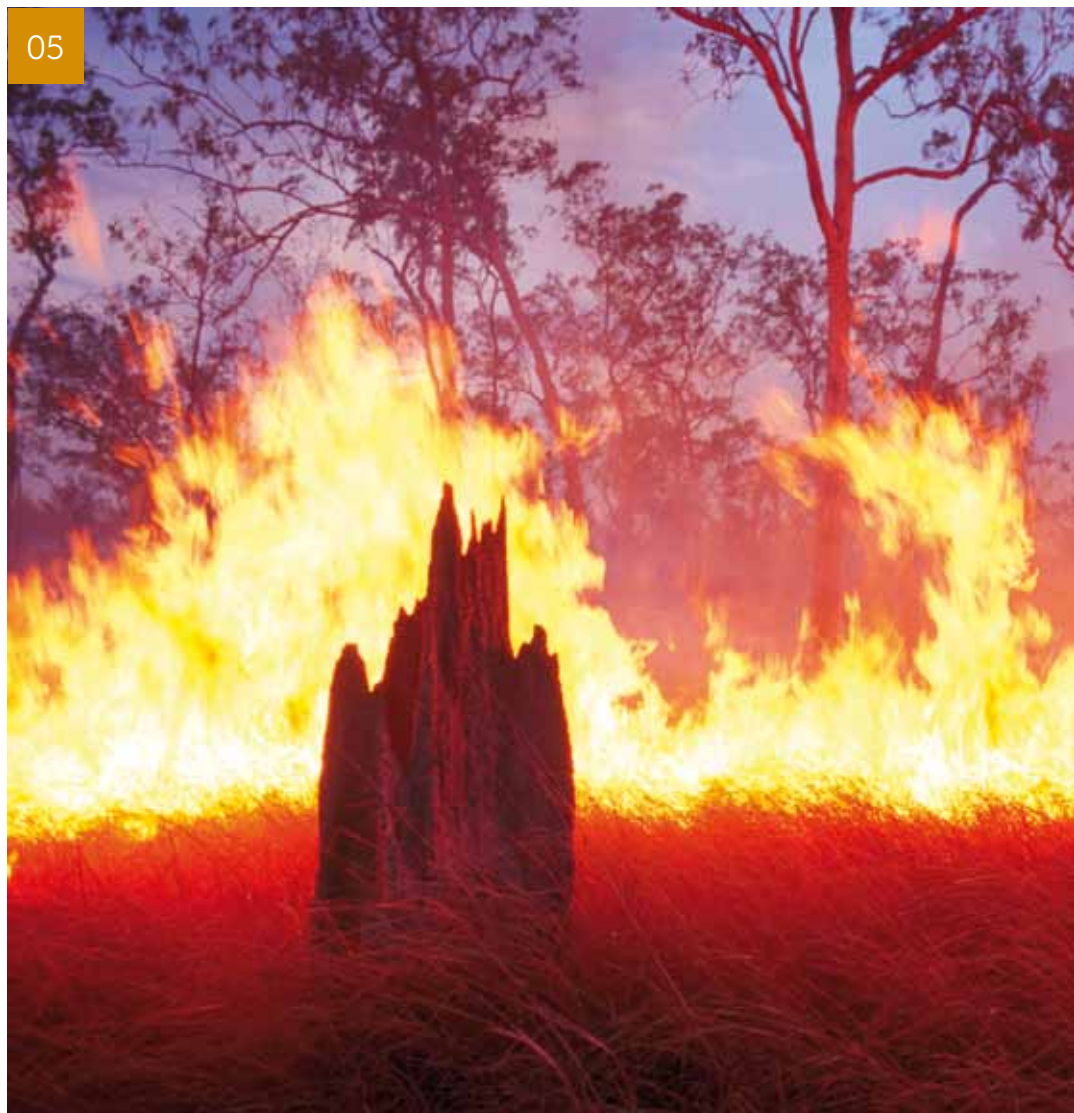


03

- 01. Coastal Mangroves :: Kerry Trapnell
- 02. River and Coastal Floodplain :: Kerry Trapnell
- 03. Termite Mounds :: APN Cape York
- 04. Dense Eucalypt Forest over much of the Shire :: Kristine Japp
- 05. Grassfire at Twilight :: Kerry Trapnell



04



05



OUR COUNTRY

TO US: OUR HOME AND OUR FUTURE TO OTHERS: A LAST FRONTIER

Much of the Aurukun Shire is classified as Wilderness and nearly all of it is located within the Hey-Embley Rivers, Pera Head, Aurukun Wetlands, Archer-Coen and Holroyd Wilderness conservation areas which are of natural conservation significance.

The area has a "Wild River" and many iconic species including Saltwater Crocodiles, Magpie Geese, Palm Cockatoos, the Spotted Cuscus, Mud Crabs and Barramundi. It is home to other significant, vulnerable and threatened species including Freshwater Anchovies, River Garfish and the Northern Crimson Finch.

The population of the Shire is concentrated 99.6% within the community of Aurukun which occupies less than 0.2% of the Shire area. There are no established rural industries within the Shire and residence outside of the main community is limited to 17 "outstations" which are partly occupied during the dry season only. The absence of the people from most of the area is a result of historical factors. The many clan and family groups which make up the population were first drawn into the mission settlement at Aurukun between 1904 and the late 1940's under a number of influences.

These included inducements from the missionaries and the break-down of land-based and seasonal inter-group interactions as more and more families were drawn in. The other major factor that has sustained the separation of the people from their traditional lands is the extreme difficulty of communication and transport between the community and the outlying areas. There is no wet season road access outside of the Aurukun community. Even in the dry season, the extensive Aurukun Wetlands and the lack of constructed roads makes it extremely difficult for most people to access their homelands. Most need to travel beyond the Shire to Coen (258 km) and then back west to their lands, a journey of many hundreds of kilometres. The level of vehicle ownership within the Shire is extremely low and most people simply don't get the opportunity to make the journey.

This may change under the influence of new investment in the Shire and the work of two local Traditional Owner corporations. The Queensland Government has agreed to invest in a new barge landing ramp which may support barge transport services to improve transport options. A barge will be able to transport vehicles and road plant across the Archer River reducing the trip to outlying areas by hundreds of kilometres. It could also service outstations on other rivers.

Other developments are being facilitated by two Aurukun Traditional Owner corporations increasingly active in development of the area.

The landform of the Shire changes from timbered ridges in the east to coastal plains in the west. A significant part of the coastal plains are wetlands and there are a number of rivers, including the Archer River classified as a "Wild River".

The country and its biodiversity faces real threats, especially from feral pigs. The estimated pig population of the Shire is more than 400,000. Pigs continue to cause extensive damage to wetlands and are not adequately controlled.



WIK projects Ltd.

Wik Projects Ltd is a company set up by Wik and Wik Waya traditional owners to articulate their aspirations, represent their interests and pursue sustainable economic development opportunities on their country.

These opportunities will provide better socio-economic opportunities for Aboriginal people and reflect the cultural and environmental values important to traditional owners, Gina Castelain, a 27 year old Wik and Wik Waya woman, is the Managing Director of the company. Her mother, Norma Chevathun, was a prominent Indigenous leader in the 1980's and 90's and was a original Wik native title claimant. Gina's traditional lands include the Aurukun Wetlands (the subject of the Archer Basin Wild River Declaration) and the rich bauxite deposits north of Aurukun.

The company has two major operating businesses benefiting the communities of the Western Cape. They are Aurukun Wetland Charters (an eco-tourism business operating on the Aurukun wetlands) and Aurukun Earthmoving (which provides contract earthmoving, mainly to Rio Tinto Alcan's bauxite mine and to the Qld Dept of Transport and Main Roads. Together, these businesses provide employment for up to 16 people. Wik Projects has created jobs for more than 30 Wik, Wik Waya and Kugu people.



Gina Castelain :: Managing Director of Wik Projects Ltd

01. **The Pikkuw (meaning crocodile in Wik Mungkan) :: Aurukun Wetland Charters & Aurukun Fishing Charters**



The objectives of Aurukun Earthmoving, for the benefit of local Aboriginal people, are:

- » To build an enterprise base for the communities;
- » To enhance engagement of its clients with the local people;
- » To provide employment and personal development paths;
- » To provide business development and sub-contracting and opportunities.

Wik Projects is also developing a proposal to harvest timber from the nearby bauxite mining leases and to play a role in rehabilitation of the land after mining. This will engage traditional owners in work on their country and greatly reduce the carbon emissions of the mining.

The company will implement a strategic approach to natural and cultural resource management on parts of the country. This may include establishment of an Indigenous Protected Area.

Another very important role of Wik Projects is its leadership in representation of traditional owners in negotiations in relation to the South of Embley bauxite mine.



Jasper Koowearpta (Cultural Guide) Spearing Fish ::
Aurukun Wetland Charters



Dawn Koondumbin & Vera Ngallametta (Cultural Guides) Cooking at the Archer River :: Aurukun Wetland Charters



Rocky Foreshore Amban :: Kristine Japp



The Aak Puul Ngantum corporation (APN) was formed in 2011 by the Aurukun Traditional Owners whose homelands lie south of Aurukun.

This corporation is made up of 4 of the 5 Clan groups - about 85% of the population. Known as APN Cape York, the corporation aspires to a major role in the future of the community.

In partnership with the Council and the Prescribed Body Corporate, APN aims to achieve:

- » Conservation outcomes for traditional Country;
- » Helping traditional owners get back on country;
- » Sustainable on-country training and employment of people.

With partnership of the community and the Council, APN has developed Ranger, Cattle and Culture Programs. It is collaborating with NAILSMA and the CSIRO and examining how carbon credits can support people's aspirations on country.

APN employs a Ranger-Coordinator and two full-time Senior Rangers under the Queensland Government's Wild Rivers Rangers Program.

In addition it has secured an Indigenous Employment Program for 15 full-time trainee rangers and funding under the Caring for our Country Program and the Fire & Carbon Project.

Its achievements on country in 2011 have included:

- » 60km of roads graded;
- » 45km of fences built;
- » 200,000 hectares of country burnt using traditional fire management;
- » Brought Stoney Creek and Wathaniin outstations to operational standard;
- » Approx. 1,500 feral pigs culled;
- » Coastline (20 km) surveyed for Turtle Project; and
- » 500 head of cattle mustered.



01



02

01. Native Orchids :: Kristine Japp

02. Road Plant on an Outstation Road :: APN Cape York



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 Fax: (07) 4032 1201 | admin@apncapeyork.org



ATHEL PEN & PUUCH

PLANT HIRE



Kenworth T650 550hp side-tipper truck (22m³) can be fitted with our 35,000 ltr water tank with rear spray.

Gerald holds tickets and will operate your backhoe, grader, bobcat, front loader, excavator, dozer, forklift, crane or roller.

OPERATIONS
 geraldtamwoy@gmail.com
 0408 969 672

ADMINISTRATION & ACCOUNTS
 kptamwoy@gmail.com
 0407 026 289

403 AMBAN LANE
 AURUKUN QLD 4871

PHONE: (07) 4060 6270
 Directors Gerald & Keri Tamwoy



Aurukun Earthmoving



Aurukun Earthmoving operates two Caterpillar D10 dozers, two D6 dozers & one caterpillar 14H Grader.

CONTACT AURUKUN EARTHMOVING ON:
0428 709 912



AURUKUN WETLAND CHARTERS

Established by Wik and Wik Waya traditional owners in 2005, Aurukun Wetland Charters is a journey into one of the last frontiers of Australia.

The township of Aurukun is home of the Wik, Wik Waya and Kugu people. For three days visitors are taken on a journey, highlighted by encounters with abundant wildlife, pristine waterways and interaction with the Wik people - whose culture and heritage remains vibrant. Traditional owners whose association with land and water is one of deep significance will share insights and knowledge. Your charter vessel, the MV Pikkuw, is a home away from home. Sleeping up to 8 people (2 x two berth cabins and 1 x four berth) in air-conditioned comfort.

Key experiences

- Learn about Aboriginal history and culture
- Learn about traditional Aboriginal hunting/gathering
- Learn how to collect, prepare and eat 'bush tucker'
- Watch Aboriginal artists painting, weaving & wood carving
- Fish and learn to spear fish
- Tour sacred and historical sites with Aboriginal guides.

AURUKUN
WETLAND CHARTERS

www.aurukunwetlandcharters.com



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COMMUNITY FINANCIAL REPORT

This community financial report is a summary of the financial statements and provides understandable information to readers and members of the community.

The financial statements in this report cover the period 1 July 2010 to 30 June 2011. This year has been one of many challenges to Council. The Council will continue to work hard to ensure it remains in a strong financial position to provide services to the community of Aurukun through sound financial management using the budget, corporate plan and operational plan.

The financial statements contained in this report include:

Income Statement – displays Council’s revenue and expenses. The profit or loss of the Council for the year is the difference between the revenue and expenses and is also refer to as the net result attributable to Council.

Balance Sheet – displays the assets (what Council owns), liabilities (what Council owes) and community equity (total assets less total liabilities). Community equity is also an indication of how healthy the position of Council is at a given point in time.

Statement of Cash Flows – reports how revenue received and expenses paid impact on the cash balances of Council.

Statement of changes in equity – presents a summary of transfers to and from equity accounts including asset revaluation surplus, retained surplus and other reserves.

THE INCOME STATEMENT REVENUE

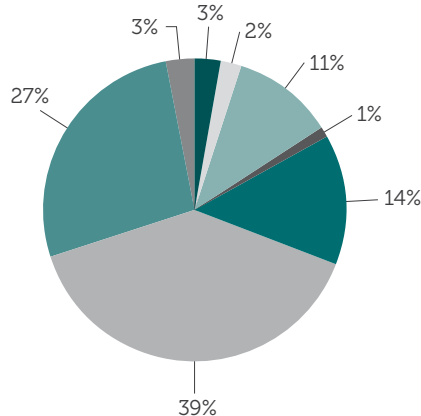
The Council aims to raise money in order to maintain the delivery of services during the current and future years.

Revenue for the 2010/11 financial year is derived from a variety of sources as shown in [graph 1](#).

During the year Council received grant funding of \$10,711,913. This is 70% of the total revenue for the year.

GRAPH 1 REVENUE 2010/11

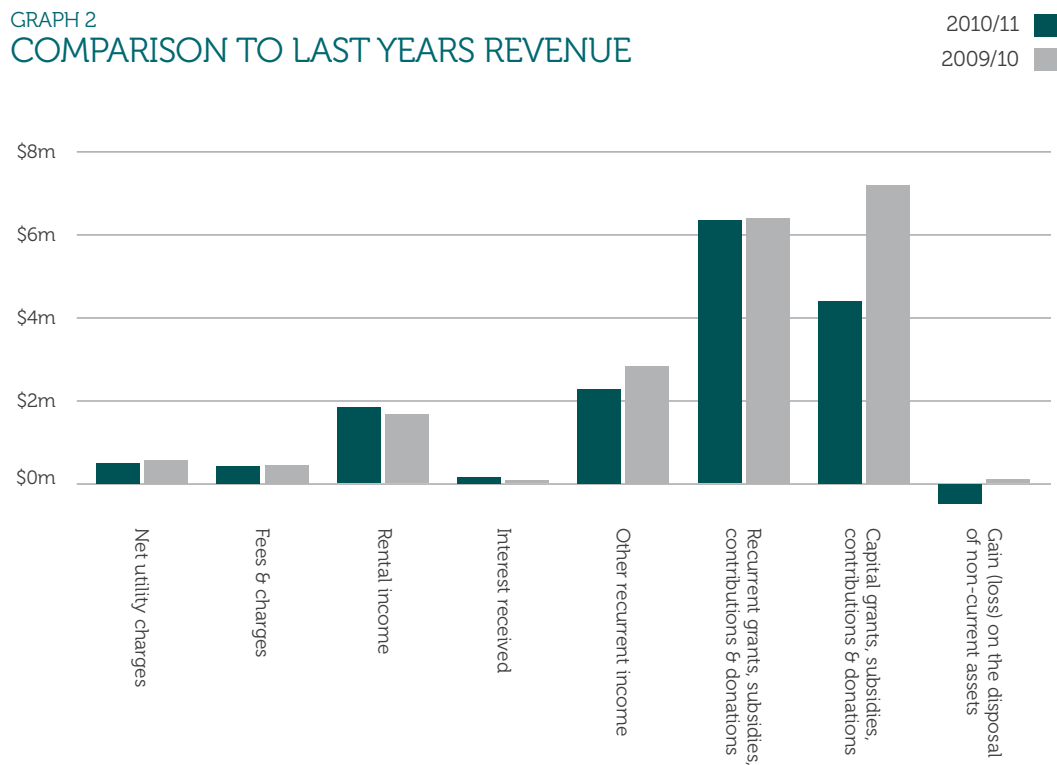
- Net utility charges
- Fees & charges
- Rental income
- Interest received
- Other recurrent income
- Recurrent grants, subsidies, contributions & donations
- Capital grants, subsidies, contributions & donations
- Gain (loss) on the disposal of non-current assets





INCOME	2010/11	2009/10
Net utility charges	\$496,110	\$556,426
Fees and charges	\$421,271	\$437,337
Rental income	\$1,823,666	\$1,657,544
Interest received	\$152,016	\$64,863
Other recurrent income	\$2,273,948	\$2,819,293
Recurrent grants, subsidies, contributions and donations	\$6,324,668	\$6,393,425
Capital grants, subsidies, contributions and donations	\$4,387,248	\$7,180,881
Gain (loss) on the disposal of non-current assets	-\$479,049	\$93,037
TOTAL INCOME	\$15,399,875	\$19,202,806

GRAPH 2
COMPARISON TO LAST YEARS REVENUE

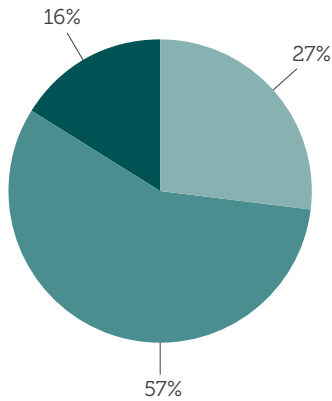


EXPENSES

Council's expenses represent the cost of providing services to the community. Graph 3 displays Council's expense categories.

**GRAPH 3
EXPENSES 2010/11**

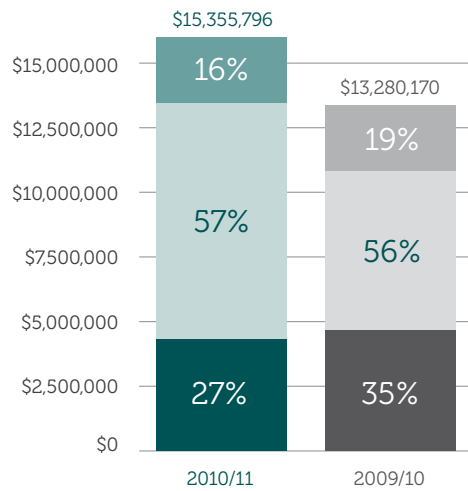
- Employee benefits
- Materials & services
- Depreciation & amortisation



EXPENSES	2010/11	2009/10
Employee benefits	\$4,131,650	\$4,594,104
Materials and services	\$8,753,311	\$6,135,660
Depreciation and amortisation	\$2,470,834	\$2,550,406
Total Expenses	\$15,355,796	\$13,280,170

**GRAPH 4
COMPARISON TO LAST
YEARS EXPENSES**

- Employee benefits
- Materials & services
- Depreciation & amortisation

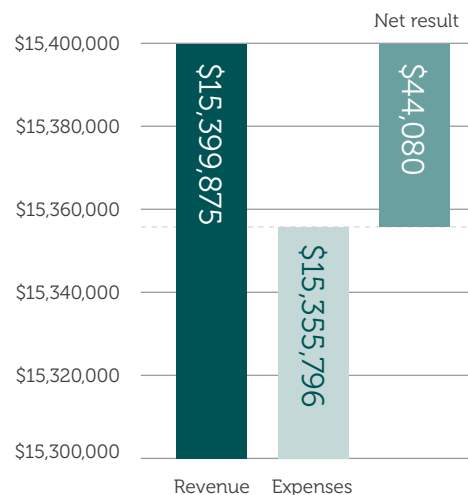


NET RESULT

Council's net result reflects total revenue less total expenses and includes capital revenue.

Graph 5 represents total revenue and total expenses and the net result for the year is \$44,080.

**GRAPH 5
NET RESULT 2010/11**





THE BALANCE SHEET

How much is Council worth?

ASSETS - LIABILITIES = EQUITY

ASSETS

Council's assets as at 30 June 2011 total \$126,623,279. This includes \$8,332,670 of current assets (liquid assets or amounts due to be received within twelve months) and \$118,290,609 of non-current assets.

As shown in graph 6, current assets consist of cash and cash equivalents, trade and other receivables, inventories and other assets. Non-current assets consist of long term assets such as property, plant and equipment and capital work in progress.

**GRAPH 6
TOTAL ASSETS 2010/11**

- Cash & cash equivalents
- Trade & other receivables
- Inventories
- Other financial assets
- Property, plant & equipment

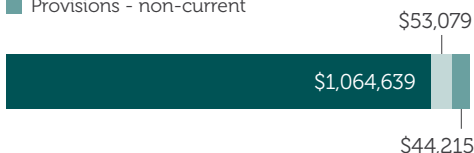


LIABILITIES

Total liabilities as at 30 June 2011 are \$1,161,933. This includes \$1,117,718 of current liabilities (due to be paid out within twelve months) and \$44,215 of non-current liabilities. Liabilities consist of amounts owing to suppliers and amounts owing to employees for leave entitlements.

**GRAPH 7
TOTAL LIABILITIES 2010/11**

- Trade & other payable
- Provisions - current
- Provisions - non-current



EQUITY	2010/11	2009/10
Total Assets	\$126,623,279	\$128,976,428
Total Liabilities	\$1,161,933	\$1,616,290
Total Equity	\$125,461,346	\$127,360,138

**GRAPH 8
COMPARISON TO
LAST YEARS EQUITY**

- 2010/11
- 2009/10

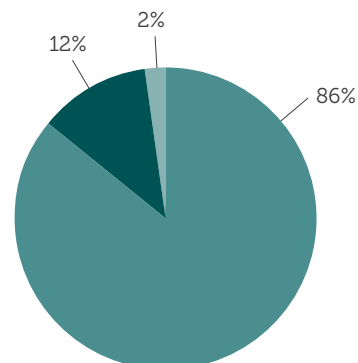


COMMUNITY EQUITY

Council's total community equity as at 30 June 2011 is \$125,461,346. Community equity is equal to total assets (what Council owns) less total liabilities (what Council owes) and represents Council's accumulated retained surplus, asset revaluation surplus and other cash reserve funds.

**GRAPH 9
COMMUNITY EQUITY 2010/11**

- Asset revaluation surplus
- Retained surplus
- Other reserves



STATUTORY REQUIREMENTS

This annual report has been prepared in accordance with Chapter 3, Part 3 of the Local Government (Finance, Plans and Reporting) Regulation 2010.

1. Councillors and councillor remuneration

Councillors are elected for a four year term to represent the community and the community of Aurukun is represented by five councillors.

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.

During 2010/2011, 9 ordinary and 10 special Council meetings were held. The following table displays the Councillors' attendance at the meetings for the year:

Councillor	Ordinary	Special
Cr Neville Pootchemunka	8	8
Cr Phyllis Yunkaporta	8	8
Cr Angus Kerindun	7	9
Cr Jonathon Korkaktain	7	6
Cr Patrick Koongotema	8	9

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

Councillor	Gross	Super-annuation	Total
Cr Neville Pootchemunka	\$93,683	\$8,431	\$102,114
Cr Phyllis Yunkaporta	\$56,881	\$5,119	\$62,000
Cr Angus Kerindun	\$23,850	\$2,147	\$25,997
Cr Jonathon Korkaktain	\$23,850	\$2,147	\$25,997
Cr Patrick Koongotema	\$37,103	\$3,339	\$40,442

2. Councillors' code of conduct

In accordance with sections 114(1)(f)(g) and (h) of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must provide the following information:

Section 114(1)(f):

- (i) No orders and recommendations were made under sections 180(2) or (4) of the Act for any councillor.
- (ii) No orders were made under section 181 of the Act for any councillor.

Section 114(1)(g):

- (i) No order or recommendation was made under sections 180 or 181 of the Act for any councillor.
- (ii) No councillor engaged in misconduct or inappropriate conduct.

Section 114(1)(h):

- (i) There were no complaints about the conduct or performance of councillors assessed as frivolous or vexatious under section 177(4) of the Act.
- (ii) No complaints were referred to the department's chief executive under section 177(5)(a) of the Act for any councillor.
- (iii) No complaints were referred to the mayor under section 177(5)(b) of the Act for any councillor.
- (iv) No complaints were referred to the department's chief executive under section 177(6) of the Act for any councillor.
- (v) No complaints were assessed by the chief executive officer as being about official misconduct by any councillor.
- (vi) No complaints were heard by a conduct review panel about any councillor.
- (vii) No complaints were heard by the tribunal about any councillor.
- (viii) No complaints were dealt with by the chief executive officer under section 177(8) of the Act about any councillor.

3. Councillors' expenses, reimbursements and remuneration policy

SCHEDULE 1

1. Mayor
 - 1.1 A weekly remuneration as determined by the local government remuneration and discipline tribunal.
 - 1.2 Fully maintained suitable vehicle for full and unrestricted use for Council approved business.



- 1.3 The vehicle can only be driven by the Mayor or Councillor.
- 1.4 Vehicle not available for private use.
- 1.5 Vehicle restricted to a maximum of 25,000 kms per annum, if exceeding, a special report to be forwarded to Council.
- 1.6 The operator must at all times have a current driver's license.
- 1.7 For insurance purposes all drivers must be over 25 years of age.
- 1.8.1 Fully maintained Next G mobile phone
- 1.8.2 Access to a fully maintained satellite phone for emergency while travelling in remote areas.
- 1.9.1 Laptop computer loaded with word processing, email and internet access,
- 1.9.2 Council will provide private office space and furnishings.
- 1.9.3 Council may provide secretarial support if available.
- 1.10 Aurukun Shire Council may pay the Mayor an allowance up to \$1,000 per annum (not a lump sum) for hospitality expenses deemed necessary for the conduct of Council business. Receipts must be presented for reimbursement.
2. Deputy Mayor
A weekly remuneration as determined by the local government remuneration and discipline tribunal. Access to Mayoral vehicle for Council approved business if available.
3. Councillors (excluding Mayor and Deputy Mayor)
A weekly remuneration as determined by the local government remuneration and discipline tribunal. Access to Mayoral vehicle for Council approved business if available.
4. Superannuation Benefits
Each Councillor shall be entitled to Superannuation benefits on the same terms as Council's employees, subject to the provisions of the Local Government Act 2009. Each Councillor is responsible for lodgment of the necessary application for membership forms with the Superannuation provider of their choice in order to claim this benefit
5. Councillors must lodge Tax File Numbers with Council's Payroll office as soon as possible after the election.
6. Personal Accident and Workers Compensation
Cover Councillors will be covered by Personal Accident Insurance and Workers' Compensation whilst on Council business for a weekly rate of

\$1,200 (\$1,000 in 2004) and a total capital benefit of \$225,000 (\$200,000 in 2004).

7. Community Employment Development Program
Councillors can retain employment under the CDEP subject to the Councillor meeting the required CDEP guidelines.
8. Kilometre Allowance
Councillors, including the Mayor, that are required to use their personal vehicle for Council approved business will be reimbursed at the rate of 75 cents (60 cents in 2004) per kilometer. This rate is all inclusive. A log of kilometers travelled must be lodged with the Chief Executive Officer.
9. Telephone Expenses
Council will reimburse Councillors for the full cost of long distance phone calls and local calls for Council related business. A detailed log of Council related calls from a private phone must be kept and attached to a claim form lodged with the Chief Executive Officer.
10. General Provisions
 - (a) Where Councillors absent themselves from meetings without Council approval, Council may direct them to show cause why remuneration should not be suspended. Council can suspend remuneration where insufficient cause is shown. Council may consider reducing remuneration if a Councillor/s withdraws from a Council meeting without due cause for example conflict of interest.
 - (b) A councillor may choose to accept or reject payment for any or all of the remuneration provisions.

SCHEDULE 2

COUNCILLOR TRAVEL REIMBURSEMENT

Council will reimburse local and in some cases interstate and overseas travel expenses e.g. flights, car hire, accommodation, meals and associated registration costs deemed necessary to achieve the business of Council where:

- (a) A Councillor is an official representative of Council;
- (b) The activity/event and travel have been endorsed by resolution of Council.

Councillors are to travel by the most direct route, using the most economical and cost efficient mode of transport. Council will pay for reasonable expenses incurred as a result of overnight accommodation when a Councillor is required to stay outside the local government area.

Travel Bookings

All Councillor travel and accommodation approved by Council will be booked and paid for by Council. Any other costs incurred by a Councillor deemed necessary for the Councillor to represent Council will be reimbursed by Council. A claim form with receipts attached must be lodged with the Chief Executive Officer.

Economy class airfares will be used where possible.

Airline tickets are not transferable and can only be used by Councillors on Council business. They cannot be used to offset the cost of unapproved expenses e.g. spouses or partner accompanying the Councillor.

Each trip must be approved by either resolution of the Council, or the Mayor and Chief Executive Officer.

In order to claim travel allowance (TA), Councillors must travel outside the Aurukun Shire region and be away overnight on approved Council business e.g. meetings, conferences, seminars and training.

Accommodation

- (a) Council will book all accommodation, upon confirmation by the responsible Councillor of their confirmation of travel to the Chief Executive Officer's Personal Assistant, at the most economical rate available to a minimum of 3 star rating.
- (b) Council will not reimburse for mini bar or private phone calls from accommodation.

Travel Allowance

- (a) Councillors will be paid at a rate of \$90 per night calculated as
 - (i) Breakfast \$22.00;
 - (ii) Lunch \$25.00;
 - (iii) Dinner \$43.00;
 - (iv) Incidental (Only when travelling by plane) \$16.50 trip/event

(Unless some meals are provided as part of the seminar, conference, workshop package or booked as part of travel arrangements by Council).

4. Administrative complaints

In accordance with section 115 of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must contain a statement about the Council's commitment in dealing fairly with administrative complaints and provide information on complaints received and dealt with during the financial year.

Aurukun Shire Council is committed in dealing with all

administrative complaints in a fair, just and equitable manner. During the period four administrative action complaints were received and investigated and two of these complaints were resolved through mediation.

The Ombudsman's Office received one complaint against Council that is still under investigation. Another complaint that has been received is currently being dealt with through a legal process.

4. Overseas travel

In accordance with section 116 of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must contain information about any overseas travel made by a councillor or Council employee.

During the 2010/2011 financial year no councillor or Council employee travelled overseas in an official capacity.

5. Expenditure on grants to community organisations

In accordance with section 117 of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must contain a summary of expenditure by the Council on grants to community organisations.

During the 2010/2011 financial year no grants were paid to community organisations.

6. Reserves and controlled roads

In accordance with section 118 of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must contain a note of land that is a reserve under the Land Act and under control of the Council as well as roads under the Control of Council it does not own.

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.

7. Long term community plan, corporate plan and annual operational plan

In accordance with the Local Government Act 2009 all Council's must have adopted a long term community plan by the end of 2011. The Council has not adopted its long term community plan before 30 June 2011 and therefore no report can be provided in relation to the implementation and progress of the community plan.

The Council adopted its corporate plan for the 5 years ending 30 June 2012 at its meeting held on 7



April 2009. The corporate plan sets out the strategic direction of the Council's operations and activities for the above mentioned period. The operational plan is developed annually and is linked to the objectives in the corporate plan. The operational plan sets out the projects and services Council will deliver in the financial year.

8. 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.

9. Remuneration – contract employees

During 2010/2011 Aurukun Shire Council employed 3 senior contract employees. Details of the total remuneration packages for the senior contract employees are as follows:

- » 3 senior contract employees with a total remuneration package in the range of \$120,000 to \$149,000.

10. Registers kept by Council

The following registers are open for inspection

- » Minutes of Council meetings
- » Personal interest of Councillors
- » Personal interest of Chief Executive Officer and Senior Executive Managers.
- » Budget
- » Annual Report
- » Statement of accounts
- » Regulatory Fees and Charges
- » Corporate Plan
- » Operational Plan

11. Internal audit

In accordance with section 119(1) of the Local Government (Finance, Plans and Reporting) Regulation 2010 the annual report must contain a report on the internal audit for the year.

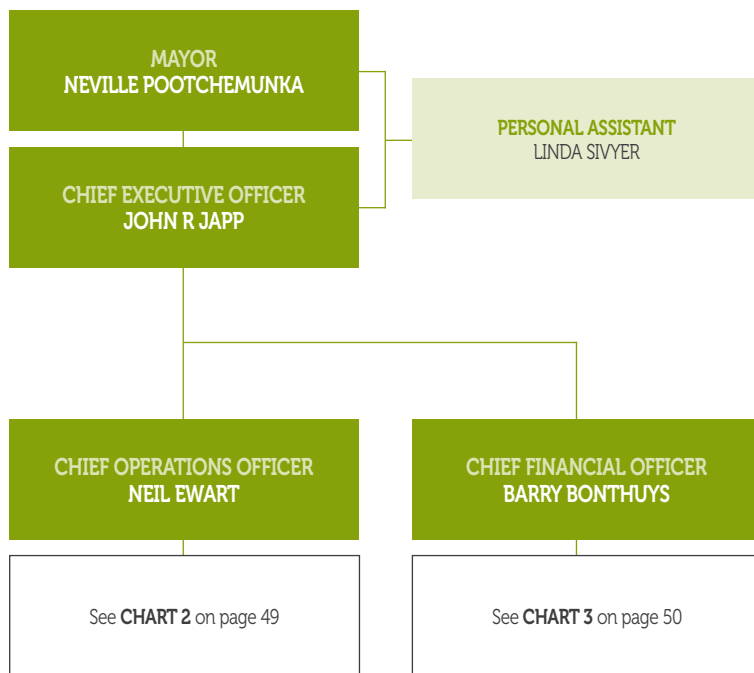
The Council at its meeting held on 4 May 2010

appointed the firm Pacifica Chartered Accountants as its internal auditors for a 3 year period from 1 July 2010 to 30 June 2013. The internal auditors work with management to identify and recommend improvements in Council's operations, systems and processes.

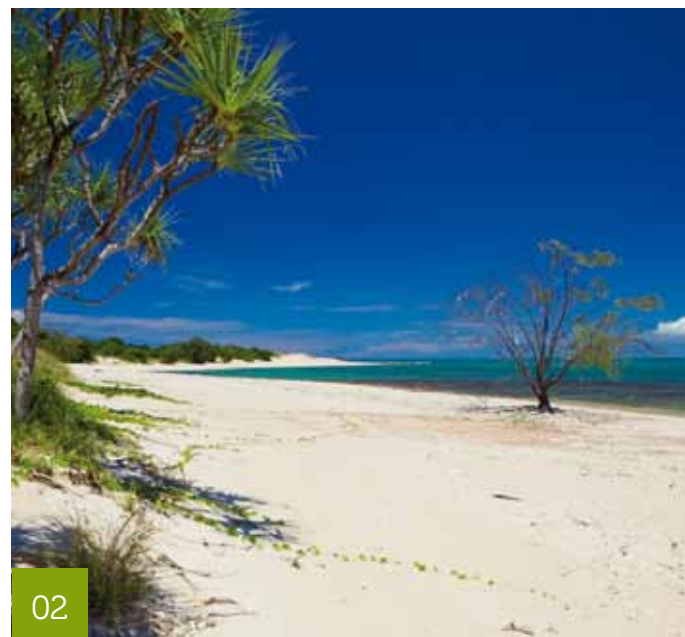
The internal audit plan is reviewed and considered annually by management and covers all the operations of Council to ensure that the desired outcomes and results are achieved. The audit plan for 2010/2011 covered payroll, cash assets, records, stock and stock control and financial systems.

ORGANISATIONAL CHARTS & STAFF LISTS

CHART 1



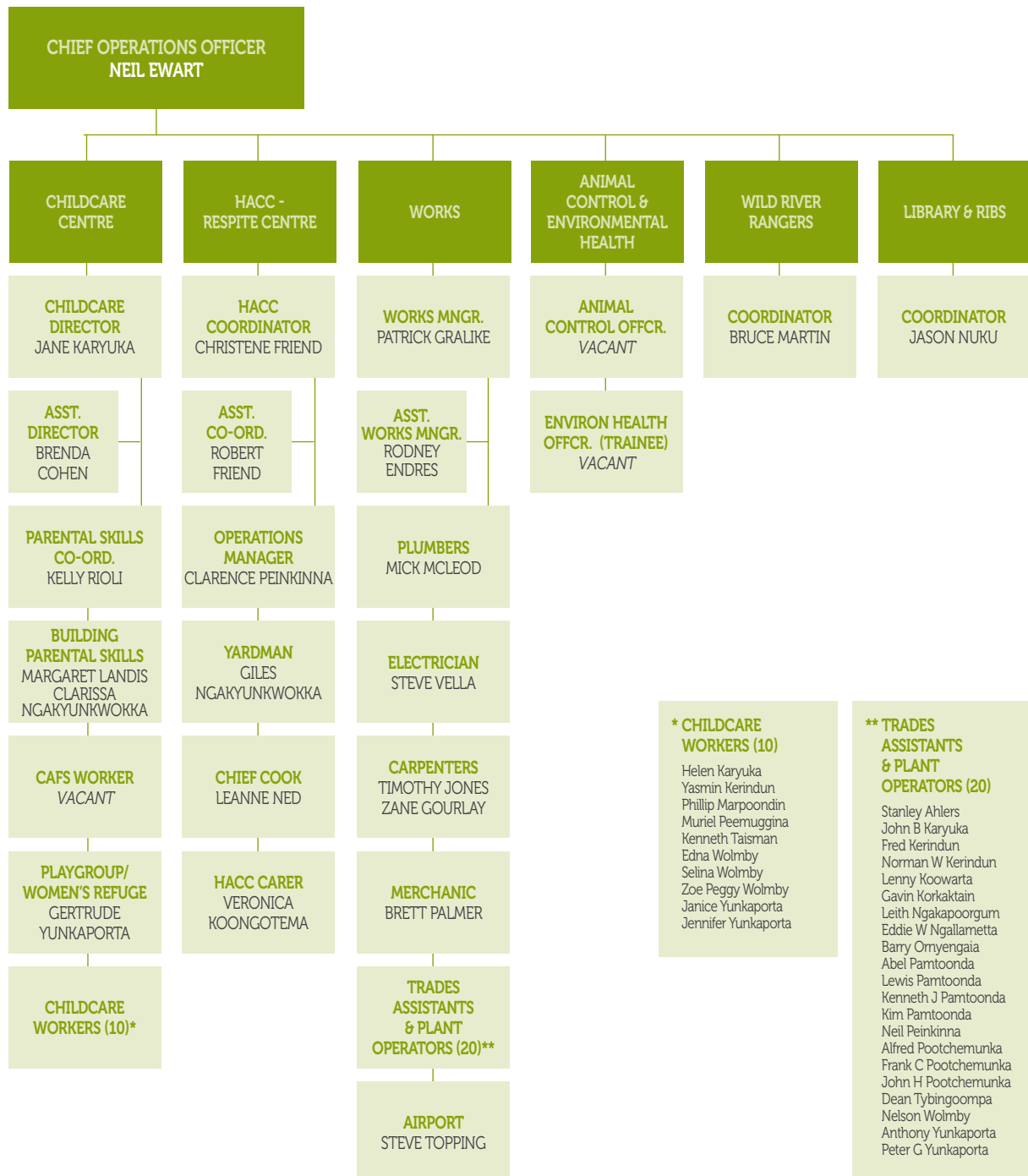
01. Children with Boat :: Kerry Trapnell



02. A beach near the South of Embley mine site :: Rio Tinto Alcan



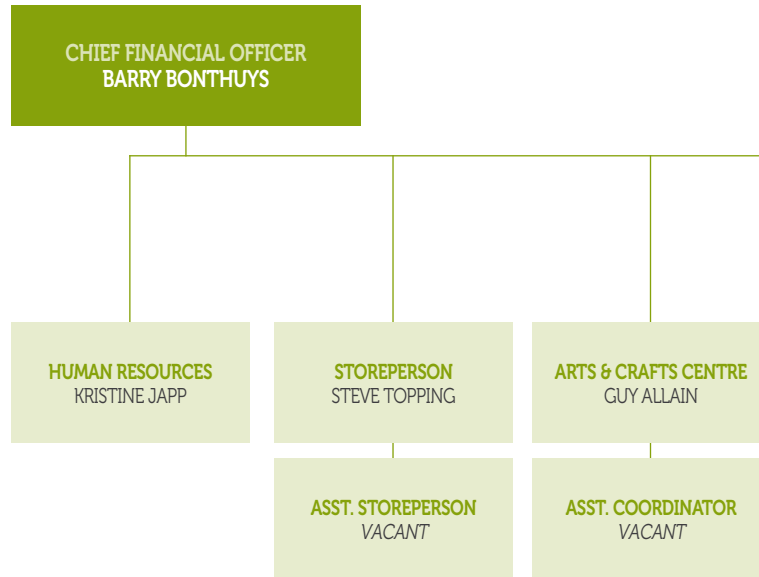
CHART 2



- * CHILDCARE WORKERS (10)**
 Helen Karyuka
 Yasmin Kerindun
 Phillip Marpoondin
 Muriel Peemuggina
 Kenneth Taisman
 Edna Wolmby
 Selina Wolmby
 Zoe Peggy Wolmby
 Janice Yunkaporta
 Jennifer Yunkaporta

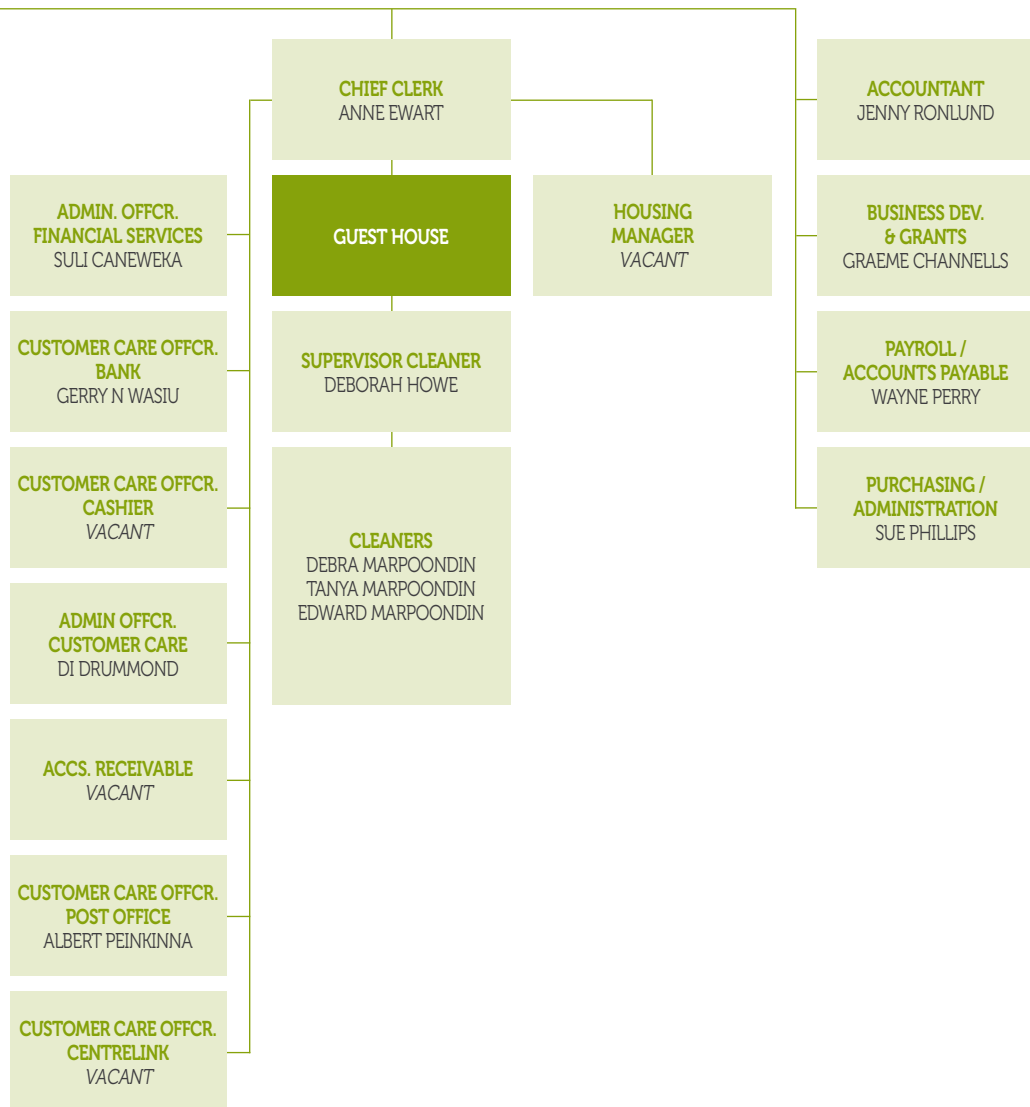
- ** TRADES ASSISTANTS & PLANT OPERATORS (20)**
 Stanley Ahlers
 John B Karyuka
 Fred Kerindun
 Norman W Kerindun
 Lenny Koowarta
 Gavin Korkaktain
 Leith Ngakapoorgum
 Eddie W Ngallametta
 Barry Orryengaia
 Abel Pamtoonda
 Lewis Pamtoonda
 Kenneth J Pamtoonda
 Kim Pamtoonda
 Neil Peinkinna
 Alfred Pootchemunka
 Frank C Pootchemunka
 John H Pootchemunka
 Dean Tybingoompa
 Nelson Wolmby
 Anthony Yunkaporta
 Peter G Yunkaporta

CHART 3



- 01. The "farm dam" when full :: Kristine Japp
- 02. In a Wetland :: Kerry Trapnell





AURUKUN SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

AURUKUN SHIRE COUNCIL

Table of Contents

For the year ended 30 June 2011

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

- 1 Summary of significant accounting policies
- 2 Analysis of results by function
- 3 Revenue analysis
- 4 Grants, subsidies, contributions and donations
- 5 Capital income/(loss)
- 6 Employee benefits
- 7 Materials and services
- 8 Impairment
- 9 Depreciation and amortisation
- 10 Cash and cash equivalents
- 11 Trade and other receivables
- 12 Inventories
- 13 Other financial assets
- 14 Property, plant and equipment
- 15 Trade and other payables
- 16 Provisions
- 17 Asset revaluation surplus
- 18 Retained surplus
- 19 Other reserves
- 20 Commitments for expenditure
- 21 Contingent liabilities
- 22 Trust funds
- 23 Superannuation
- 24 Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities
- 25 Financial instruments
- 26 National competition policy
- 27 Operating lease income
- 28 Events after the reporting period
- 29 Tied grants by project

Management Certificate

Independent Auditor's Report

AURUKUN SHIRE COUNCIL**Statement of Comprehensive Income**

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Income			
Revenue			
Recurrent revenue			
Utility charges	3	496,110	556,426
Fees and charges	3	421,271	437,337
Rental income	3	1,823,666	1,657,544
Interest received	3	152,016	64,863
Other recurrent income	3	2,273,948	2,819,293
Grants, subsidies, contributions and donations	4	6,324,668	6,393,425
Total recurrent revenue		11,491,679	11,928,888
Capital revenue			
Grants, subsidies, contributions and donations	4	4,387,245	7,180,881
Total capital revenue		4,387,245	7,180,881
Total revenue		15,878,924	19,109,769
Capital income/(loss)	5	(479,049)	93,037
Total Income		15,399,875	19,202,806
Expenses			
Recurrent expenses			
Employee benefits	6	(4,131,650)	(4,594,104)
Materials and services	7	(8,753,311)	(6,135,660)
Depreciation and amortisation	9	(2,470,834)	(2,550,406)
Total recurrent expenses		(15,355,796)	(13,280,170)
Total expenses		(15,355,796)	(13,280,170)
Net result		44,080	5,922,636
Other comprehensive income			
Increase/(decrease) in asset revaluation surplus	17	(1,942,875)	4,062,942
Total other comprehensive income for the year		(1,942,875)	4,062,942
Total comprehensive income for the year		(1,898,795)	9,985,578

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

AURUKUN SHIRE COUNCIL

Statement of Financial Position

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Current assets			
Cash and cash equivalents	10	7,252,316	7,842,888
Trade and other receivables	11	723,302	700,718
Inventories	12	207,974	155,824
Other financial assets	13	149,078	106,792
Total current assets		8,332,670	8,806,222
Non-current assets			
Property, plant and equipment	14	118,290,609	120,170,206
Total non-current assets		118,290,609	120,170,206
Total assets		126,623,279	128,976,428
Current liabilities			
Trade and other payables	15	1,064,639	1,519,247
Provisions	16	53,079	66,432
Total current liabilities		1,117,718	1,585,679
Non-current liabilities			
Provisions	16	44,215	30,611
Total non-current liabilities		44,215	30,611
Total liabilities		1,161,933	1,616,290
Net community assets		125,461,346	127,360,138
Community equity			
Asset revaluation surplus	17	108,032,741	109,975,617
Retained surplus	18	14,785,444	12,535,883
Other reserves	19	2,643,161	4,848,639
Total community equity		125,461,346	127,360,139

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 2011

	Asset revaluation surplus Note 17		Retained surplus Note 18		Other reserves Note 19		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
Balance as at 1 July	\$ 109,975,616	\$ 105,912,675	\$ 12,535,883	\$ 9,363,502	\$ 4,848,638	\$ 2,098,385	\$ 127,360,137	\$ 117,374,562
Other comprehensive income for the year								
Increase/(decrease) in asset revaluation surplus	(1,942,875)	4,062,941	0	0	0	0	(1,942,875)	4,062,941
Available for sale investments:								
Valuation gains/(losses)	0	0	0	0	0	0	0	0
Transferred to income statement on sale	0	0	0	0	0	0	0	0
Impairment losses	0	0	0	0	0	0	0	0
Net income recognised directly in equity	(1,942,875)	4,062,941	0	0	0	0	(1,942,875)	4,062,941
Net result	0	0	44,083	5,922,636	0	0	44,083	5,922,636
Total comprehensive income for the year	(1,942,875)	4,062,941	44,083	5,922,636	0	0	(1,898,792)	9,985,577
Transfers to and from reserves								
Transfers to other reserves	0	0	(417,203)	(3,941,092)	417,203	3,941,092	0	0
Transfers from general reserves	0	0	2,622,681	1,190,839	(2,622,681)	(1,190,839)	0	0
Total transfers to and from reserves	0	0	2,205,478	(2,750,253)	(2,205,478)	2,750,253	0	0
Balance as at 30 June	108,032,741	109,975,616	14,785,444	12,535,885	2,643,160	4,848,638	125,461,346	127,360,140

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 2011

	Notes	2011	2010
		\$	\$
Cash flows from operating activities:			
Receipts from customers		2,919,139	3,890,102
Payments to suppliers and employees		(13,667,583)	(10,717,824)
		<u>(10,748,444)</u>	<u>(6,827,722)</u>
Interest received		152,016	64,863
Rental income		1,823,666	1,657,544
Non capital grants and contributions	4	6,324,668	6,393,425
Net cash inflow (outflow) from operating activities	24	<u>(2,448,094)</u>	<u>1,288,110</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(2,534,112)	(4,011,205)
Proceeds from sale of property, plant and equipment	5	4,388	93,037
Grants, subsidies, contributions and donations	4	4,387,245	7,180,881
Net cash inflow (outflow) from investing activities		<u>1,857,521</u>	<u>3,262,713</u>
Cash flows from financing activities		0	0
Net increase (decrease) in cash held		<u>(590,573)</u>	<u>4,550,823</u>
Cash at beginning of the financial year		7,842,890	3,292,067
Cash at end of the financial year	10	<u><u>7,252,316</u></u>	<u><u>7,842,890</u></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 2011

Note 1: Summary of significant accounting policies**1.01 Basis of preparation**

These general purpose financial statements for the period 1 July 2010 to 30 June 2011 have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other pronouncements issued by the Australian Accounting Standards Board. They also comply with the requirements of the *Local Government Act 2009* and the *Local Government (Finance, Plans and Reporting) Regulation 2010*.

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

1.02 Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. 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.

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.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

	Effective for annual report periods beginning on or after:
AASB 9 Financial Instruments (December 2009)	1 January 2013
AASB 124 Related Party Disclosures (December 2009)	1 January 2011
AASB 1053 Application of Tiers of Australian Accounting Standards	1 July 2013
2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)	1 January 2013
2009-12 Amendments to Australian Accounting Standards in relation to AASB 8 Operating Segments (December 2009)	1 January 2011
2009-14 Amendments to Australian Interpretation - Prepayment of a Minimum Funding Requirement (Interpretation 14) (December 2009)	1 January 2011
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1 July 2013
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	1 January 2011
AASB 2010-5 Amendments to Australian Accounting Standards	1 January 2011
AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets	1 July 2011
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	1 January 2013
AASB 2010-10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters	1 January 2013

Management have yet to assess the impact that AASB 9 Financial Instruments and 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 is likely to have on the financial statements of Council as it is anticipated that further amendments will occur. Council does not expect to implement the amendments prior to the adoption date of 1 January 2013.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies

1.03 Adoption of new and revised Accounting Standards (continued)

The reported results and position of the Council will not change on adoption of the other pronouncements as they do not result in any changes to the Council's existing accounting policies. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Council does not intend to adopt any of these pronouncements before their effective date.

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 of property, plant and equipment - Note 1.16 and Note 14

Provisions - Note 1.21 and Note 16

Contingencies - Note 21

1.05 Currency

The Council uses the Australian Dollar as its functional currency and its presentation currency.

1.06 Constitution

The Council is constituted under the Local Government Act 2009 and is domiciled in Australia.

1.07 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.

1.08 Changes to accounting policies

Unless otherwise stated, accounting policies are the same as the previous year.

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies**1.09 Revenue**

Grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

(i) Utility charges and fees and charges

Where community levies are received prior to the commencement of the levy period, the amount is recognised as revenue in the period in which they are received.

(ii) Grants, subsidies, contributions and donations

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. An equivalent amount is placed in a reserve until the funds are expended. Unspent non-reciprocal capital grants are placed in the constrained works reserve and the unspent reciprocal grants are placed in the future recurrent expenditure reserve.

Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements. Council does not currently have any reciprocal grants.

(iii) 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.

(iv) Other revenue

Other revenue is recognised as a receivable when it is probable that it will be received and the amount is known, otherwise the amount is recognised upon receipt.

(v) Rental income

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

(vi) Interest received

Interest received from term deposits is accrued over the term of the investment.

1.10 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, 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.

1.11 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 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 2011

Note 1: Summary of significant accounting policies

1.11 Receivables (continued)

All known bad debts were written-off at 30 June 2011. 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.

1.12 Other financial assets

Other financial assets are recognised at cost and are disclosed in Note 13.

1.13 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 1.10)

Receivables - measured at amortised cost (Note 1.11)

Financial liabilities

Payables - measured at amortised cost (Note 1.20)

Financial assets and financial liabilities are presented separately from each other and offsetting has not been applied.

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.

Council does not recognise financial assets or financial liabilities at fair value in the Statement of Financial Position.

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 25.

1.14 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.

1.15 Investments

Financial institution deposits at call and term deposits with a short maturity of three months or less are treated as cash equivalents. Interest revenue is recognised on an accrual basis.

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies**1.16 Property, plant and equipment**

Each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss. 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

Plant and equipment

Buildings

Roads, drainage, and bridge network

Aerodrome

Sewerage

Water

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 means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

(ii) Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets is treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity of the non-current asset are expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

(iii) Valuation

Buildings and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment. Plant and equipment and office equipment are measured at cost.

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 comprehensively revaluing these assets at least once every three years with interim valuations, using a suitable index, being otherwise performed on an annual basis where there has been a material variation in the index. The indexation percentage for the infrastructure and building assets has been derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, Rawlinson's (Australian Construction Handbook), construction data from the Australian Bureau of Statistics and APV's market and research costings.

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 restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

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

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies

1.16 Property, plant and equipment (continued)

Details of valuers and methods of valuations are disclosed in Note 14(c).

(iv) Depreciation

Depreciation on buildings and infrastructure assets, except plant and equipment and office equipment, is calculated on a consumption based depreciation method 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.

Depreciation on plant and equipment and office equipment is calculated on a straight-line basis.

As noted above the Council has adopted the Prabhu-Edgerton depreciation method which is Consumption Based Depreciation (CBD) approach and is a variation on straight-line depreciation.

This methodology is based on the principle that it is difficult to accurately predict the total life for an asset when an asset is expected to have a long life and also be subject to cyclical maintenance which renews the asset. Therefore, an asset life-cycle is divided into a number of distinct phases identified as periods of transition between various consumption ratings. The consumption (depreciation) of the asset is calculated by making reference to the time of transition for each phase taking into account the relative reduction in asset value.

The key inputs used to determine the valuation are:

Pattern of consumption

Useful life

Residual value

Consumption rating

This methodology is based on Australian Pacific Valuers Pty Ltd (APV) default values which take into account the typical lifecycle and renewal treatment utilised by local governments.

Depreciation methods used:

Buildings	Consumption based method
Plant and equipment	Straight line method
Office equipment	Straight line method
Road, drainage and bridgework	Consumption based method
Water	Consumption based method
Sewerage	Consumption based method
Aerodrome	Consumption based method

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 2011

Note 1: Summary of significant accounting policies**1.16 Property, plant and equipment (continued)**

The estimated useful lives of property, plant and equipment are reviewed annually. For each class of depreciable asset the following depreciation rates were used.

Asset	Range of estimated useful life in years
Office equipment	2 – 10 years
Plant and equipment	2 – 20 years
Buildings	15 – 100 years
Roads, drainage, and bridge network	12 – 100 years
Aerodrome	15 – 100 years
Sewerage	20 – 70 years
Water	10 – 70 years
Other infrastructure assets	5 – 20 years

(v) Leasehold land

The Aurukun Shire Council is located on land assigned to it under an Aboriginal Lands Lease No 1 granted to the Council pursuant to the provisions of the Local Government (Aboriginal Lands) Act 1978 over an area of about 750,000 hectares described as Lot 1 on plan SC211. The term of the lease has been extended to 3 November 2059.

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 grant is subject to the reservation of areas to the State for public purposes as well as specific conditions attaching to the leased land.

1.17 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.

1.18 Impairment of non-current assets

Each non-current physical and intangible 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.

1.19 Leases

Leases of plant and equipment under which the Council 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.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies

1.19 Leases (continued)

(i) Finance leases

Finance leases are capitalised in that a lease asset and a liability equal to the fair value of the leased property (or the present value of the minimum lease payments, if lower) are recorded at the inception of the lease. 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.

(ii) Operating leases

Payments made under operating leases are expensed in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

1.20 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.

1.21 Liabilities - employee benefits

Liabilities are recognised for employee benefits such as wages and salaries, annual leave and long service leave in respect of services provided by the employees up to the reporting date. Liabilities for employee benefits are assessed at each reporting date. Where it is expected that the leave will be paid in the next twelve months the liability is treated as a current liability. Otherwise the liability is treated as non-current.

(i) Salaries and wages

A liability for salaries and wages is recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date. This liability represents an accrued expense and is reported in Note 15 as a payable.

(ii) Annual leave

A liability for annual leave is recognised. The current portion is based on current wage and salary levels and includes related employee on-costs. This liability is treated as a payable in Note 15 and not as a provision. There is no non-current liability for annual leave as at 30 June 2011.

(iii) Sick leave

Sick leave is non-vesting and so any sick leave taken in the future will be met by future entitlements and hence no recognition of sick leave has been made in these financial statements.

(iv) 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 23.

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies**1.21 Liabilities - employee benefits (continued)**

(v) 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 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. This liability is reported in Note 16 as a provision.

1.22 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.

1.23 Reserves

The following reserves are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

(i) Constrained works reserve

This reserve represents contributions received for capital works where the required works have not yet been carried out. Unspent grants received by Council are also placed in this reserve until the obligation is satisfied.

(ii) Future recurrent expenditure reserve

This is a cash backed reserve and represents amounts that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs. In each case the amount relates to a perceived future requirement which is not a current liability.

1.24 Retained surplus

This represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.25 National Competition Policy

The Council has reviewed its activities and has not identified any activities that are business activities. Accordingly, the code of competitive conduct has not been applied to any activity of the Council. Refer to Note 26.

1.26 Rounding and comparatives

The financial statements have been rounded to the nearest \$1.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 1: Summary of significant accounting policies

1.27 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 the Note 22 to the financial statements for information purposes only.

1.28 Taxation

Income of local authorities and public authorities is 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.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
 For the year ended 30 June 2011

Note 2: Analysis of results by function

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

Functions	Gross program Income				Elimination of inter-function transactions	Total Income	Gross program expenses				Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net result	Assets
	Recurring	Other	Grants	Capital			Recurring	Other	Grants	Capital					
Year ended 30 June 2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
Corporate services	2,733,612	940,808	0	0	0	3,674,420	1,956,612	0	0	0	1,956,612	1,717,808	1,717,808	9,802,670	
Engineering services	148,925	1,761,111	3,949,525	(479,049)	0	5,380,512	6,279,717	0	0	0	6,279,717	(4,369,681)	(899,205)	16,799,551	
Environmental services	271,276	954	0	0	0	272,229	200,762	0	0	0	200,762	71,467	71,467	327,704	
Welfare & social services	894,927	26,690	28,636	0	0	950,253	728,612	0	0	0	728,612	193,005	221,642	3,404,806	
Community & cultural services	1,083,749	376,293	45,000	0	0	1,505,042	1,458,247	0	0	0	1,458,247	1,795	46,795	8,953,119	
Housing	0	980,909	0	0	0	980,909	1,561,753	0	0	0	1,561,753	(580,844)	(580,844)	63,521,225	
Public amenities & utilities	0	90,285	2,727	0	0	93,013	648,364	0	0	0	648,364	(558,079)	(555,351)	14,196,549	
Enterprises	667,700	966,960	0	0	0	1,634,660	1,833,139	0	0	0	1,833,139	(198,479)	(198,479)	9,617,655	
ICC programs	524,479	23,000	98,000	263,356	0	908,835	688,589	0	0	0	688,589	(141,109)	220,247	0	
Total Council	6,324,668	5,167,010	4,123,888	(215,693)	0	15,399,873	15,355,795	0	0	0	15,355,795	(3,864,117)	44,080	126,623,279	

Functions	Gross program Income				Elimination of inter-function transactions	Total Income	Gross program expenses				Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net result	Assets
	Recurring	Other	Grants	Capital			Recurring	Other	Grants	Capital					
Year ended 30 June 2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010	2010
Corporate services	2,434,411	725,888	0	0	0	3,160,299	2,385,486	0	0	0	2,385,486	774,813	774,813	8,865,321	
Engineering services	358,781	238,970	0	0	0	597,750	2,543,140	0	0	0	2,543,140	(1,945,389)	(1,945,389)	23,440,847	
Environmental services	236,798	3,095	33,151	0	0	273,044	186,008	0	0	0	186,008	53,885	87,036	250,569	
Welfare & social services	1,756,670	29,173	0	0	0	1,785,843	2,205,614	0	0	0	2,205,614	(419,771)	(419,771)	2,320,931	
Community & cultural services	425,038	47,562	15,530	0	0	488,130	550,919	0	0	0	550,919	(78,319)	(62,789)	8,058,978	
Housing	0	1,030,685	0	0	0	1,030,685	1,548,240	0	0	0	1,548,240	(517,555)	(517,555)	64,569,254	
Public amenities & utilities	0	672,482	27,273	0	0	699,755	850,411	0	0	0	850,411	(177,929)	(150,656)	13,302,863	
Enterprises	721,523	2,665,302	0	0	0	3,386,825	1,657,407	0	0	0	1,657,407	1,729,418	1,729,418	8,167,666	
ICC programs	467,204	215,343	7,087,928	0	0	7,780,475	1,352,945	0	0	0	1,352,945	(670,398)	6,427,530	0	
Total Council	6,400,425	5,628,500	7,173,882	0	0	19,202,806	13,280,170	0	0	0	13,280,170	(1,251,245)	5,922,636	128,976,429	

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 2(b): Components of council functions

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

Corporate services

This comprises the support functions for the mayor and councillors, Council and committee meetings, statutory requirements, Council's finance, information technology and administration.

Engineering services

Includes construction and maintenance of Shire roads, operation and maintenance of plant and equipment, and provision of support for other Council activities.

Environmental services

Includes the operation and planning of the management of animal control, emergency services and health inspections.

Welfare and social services

Includes the provision of:

- Child care services
- Family and parenting programs
- Aged care program
- Home and community care program
- Child safety

Community and cultural services

Community services and facilities including cultural health, welfare, environmental and recreational services.

This function includes:

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

Housing

Includes the provision of community housing and housing for Council employees.

Public amenities and utilities

Includes the operation of the aerodrome, provision of cleansing, water and sewerage services, barge landing and investigation into the construction of wharf facilities.

Enterprises

Includes provision of visitor accommodation, general store, tavern, air charter operations, Centrelink agency, the undertaking of private works etc.

ICC programs

Includes Indigenous Coordination Centre programs.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Note 3: Revenue analysis			
(a) Utility charges			
Community charges		154,922	230,677
Water		109,048	113,323
Sewerage		151,886	148,207
Garbage charges		80,254	64,219
		496,110	556,426
(b) Fees and charges			
Fees and charges		421,271	437,337
		421,271	437,337
(c) Rental income			
Housing rental		1,226,933	1,155,355
Operating lease income	27	596,733	502,189
		1,823,666	1,657,544
(d) Interest received			
Interest received from term deposits		152,016	64,863
		152,016	64,863
(e) Other recurrent income			
Private works		1,634,296	1,708,302
Administration contributions		0	195,149
Art work sales		229,360	212,071
Agency commissions		132,514	102,580
Other income		277,778	601,191
		2,273,948	2,819,293
Note 4: Grants, subsidies, contributions and donations			
(a) Recurrent			
General purpose grants		2,675,572	2,419,744
State government subsidies and grants		3,637,781	3,968,012
Other grants and contributions		11,315	5,669
		6,324,668	6,393,425
(b) Capital			
State government subsidies and grants		4,123,889	7,180,881
Contributions		263,356	0
		4,387,245	7,180,881
Note 5: Capital income/(loss)			
Gain (loss) on the disposal of non-current assets			
Proceeds from the sale of property, plant and equipment		23,082	156,416
Less: book value of property, plant and equipment disposed		(502,131)	(63,379)
		(479,049)	93,037

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Note 6: Employee benefits			
Total staff wages and salaries		2,968,775	3,361,262
Councillors' remuneration		231,687	253,810
Annual, sick and long service leave entitlements		428,842	467,084
Superannuation	23	371,676	392,052
		4,000,980	4,474,208
Other employee related expenses		133,805	136,457
		4,134,785	4,610,665
Less: capitalised employee expenses		(3,135)	(16,561)
		4,131,650	4,594,104

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	32	56
Depot and outdoors staff	29	42
Total full time equivalent employees	66	103

Note 7: Materials and services

Audit services	61,975	139,584
Private works	999,340	672,301
Other material and services	5,611,271	2,714,241
General store costs	150,235	55,995
Tavern costs	83,493	77,005
Write-down of inventories	6,276	(15,893)
Plant operations	325,828	309,426
Community housing	332,486	282,393
Doubtful debts	(47,073)	(131,717)
Administration expenses	520,972	639,465
Staff housing	150,453	154,387
Child care expenses	137,980	268,944
Arts and craft expenses	157,779	454,226
Aged care	262,296	401,813
CDEP	0	113,490
	8,753,311	6,135,660

Note 8: Impairment

Loss on impairment

Property, plant and equipment	1,942,875	0
	1,942,875	0
Impairment loss offset against asset revaluation surplus	(1,942,875)	0
Impairment loss treated as expense	0	0

The loss on impairment of assets arises from flood damage caused to roads infrastructure. The impairment loss of \$1,972,875 is determined through revaluation of the assets after the damage.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	201
		\$	\$
Note 9: Depreciation and amortisation			
(a) Depreciation of non-current assets			
Buildings		1,521,300	1,498,526
Plant and equipment		302,185	384,229
Aerodrome		55,596	55,045
Office equipment		23,255	49,139
Road, drainage and bridge network		440,624	436,261
Water		52,950	52,333
Sewerage		74,924	74,872
		2,470,834	2,550,405

Note 10: Cash and cash equivalents

Cash at bank and on hand		5,094,457	2,290,041
Term deposits - 3 months or less		2,157,859	1,077,911
Monies held in trust by third parties	10(a)	0	4,474,936
Balance per Statement of Cash Flows	10(b)	7,252,316	7,842,888

(a) These funds are held in trust by Black & More Consultants (project manager) in respect of the following projects:

Health and well being infrastructure project		0	870,450
Welfare reform project		0	327,267
Redevelopment of the Aurukun business precinct		0	3,277,219
		0	4,474,936

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

Unspent government grants and subsidies	19	2,643,161	4,848,639
Total unspent restricted cash		2,643,161	4,848,639

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Notes	2011	2010
	\$	\$
Note 11: Trade and other receivables		
Current		
Service charge debtors	104,699	109,758
General store and tavern debtors	0	39,979
Rent debtors	26,202	31,041
Housing debtors	48,978	98,902
Other debtors	644,022	568,710
Less: impairment	(100,599)	(147,672)
	723,302	700,718
Note 12: Inventories		
Current		
Inventories for consumption:		
Miscellaneous saleable items	6,064	9,828
Total inventories for consumption	6,064	9,828
Valued at the lower of cost and selling price less cost to sell.		
Inventories for distribution:		
Plant and equipment stores	211,910	155,996
Less: Provision for slow moving and obsolete materials	(10,000)	(10,000)
Total inventories for distribution	201,910	145,996
Valued at the lower of cost and replacement value		
Total inventories	207,974	155,824
Note 13: Other financial assets		
Current		
Prepayments	149,078	106,792
	149,078	106,792

Note 14(b): Property, plant and equipment (continued)
For the year ended 30 June 2010

Basis of measurement	Note	Office equipment		Plant & equipment		Buildings		Road, drainage and bridge network		Aerodrome		Sewerage		Water		Capital works in progress		TOTAL	
		Cost	Revaluation	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	Revaluation	Cost		Revaluation
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Asset values																			
Opening gross value at cost as at 1 July 2009		410,218	4,771,654	0	0	0	0	0	0	0	0	0	0	0	2,021,583	0	2,021,583	7,203,455	
Opening gross value at valuation as at 1 July 2009		0	0	110,761,133	9,756,420	5,735,266	5,967,602	2,934,370	0	0	0	0	0	0	0	0	0	135,154,791	
Additions at cost		43,601	364,897	5,473,306	0	0	0	0	0	0	0	0	0	0	(1,833,602)	0	(1,833,602)	4,048,202	
Disposals	5	(102,156)	(58,355)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(160,511)	
Revaluation adjustment to the ARS		0	0	2,337,547	97,564	57,353	1,080	3,708	0	0	0	0	0	0	0	0	0	2,497,252	
Closing gross value as at 30 June 2010		351,663	5,078,196	118,571,986	9,853,984	5,792,619	5,968,682	2,938,078	187,981	148,743,189									
Accumulated depreciation																			
Opening balance as at 1 July 2009		174,135	3,794,792	20,887,129	1,437,610	257,474	640,352	520,289	0	0	0	0	0	0	0	0	0	27,711,781	
Depreciation provided in period		49,139	384,229	1,498,526	436,261	55,045	74,872	52,333	0	0	0	0	0	0	0	0	0	2,550,405	
Depreciation on disposals	5	(57,906)	(39,225)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(97,131)	
Revaluation adjustment to the ARS		0	0	(991,465)	(421,885)	(52,471)	(74,589)	(51,662)	0	0	0	0	0	0	0	0	0	(1,592,072)	
Accumulated depreciation as at 30 June 2010		165,368	4,139,796	21,394,190	1,451,986	260,048	640,635	520,960	0	28,572,983									
Book value as at 30 June 2010		186,295	938,400	97,177,796	8,401,998	5,532,570	5,328,047	2,417,118	187,981	120,170,206									
Residual value		0	42,016	60,973,762	837,097	1,781,700	581,732	298,000	0	64,514,307									
Range of estimated useful life in years		2 - 8	2 - 10	15 - 100	25 - 100	15 - 100	20 - 50	20 - 50											

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 14 (c) Property, plant and equipment valuations

Property, plant and equipment valuations were determined by reference to the following:

Buildings

Buildings were comprehensively revalued by Australia Pacific Valuers Pty Ltd (APV) as at 30 June 2009. The comprehensive revaluation involved estimating the current replacement cost having regard to the assessed remaining useful life or service potential of the asset ascertained through a physical inspection and condition assessments. Comprehensive revaluations are performed every three years, with the next comprehensive revaluation to be performed in June 2012.

Index revaluations are performed in intervening years between comprehensive revaluations. Index revaluations are applied when there is a material movement in the construction cost guides for the relevant asset categories, however this does not take into account changes in the remaining useful life or service potential of the asset outside those assumed in the calculation of depreciation. An index revaluation was performed by APV at 30 June 2010 resulting in an increase in the fair values and a corresponding increase in the asset revaluation reserve of \$3,329,012. As there had been no material movement in the index since 30 June 2010, no revaluation adjustment was made at 30 June 2011.

Plant and equipment

Plant and equipment is measured at original cost less accumulated depreciation.

Office equipment

Office equipment is measured at original cost less accumulated depreciation.

Sewerage and water infrastructure

Sewerage and water infrastructure assets were comprehensively revalued by Australia Pacific Valuers Pty Ltd (APV) as at 30 June 2009. The comprehensive revaluation involved estimating the current replacement cost having regard to the assessed remaining useful life or service potential of the asset ascertained through a physical inspection and condition assessments. Comprehensive revaluations are performed every three years, with the next comprehensive revaluation to be performed in June 2012.

Index revaluations are performed in intervening years between comprehensive revaluations. Index revaluations are applied when there is a material movement in the construction cost guides for the relevant asset categories, however this does not take into account changes in the remaining useful life or service potential of the asset outside those assumed in the calculation of depreciation. An index revaluation was performed by APV at 30 June 2010 resulting in an increase in the fair values and a corresponding increase in the asset revaluation reserve of \$131,039. As there had been no material movement in the index since 30 June 2010, no revaluation adjustment was made at 30 June 2011.

Roads, drainage and bridge network and aerodrome infrastructure

Roads, drainage and bridge network and aerodrome infrastructure assets were comprehensively revalued by Australia Pacific Valuers Pty Ltd (APV) as at 30 June 2009. The comprehensive revaluation involved estimating the current replacement cost having regard to the assessed remaining useful life or service potential of the asset ascertained through a physical inspection and condition assessments. Comprehensive revaluations are performed every three years, with the next comprehensive revaluation to be performed in June 2012.

Index revaluations are performed in intervening years between comprehensive revaluations. Index revaluations are applied when there is a material movement in the construction cost guides for the relevant asset categories, however this does not take into account changes in the remaining useful life or service potential of the asset outside those assumed in the calculation of depreciation. An index revaluation was performed by APV at 30 June 2010 resulting in an increase in the fair values and a corresponding increase in the asset revaluation reserve of \$629,273.

Roads, drainage and bridge network and aerodrome infrastructure assets were internally assessed at 30 June 2011. Condition assessments were performed on these infrastructure assets after flooding caused by Cyclone Tasha. It was assessed that the roads, drainage and bridge network was impaired and an impairment expense of \$1,942,875 was recognised in other comprehensive income.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Note 15: Trade and other payables			
Current			
Creditors and accruals		698,693	798,161
GST payable		115,984	456,627
Annual leave payable		249,962	264,459
		1,064,639	1,519,247
Note 16: Provisions			
Current			
Long service leave		53,079	66,432
		53,079	66,432
Non-current			
Long service leave		44,215	30,611
		44,215	30,611
Long service leave			
Balance at beginning of financial year		97,043	116,640
Long service leave entitlement arising		30,436	20,559
Long service leave entitlement extinguished		(11,615)	(26,716)
Long service leave entitlement paid		(18,571)	(13,440)
Balance at end of financial year		97,293	97,043
Note 17: Asset revaluation surplus			
Asset revaluation surplus			
Movements in the asset revaluation surplus were as follows:			
Balance at beginning of financial year		109,975,616	105,912,675
Net adjustment to non-current assets at end of period to reflect a change in current fair value:			
Buildings		0	3,302,630
Road, drainage and bridge network		0	519,449
Aerodrome		0	109,823
Sewerage		0	75,669
Water		0	55,370
Impairment: road, drainage and bridge network		(1,942,875)	0
Balance at end of financial year		108,032,741	109,975,616
Asset revaluation surplus analysis			
The closing balance of the asset revaluation reserve is comprised of the following asset categories:			
Buildings		87,786,529	87,786,529
Road, drainage and bridge network		9,846,034	11,788,910
Aerodrome		4,656,064	4,656,064
Sewerage		3,175,923	3,175,923
Water		2,568,191	2,568,191
		108,032,741	109,975,617

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Note 18: Retained surplus			
Movements in the retained surplus were as follows:			
Retained surplus at beginning of financial year		12,535,883	9,363,500
Net operating surplus		44,083	5,922,636
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:			
Constrained works reserve		2,312,296	(2,788,297)
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:			
Recurrent expenditure reserve		(106,818)	38,044
Retained surplus at end of financial year		14,785,444	12,535,883

Note 19: Other reserves**(a) Reserves held for funding future capital expenditure:**

Constrained works reserve	1,839,689	4,151,985
	1,839,689	4,151,985

(b) Reserves held for funding future recurrent expenditure:

Future recurrent expenditure reserve	803,472	696,654
	803,472	696,654

Total reserves

	2,643,161	4,848,639
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(c) Movements in capital reserves are analysed as follows:**Constrained works reserve**

Balance at beginning of financial year	4,151,985	1,363,688
Transfer from retained surplus for future expenditure	30,000	3,645,065
Transfer to the retained surplus/capital funds expended in the period	(2,342,296)	(856,768)
Balance at end of financial year	1,839,689	4,151,985

(d) Movements in recurrent reserves are analysed as follows:**Future recurrent expenditure reserve**

Balance at beginning of financial year	696,654	734,698
Transfer from retained surplus for future expenditure	387,203	296,027
Transfer to retained surplus	(280,385)	(334,071)
Balance at end of financial year	803,472	696,654

Note 20: Commitments for expenditure

Contractual commitments at balance date but not recognised in the financial statements are as follows:

Health and well being infrastructure project	10	0	870,450
Welfare reform project	10	0	327,267
Redevelopment of the Aurukun business precinct	10	0	3,277,219
		0	4,474,936

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 21: 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 June 2011 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 \$88,007.

Note 22: Trust funds

	<u>Notes</u>	<u>2011</u>	<u>2010</u>
		\$	\$
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		153,666	53,166
Security deposits		44,428	44,428
Mission account		641	641
		<u>198,735</u>	<u>98,235</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.

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 23: 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 two elements referred to as the Defined Benefits Fund (DBF) 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 DBF is a defined benefit plan as defined in AASB 119. The Council is not able to account for the DBF as a defined benefit plan in accordance with AASB 119 because the scheme is unable to account to the Council for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which either the fund is over or under funded would only affect future benefits and contributions to the 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.

The audited general purpose financial report of the scheme as at 30 June 2010 (the most recent available) which was not subject to any audit qualification, indicates that 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 2009. The actuary indicated that the DBF is in a very modest financial position with regard to the net asset coverage of vested liabilities. Investment returns will be volatile under the required investment strategy, particularly over short periods. The DBF therefore needs sufficient reserves to be able to withstand a reasonable range of such influences. Because the DBF is now running down and cash flows are negative, the VBI (vested benefit index) should not be allowed whenever possible to retreat below 100%. Once below 100%, benefits drawn reduce the available assets for remaining members and hence the net asset coverage of vested benefits declines further.

In order to withstand a one in ten "low return" outcome, the DBF would need reserves of the order of 8% to 10% having regard to the investment strategy adopted. Given the current position of the DBF, such reserve can essentially only eventuate from either excess investment returns over salary increases or additional employer contributions.

Council has been advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of DBF members. 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 DBF when the actuary advises such additional contributions are payable - normally when the assets of the DBF are insufficient to meet members' benefits.

The next actuarial investigation will be made as at 1 July 2012.

The amount of superannuation contributions paid by the Aurukun Shire Council to the superannuation scheme in this period for the benefit of employees was:

	Notes	2011	2010
		\$	\$
Contributions	6	371,676	392,052

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

	Notes	2011	2010
		\$	\$
Note 24: Reconciliation of net operating surplus for the year to net cash inflow (outflow) from operating activities			
Net operating result		44,080	5,922,636
Non-cash operating items:			
Depreciation and amortisation	9	2,470,834	2,550,406
		2,470,834	2,550,406
Investing and development activities:			
Net (profit) loss on disposal of non-current assets	5	(4,388)	(93,037)
Capital grants and contributions	4	(4,387,245)	(7,180,881)
		(4,391,633)	(7,273,918)
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables		(74,734)	154,790
(Increase)/decrease in other operating assets		(42,286)	(23,870)
Increase/(decrease) in payables	15	(454,608)	(106,792)
Increase/(decrease) in other provisions	16	250	84,456
Increase/(decrease) in other liabilities		0	(19,598)
		(571,379)	88,986
Net cash inflow/(outflow) from operating activities		(2,448,094)	1,288,110

Note 25: Financial instruments

The Council's activities expose it to a variety of financial risks including interest rate risk, credit risk, and liquidity risk.

Exposure to financial risk is managed in accordance with Council approved policies on financial risk management. These policies focus on managing the volatility of financial markets and seek to minimise potential adverse effects on the financial performance of the Council. The Council minimises its exposure to financial risk in the following ways:

Investments in financial assets are only made where those assets are with a bank or other financial institution in Australia. The Council does not invest in derivatives or other high risk investments.

The Council measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Interest rate risk	Sensitivity analysis
Liquidity risk	Maturity analysis
Credit risk	Ageing analysis

(a) Credit risk

Credit risk exposure refers to the situation where the Council may incur financial loss as a result of another party to a financial instrument failing to discharge their obligations.

In the case of receivables, the Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

The Council is exposed to credit risk through its investments with deposits held with banks or other financial institutions. Investments are held with highly rated/regulated banks and financial institutions and whilst not capital guaranteed, the likelihood of a credit failure is remote.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment.

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

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 25: Financial instruments (continued)**(a) Credit risk (continued)**

The following table represents the Council maximum exposure to credit risk:

Financial assets	2011 \$	2010 \$
Cash and cash equivalents	7,252,316	7,842,889
Receivables	823,901	848,390
Total	8,076,217	8,691,279

No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

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

30-Jun-11	Fully performing \$	Past due 30-60 days \$	Past due 61-90 days \$	Past due 90+ days \$	Total \$
Receivables	320,242	115,954	52,358	335,347	823,901
Less impairment	0	0	0	(100,599)	(100,599)
Net receivables	320,242	115,954	52,358	234,748	723,302

30-Jun-10	Fully performing \$	Past due 30-60 days \$	Past due 61-90 days \$	Past due 90+ days \$	Total \$
Receivables	366,094	52,451	108,292	321,552	848,389
Less impairment	0	0	0	(147,672)	(147,672)
Net receivables	366,094	52,451	108,292	173,880	700,717

(b) Liquidity risk

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Council is exposed to liquidity risk through its trading in the normal course of business.

The following table sets out the liquidity risks of financial liabilities held by the Council in a format as it might be provided to management. The amounts disclosed in the maturity analysis represent the contractual undiscounted cash flow at balance date:

	0 to 1 year		1 - 5 Years		Total	
	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$
Creditors and accruals	698,693	798,161	0	0	698,693	798,161
GST payable	115,984	456,627	0	0	115,984	456,627
Accrued annual leave	249,962	264,459	0	0	249,962	264,459
Total	1,064,639	1,519,247	0	0	1,064,639	1,519,247

(c) Interest rate risk

The Council is exposed to interest rate risk through its investments held with financial institutions.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 25: Financial instruments (continued)

Interest rate sensitivity analysis

The following sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss should there be a 1% increase in market interest rates. The calculations assume that the rate would be held constant over the next financial year, with the change occurring at the beginning of that year. If the rates decreased by 1% the impact would be equal in amount in the reverse direction.

	Net carrying amount 2011 \$	Net carrying amount 2010 \$	Net result 2011 \$	Net result 2010 \$	Equity 2011 \$	Equity 2010 \$
Financial Assets	20,779	33,680	20,779	33,680	20,779	33,680
Financial Liabilities	0	0	0	0	0	0
Net	20,779	33,680	20,779	33,680	20,779	33,680

Fair Value

The recognised fair values of financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

Level 1 - Fair values that reflect the unadjusted quoted prices in active markets for identical assets/liabilities.

Level 2 - Fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices).

Level 3 - Fair values that are derived from data not observable in a market.

According to the above hierarchy, the fair values of each class of asset/liability recognised at fair value are as follows:

Class	Classification according to fair value			Total carrying amount 2011 \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Cash and cash equivalents	7,252,316	0	0	7,252,316
Trade and other receivables	723,302	0	0	723,302
Other financial assets	149,078	0	0	149,078
Total	8,124,696	0	0	8,124,696
Financial liabilities				
Trade and other payables	1,064,639	0	0	1,064,639
Total	1,064,639	0	0	1,064,639

Note 26: National Competition Policy

Activities to which the code of competitive conduct is applied

A "business activity" of a local government is divided into two categories:

(a) Roads business activity:

- (i) the construction or maintenance of State controlled roads for which the local government submits an offer to carry out work in response to a tender invitation other than through a sole supplier arrangement;

AURUKUN SHIRE COUNCIL**Notes to the Financial Statements**

For the year ended 30 June 2011

Note 26: National Competition Policy (continued)

(ii) submission of a competitive tender for construction or road maintenance on the local government's roads which the local government has put out to tender, or called for by another local government.

(b) Other business activity, referred to as type three activities, means the following:

(i) trading in goods and services to clients in competition with the private sector; or

(ii) the submission of a competitive tender in the local government's own tendering process in competition with others for the provision of goods and services to itself. Excluded activities are (a) library services, (b) an activity or part thereof prescribed by legislation.

Local governments may elect to apply a Code of Competitive Conduct (CCC) to their identified business activities. This requires the application of full cost pricing, identifying the cost of community service obligations (CSO) and eliminating the advantages and disadvantages of public ownership within that activity. The application of the CCC to the roads business activity is compulsory.

The Council has reviewed its activities and has not identified any activities that are business activities. Accordingly, the code of competitive conduct has not been applied to any activity of the Council.

Note 27: Operating lease income (Council is lessor)

The Council has leased the Aurukun General Store to an operator from 1 March 2009 for five years. The lease receipts are based on 6% of gross sales calculated for each two month period. The revenue lease commitments are unable to be reliably estimated.

	Notes	2011	2010
Lease receipts		\$ 596,733	\$ 502,189

Note 28: Events after the reporting period

There were no material adjusting events after the balance date.

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 29: Tied grants by project

Source of funds and/or projects	Balance 1/07/2010 \$	Revenue \$	Expense \$	Balance 30/06/2011 \$
Non-ICC grants				
General purpose grants				
Grants for the whole of Council:				
State government financial aid	-	1,225,306	1,225,306	-
Financial assistance grant	-	1,450,266	1,450,266	-
Environmental health	105,104	-	105,104	-
	105,104	2,675,572	2,780,676	-
Specific purpose grants				
Business development / grants officer	-	57,000	57,000	-
Town planning	-	31,983	31,983	-
Roads to recovery supplementary	5,964	6,067	7,924	4,107
Identified roads grant	-	104,483	104,483	-
Natural disaster relief & recovery	-	3,949,525	3,949,525	-
Indigenous economic development	72,878	80,000	41,964	110,914
Pest control	4,701	-	4,701	-
Feral & domestic animal management	-	67,855	62,007	5,848
Animal management unit	12,814	27,500	40,314	-
SES	-	3,000	3,000	-
Environmental health worker	25,202	68,295	14,465	79,032
Community health officer	22,500	22,500	27,893	17,107
Emergency management Queeensland	-	5,674	5,674	-
Wild river rangers	-	79,452	79,452	-
RADF	5,010	15,000	16,062	3,948
Upgrade of barge landing on MacKenzie Drive	23,063	2,727	25,791	-
WCCT - Aurukun swimming pool upgrade	-	27,273	-	27,273
Construction of a community meeting space	-	30,000	-	30,000
HACC - recurrent	121	443,469	443,544	46
Cape York welfare reforms - CDEP conversion program (aged care)	-	45,956	45,956	-
Aged care package - recurrent	80,698	348,476	284,581	144,593
BMX track and skate park	-	15,000	15,000	-
Indigenous knowledge centre	-	17,660	17,660	-
Public art by youth	-	30,000	13,052	16,948
National youth week	-	5,000	5,000	-
Recognised entity	18,570	-	18,570	-
Child care centre - federal funded program	-	393,495	393,495	-
Child care centre - state government funded program	-	116,605	116,605	-
Child care centre - vacation care	78	12,592	6,681	5,989
Child care centre - child and family support	-	91,936	50,261	41,675
Child care centre - building parental skills project 2	42,325	211,066	253,392	-
Child care centre - targeted parenting program	17,933	56,019	43,482	30,470
Child care centre - alcohol & other substance abuse reduction program 2	8,041	-	8,041	-
Village opportunity hub				
Family income management	73,735	-	4,579	69,156
Skilling Queenslanders	21,797	-	21,797	-
Tavern - revenue replacement program	-	667,700	667,700	-
Arts and craft centre - backing indigenous arts (Arts Qld)	36,438	62,000	86,118	12,321
Arts and craft centre - IT equipment (Arts Qld)	1,616	-	1,223	393
Arts and craft centre - Cairns indigenous arts fair	-	10,000	10,000	-
Arts and craft centre - WaKACC cultural activities	-	30,491	30,491	-
Community initiative	6,818	-	6,818	-
	480,302	7,135,799	7,016,284	599,820
	585,406	9,811,371	9,796,960	599,820

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

Note 29: Tied grants by project (continued)

Source of funds and/or projects	Balance 1/07/2010 \$	Revenue \$	Expense \$	Balance 30/06/2011 \$
ICC grants				
ICC special projects:				
Municipal services - outstations and homelands	0	142,451	139,967	2,484
CDEP job creation municipal positions	70,860	94,354	56,847	108,367
Indigenous broadcasting program	-	15,000	15,000	-
Traditional knowledge facilitator	5,186	-	5,186	-
ICC – outstations – capital	17,926	-	17,926	-
Arts and craft centre - NACIS	-	150,000	131,974	18,026
Arts and craft centre (capital)	25,000	-	-	25,000
Arts and craft centre - Cape York job transition in arts (off CDEP)	16,833	28,000	11,991	32,842
Wik Mungkan language maintenance program	19,802	-	19,802	-
Locational supported playgroup	29,208	94,674	47,448	76,434
BMX track and skate park	10,292	-	10,292	-
Aurukun health and wellbeing centre	791,318	98,000	850,395	38,924
Aurukun welfare reform accommodation	297,516	-	194,304	103,212
Redevelopment of the Aurukun business precinct	2,179,290	23,000	564,237	1,638,053
Village opportunity hub	800,000	-	800,000	-
	4,263,231	645,479	2,865,369	2,043,342
	4,848,637	10,456,850	12,662,329	2,643,162
	Notes	2011	2010	
		\$	\$	
Summary of grants unexpended				
Other reserves	19	2,643,161	4,848,637	
		2,643,161	4,848,637	

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2011

These general purpose financial statements have been prepared pursuant to section 102 of the Local Government (Finance, Plans and Reporting) Regulation 2010 (the Regulation) and other prescribed requirements.

In accordance with Section 161 of the Regulation we certify that these general purpose financial statements:

- (i) have been prepared in accordance with the relevant accounting documents; and
- (ii) accurately reflect the local government's financial performance and position for the financial year.

In addition we certify that, in our opinion:

- (i) the prescribed requirements of the Local Government Act 2009 and associated Regulations 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 35, have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board); and
- (iii) the general purpose financial statements present a true and fair view of the Council's financial position as at 30 June 2011 and of its financial performance and cash flows for the financial year ended on that date.



NEVILLE POOTCHEMUNKA

Mayor

Date: 31/10/2011



JOHN JAPP

Chief Executive Officer

Date: 31/10/2011

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 2011, 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 (Finance, Plans and Reporting) Regulation 2010*, 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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 only be removed 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 2010 to 30 June 2011 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Aurukun Shire Council for the year ended 30 June 2011. Where the financial report is included on Aurukun Shire Council's website the Council is responsible for the integrity of Aurukun Shire Council's website and I have not been engaged to report on the integrity of Aurukun Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements or otherwise included with the financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.



Graham Coonan
as Delegate of the Auditor-General of Queensland)

Cairns
31 October 2011

Aurukun Shire Council

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Design & Artwork: Ruth Wade Design | 0420 690 122

Printing: Bolton Print | 4035 3833



Printed on FSC approved stock