



Aurukun  
Shire Council

ANNUAL REPORT

2010



# AURUKUN



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# MESSAGE FROM THE MAYOR



Mayor Neville Pootchemunka

I can honestly say that 2009-2010 was a successful year for Aurukun. It was certainly a year full of challenges - many of which we are still facing - but it was also a period of achievement.

From Council's perspective, this year was a time of change on many fronts especially the announcement by the Federal and State Governments regarding the Housing Reform funding. This is a major commitment by Government and the Council for the construction of 91 new homes and 247 major housing refurbishments over the next 10 years.

Council's commitment was the agreement to a 40 year lease, to the Government, of all the Social Housing in Aurukun. Another issue was the development of a Local Implementation Plan (LIP) which meant that we had to grasp both issues quickly so we could respond in ways to best represent our community's interests. There was some difficulty experienced towards the end of the year with the Community Champion for Aurukun moving on and we wish him good fortune in his future endeavours.

Considering all of the issues we have faced this year, I think our team of Councillors did a remarkable job. I'd like to congratulate Cr. Phyllis Yunkaporta (Deputy Mayor), Cr. Jonathan Korkaktain, Cr. Angus Kerindun and Cr. Patrick Koongotema on continuing to forge ahead, making good decisions and bringing down a very good but tight budget which was focused on strengthening Aurukun's financial position.

As an organisation Council has grown to meet not only the needs of the community but also the demands of the Queensland Local Government Act. A new Local Government Act has been passed through Parliament and commenced in July 2010 meaning Council will need to adapt to changes. The negotiations for the LIP Agreement with the Government will ensure that we can continue to expand on our services and programs to meet the growing needs and expectations of our community. As we know Aurukun is a Welfare Reform Community and in Partnership with the Family Responsibilities Commission and Cape York Institute for Policy and Leadership we have seen some positive outcomes, especially with School attendance.

It is reported that school attendance increased from an average of 44.5% in 2008 to 65.9% in term one this year. The newly established Koolkan Campus, Aurukun, of the Cape York Aboriginal Australian Academy commenced classes in January and is showing very positive results in such a short period of time. We look forward to the strengthening and advancement of educational initiatives for the children of Aurukun within this new and innovative program and its progress in coming years.

Recognition must also be given to the Pride of Place project with the first project

**Pikkuw (crocodile)**  
Craig Koomeeta



commencing in March this year. This Cape York Welfare Reform project encourages community members to participate in home and garden improvement work with landscaping, gardening, tree planting and construction of carports and garden sheds.

I am proud of our staff and the way in which they have embraced the many and complex changes that are necessary to meet the Local Government Act and many other legislative requirements. Their professionalism and the effective and efficient conduct of administration and operations have resulted in positive outcomes for the community. I truly believe that Aurukun has a workforce of which any local government would be proud.

The Shire includes much of the traditional country of the Wik, Wik Way and Kugu people. It has rare and beautiful environmental values. We, as the traditional owners, are very proud of our country. We are also proud of our traditional culture which is strong within our community and which is shown to some degree in the remarkable talents of our artists. This Annual Report showcases some of the beauty of our land and sea country and the creations of our artists.

As we now know, there are tough and challenging times ahead as we deal with a broad range of difficult issues, but I am confident that Council is in a strong position to face this challenge optimistically. I am looking forward to the future and know that this Council will deal effectively with whatever it may bring.

**Neville Pootchemunka**  
Mayor, Aurukun Shire Council



**Aurukun Wetlands** :: Kerry Trapnell



**Salt Pan** :: Kristine Japp



**Coastal Lagoon** :: Kerry Trapnell



**Rocky Foreshore Amban** :: Kristine Japp

# 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.

## Services available in Aurukun

Aurukun has the following services available to residents and visitors:

- Post Office
- 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 flights (weekdays) from and to Cairns

## Location

The community of Aurukun is located on the north-west coast of the Cape York Peninsula, 200km (2hrs 30mins) by road south of the mining town of Weipa and 790km (11hrs) from Cairns. The community is located within the Aurukun Shire; nearly the entire population (99.6%) lives within the township.

The Shire covers an area of 7500 sq. km. (approximately 192km long and up to 50km wide) and is bound by the Holroyd River and Pompuraaw 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

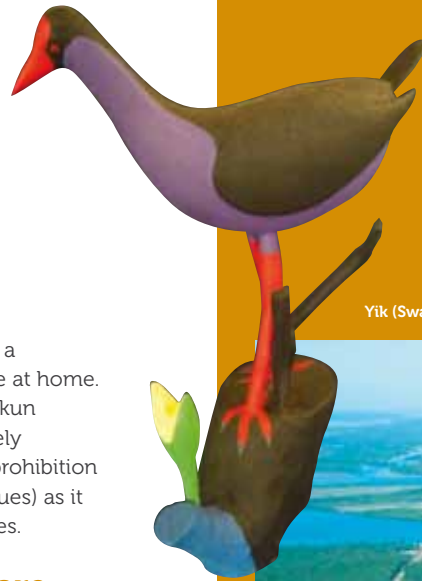
The Accessibility/Remoteness Index of Australia (ARIA) produced by the Department of Health and Ageing rates Aurukun in the highest category of remoteness. Aurukun is rated as: 5. Very Remote (ARIA score >9.08 - 12) - very little accessibility of goods, services and opportunities for social interaction.

## 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.

## Aurukun is a Rare Community Culturally

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 Aboriginal language at home. This is rare in the Queensland Aboriginal population - only 5.3% of the total Queensland



Yik (Swamp Hen) :: David Bell

Indigenous population speaks a traditional Aboriginal 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.

### Aurukun is a Welfare Reform Community

Aurukun is one of only four Welfare Reform Communities in Queensland. This means that possession of alcohol within the Shire is illegal and that Family Income Management is applied to families who do not satisfy certain criteria related to child care. Since 2007/08 when the average rate of school attendance was recorded as 37.9% the rate of attendance rose to 65.9% in the quarter ended 31st March 2010.

### Aurukun Has Strong 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.

Opportunities exist in:

- Eco-cultural tourism - supported by the large and pristine areas of the Shire with rare ecological values and the strong traditional culture and arts and crafts industry of the community;
- The development of the Shire through road improvement and transport services supporting outstations and production for local consumption of beef and other agricultural, fishing and aquacultural products;



Aurukun Township :: Corey Roderick



The late Pessy Kelinda and Susie Yunkaporta (Cultural Guide) Weaving :: Aurukun Wetland Charters



Young Aurukun dancer Regina Woolla at the Laura Aboriginal Dance Festival :: Kerry Trapnell

- Mining - in direct employment, in service industries to support mining operations, and in the clearing and rehabilitation of the land mined. Properly planned, this may create foundations for sustainable timber-related industries including timber, furniture manufacture and bush tucker supplies;
- 'Import replacement' and improved retail and service businesses supporting a higher standard of living in the community;
- Employment in construction - approved and anticipated infrastructure development in the next two years includes: 10 new community dwellings; a large number of dwelling refurbishments; upgrading of the water supply at a cost of \$11m; the development of a major art complex; the extension of the community store to provide improved wet season storage; the construction of a new 'business hub' including office space and up to 6 new commercial premises; refurbishment of the swimming pool and recreation hall; construction of a new training centre; and refurbishment of the former canteen building.
- Employment in natural and cultural resource management - the Council aims to establish a Land & Sea Management Office for the Shire. Current programs will allow it to be staffed with a Coordinator and four Rangers under the Wild Rivers Rangers Program.

## Shire History

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. 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 over most of the land in the original Reserve, a large part of the traditional lands of the Aurukun people, to the Council.

## Population

Aurukun is one of the larger communities in the Cape with a population of approximately 1300. The population comprises at least 34 distinct clans.

There are 15 outstations that are occupied during the dry season.

## 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.

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 ceremonies take place in Aurukun regularly and they are moving events to see.

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.

## 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 establishment of the Remote Indigenous Land and Infrastructure Program Office in 2009 will assist in removing some of the impediments that may impact on this new housing investment. It will also facilitate social and economic development within Aurukun by assisting to develop specific strategies to deliver the proposed capital works program.

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

## Climate

Aurukun experiences extreme heat and has an annual wet season with very high temperatures and rainfall. The Bureau of Meteorology reports that the average maximum temperature is 32.3°C and the average minimum is 21.8°C. Aurukun's average annual rainfall is approximately 1.77 metres p.a. Most of this falls between December and March. During the wet season roads are impassable.

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

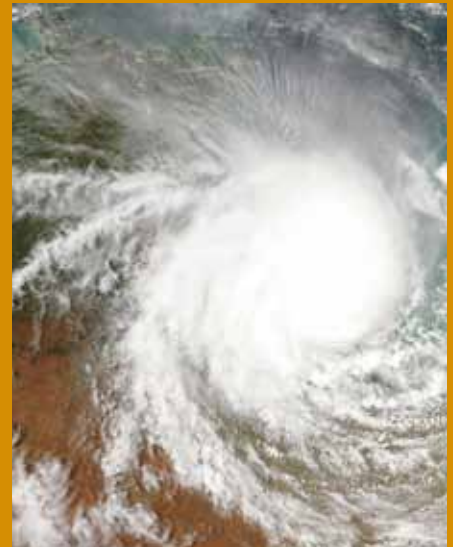
The isolation of Aurukun limits its ability to attract skilled workers to relocate. The cost of materials and services is high due to the distance from regional centres.

### Wet Season

The climate creates special challenges and because the roads are impassable during the wet season this greatly increases the transportation costs which flow through and raise the cost of just about everything.



Kenlock Yunkaporta (Cultural Guide)  
Making Fire :: Aurukun Wetland Charters



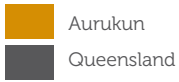
Cyclone



Peninsula Development Road in the dry



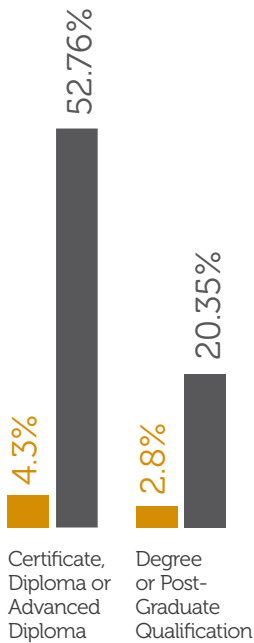
Jasper Koowearpta (Cultural Guide) Spearing Fish :: Aurukun Wetland Charters



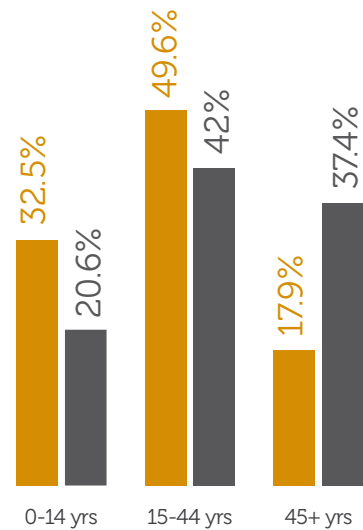
# AURUKUN / QUEENSLAND COMPARISONS

## 01. Qualifications

% of workforce holding:

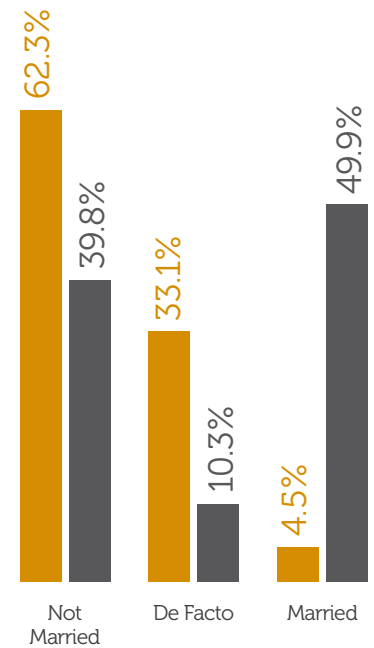


## 02. Age distribution

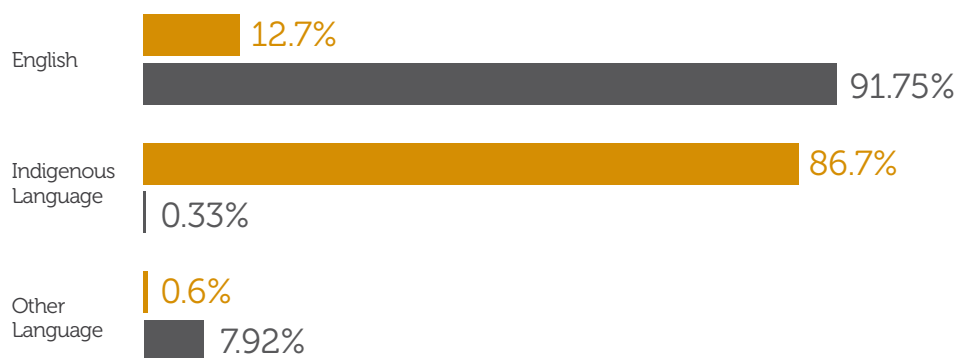


## 03. Marital status

Persons over 15 years of age:

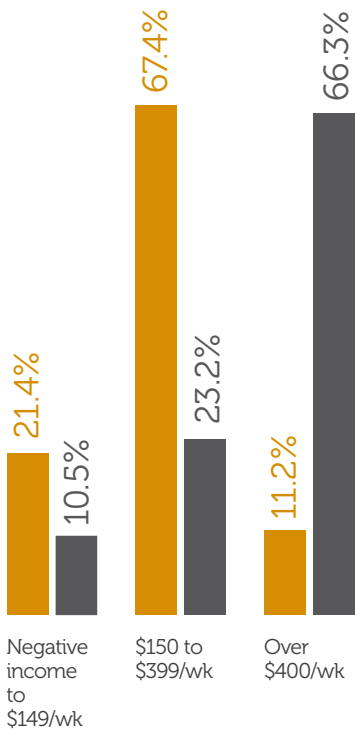


## 04. Language spoken at home

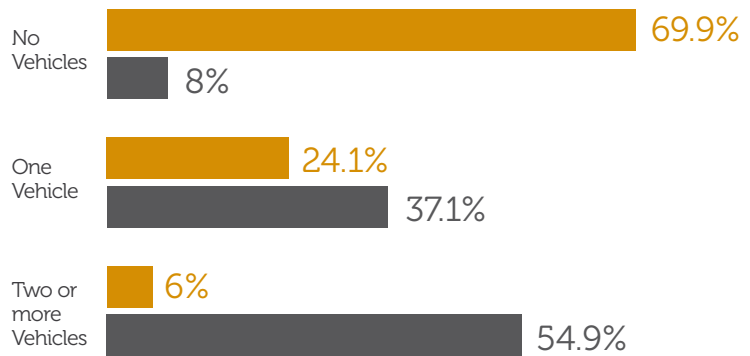


### 05. Gross Individual Income

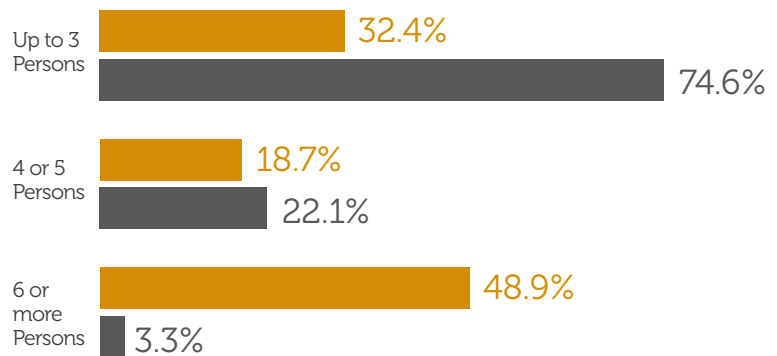
Persons over 15 years of age

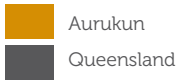


### 06. Motor Vehicles per Household

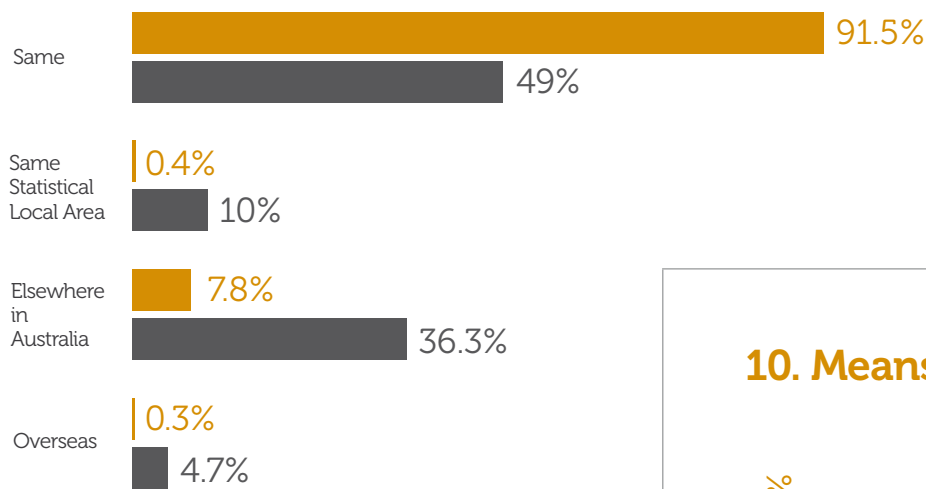


### 07. Household Composition



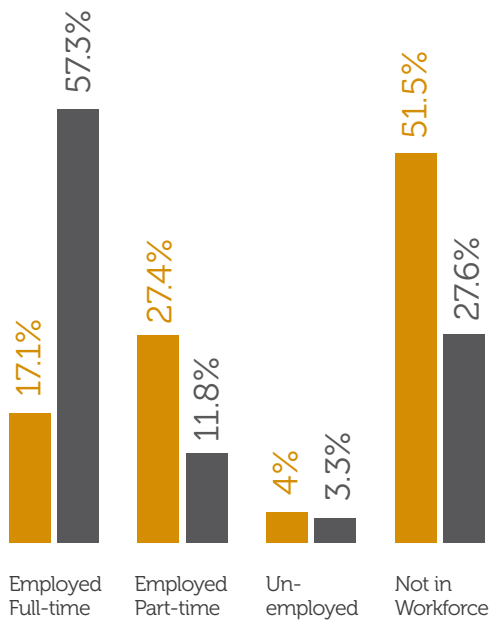


### 08. Address 5 Years Ago

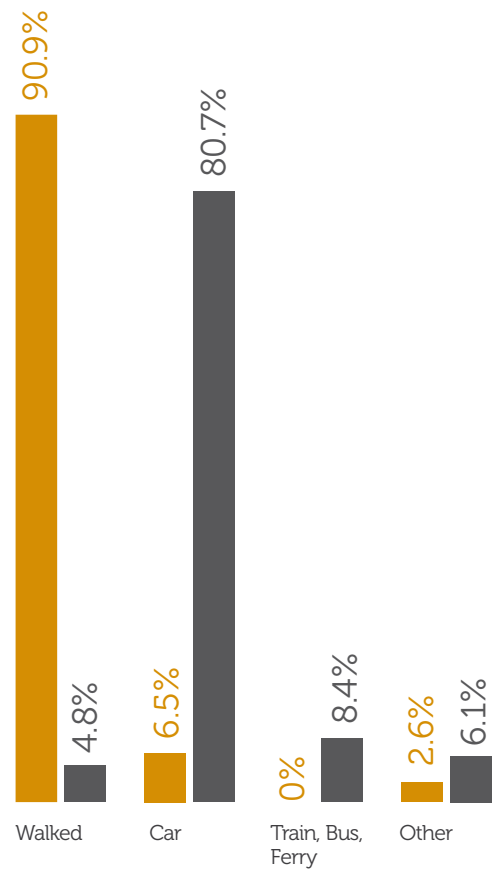


### 09. Workforce Participation

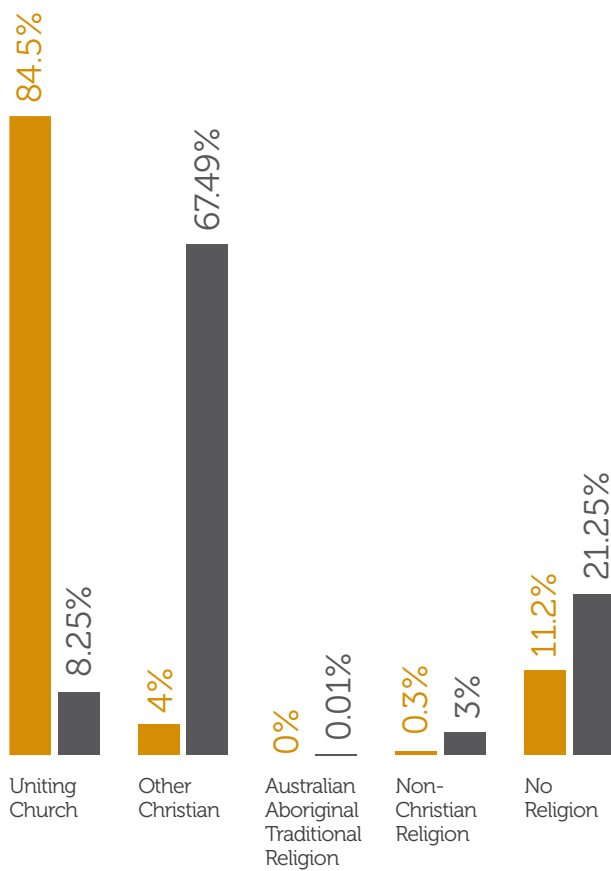
Persons over 15 years of age



### 10. Means of Travel to Work



## 11. Religious Affiliation



## Notes

1. The comparison tables are wholly based on the Australian Bureau of Statistics published community profiles derived from the Census 2006.
2. 'Not Stated' and 'Insufficient Information' responses have been eliminated from the relevant population figures and percentages calculated on the net stated response.
3. The Aurukun Census results include non-Indigenous people (approximately 6.3%) who are primarily employed in (nearly all of the) top technical, management and professional roles within the community. On all of the measures above the inclusion of the non-Indigenous Aurukun population has the effect of minimising the contrasts between Aurukun and Queensland.
4. '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 totaled 35.25% percent of those actually in the workforce: those unemployed and part-time employed totaled 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.

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Chief Executive Officer, John R. Japp

This is my first Annual Report for Aurukun Shire Council and it is a pleasure to report that the Council has worked closely with the community and Government Agencies over the past twelve months to ensure the delivery of a high level of services that the public expect.

The Council has met some key challenges over this time and will strive to secure continuing good governance and administration to meet community expectations and Government compliance.

A commitment to improving and expanding on the delivery of quality services to our community is a major focus, from early child care and child health services to road maintenance, waste services, planning and diverse community and social services that exceed the responsibilities of most main stream Councils.

Aurukun Shire Council is responsible for delivering a wide range of services that provide the community with the support it needs and will continue to do this irrespective of changes that may occur over time.

The past financial year has again seen a high level of capital works projects undertaken and we have been involved in some new and innovative work.

The planning, development and lobbying for the construction of the Business Precinct was identified as a high priority and initial works are due to commence. As a result of numerous discussions and consultations during the year it is anticipated that construction will commence towards the middle of 2011 with completion by December - an excellent result. All funding sources are finalised and detailed plans and specifications are being prepared in preparation for approval by Council and the Project Manager.

New community housing construction and major refurbishments have also been commenced and/or completed during the year - all resulting in improving housing conditions.

I take this opportunity to commend the staff and employees of Council for their dedication and effort to ensure that quality services are delivered. A well deserved thank you is also given to the volunteers in Aurukun who contribute so much to the community.

This year has seen some employees moving on to further their own endeavours and this has resulted in the appointment of new staff. We welcome all new staff as members of the Aurukun Shire Council family and look forward to working productively together for the community.

It is Council's commitment to strengthen and expand Professional Development activities for staff and will continue to seek to identify opportunities to improve the way we deliver services and ensure that the community's changing needs are fully met.

Maintaining and strengthening working relationships with Government and their Agencies is an important role for Council, and we have continued to do this over the past year and will continue into the future. These partnerships will strengthen Council's ability to deliver improved and expanded services into the near and distant future.



**John R Japp** BBus. MEd. CEng. MIMarEST  
 Chief Executive Officer,  
 Aurukun Shire Council



Looking North to Pera Head :: Aurukun Wetland Charters



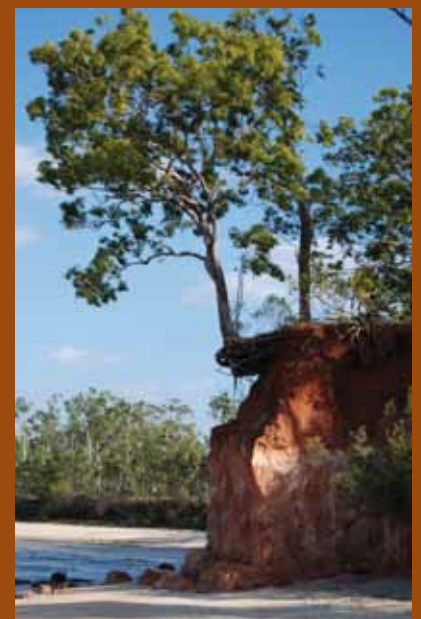
Morning Glory :: Aurukun Wetland Charters



Bauxite :: Aurukun Wetland Charters



Turtle & Waterlilies :: Dawn Koondumbin, 2009



An Aurukun Foreshore :: Kristine Japp



Chief Financial Officer, Barry Bonthuys

# MESSAGE FROM THE CHIEF FINANCIAL OFFICER

The Council again achieved strong results for the 2009/10 year. This achievement was mainly due to good governance, strong leadership and a committed and dedicated workforce.

This annual report does not only provide information on the achievements and results over the past year, it is also an opportunity for Council to review its position and strategies for future operations.

## Financial services Objectives and strategies

The main objective is to provide effective and accountable financial services, planning and management. This was achieved by:

- Actively seeking external funding and other revenue sources to finance operations as Council does not have a rate base;
- Compliance with legislative and contractual requirements for reporting and to ensure accountability;
- Maintenance of a financial and reporting system;
- Development and review of budgets; and
- Timely financial planning for Council's operations.

## Financial Performance

During the year the Council:

- Provided water and sewer services;

- Provided rubbish removal services;
- Provided and maintained housing services;
- Maintained roads, streets, parks and gardens and sport facilities;
- Provided funeral services and maintained the cemetery;
- Provided child care services;
- Operated a home and community care centre;
- Provided recognised entity services;
- Provided airport services;
- Operated a guesthouse;
- Operated a library;
- Operated and maintained swimming pool;
- Cleaned and maintained public facilities;
- Operated an arts and craft centre;
- Operated and provided bank services;
- Operated and provided postal services;
- Operated and provided Centrelink services.

## Revenue

Total revenue for the year was \$19.2m. A significant source of revenue is grants and subsidies which made up 71% of the

total revenue received. These grants and subsidies are solely used to finance specific programs and capital works.

## Expenditure

Council spent \$13.2m during the year on operations which included:

• Employee costs	\$4.5m
• Materials and services	\$6.1m
• Depreciation	\$2.6m

Employee costs make up 35% of the total expenditure of Council. Council has a strong workforce to ensure ongoing provision of services of a high and acceptable standard to the community.

Materials and services include audit fees, consultancy fees, contractor fees, repair and maintenance and garbage collection services.

## Operating position

Council recorded an operating surplus of \$8.5m before depreciation which is primarily due to the recognition of capital grants received for future projects.

Council does not fund the depreciation of assets as it is mainly dependant on grant funding to fund its operations and replace assets.

### Financial position

Council's assets as at 30 June 2010 total \$129m which included:

- Current assets \$8.8m
- Non-current assets \$120.2m

The current assets consist of cash and cash equivalents, trade and other receivables, inventories and other assets. Cash and cash equivalents at the end of the year total \$5.5m of which \$4.8m is kept in reserve for future expenditure and projects.

The value of non-current assets increased by \$5.5m of which \$4m was due to the purchase of new assets.

Council's liabilities as at 30 June 2010 are \$1.6m and consist of:

- Trade and other payables \$1.5m
- Provisions \$0.1m

Council remains in a strong position with community equity of \$127.3m as at 30 June 2010.

### Management and staff

Finally I would like to thank councilors, management and staff for their ongoing support, commitment and dedication. Council's staff has made a significant contribution in our efforts to deliver services of a high quality and standard to the community.



**Barry Bonthuys**  
Chief Financial Officer,  
Aurukun Shire Council



A 'Ghostnets' basket

Mumpa Man :: Maurice Kepa



Island & Cape General Store Mural :: Painted by boys



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



Heron :: David Marpoondin

# MESSAGE FROM THE CHIEF OPERATING OFFICER



Chief Operating Officer, Neil Ewart

## Roads

Major work has been carried out on the access road (linking Aurukun to the Peninsula Development Road). Its standard has improved dramatically in recent years. A number of Aurukun plant operators worked on the job in the early stages of the upgrade.

## Housing

This year saw the commencement of a community housing construction program, after years of waiting. The program will continue over the next 10 years with 91 new homes to be built and 247 refurbishments scheduled.

Council's Works team and trades contractors have been heavily engaged in refurbishments in the year past and will continue to play an active contracted role.

## Airport

The Airport had its annual inspection by CASA in May this year and has been given a good report. Some minor works including trimming trees and repainting of pavement markings are required.

Our Airport Agency staff continues to get the job done with good humour. Skytrans is a generous supporter of the community, sometimes donating free airfares to support important community projects.

## Volunteer Marine Rescue

In February a new Volunteer Marine Rescue boat was delivered to Aurukun. It was subsequently used for two emergency rescues.

Volunteer Marine Rescue and State Emergency Services are delivered on the ground in Aurukun by volunteers and the Council.

Mr Rodney Endres and Mr Steve Topping have contributed generously to these efforts.

## Home & Community Care

The main activity at the HACC Centre is day respite for more than 50 aged or disabled clients. The service has been hampered by the poor standard of the building in which it is housed.

An application has made for funds for a new Centre. If funding is approved work will commence in 2011.

## Separate Reports

Separate reports are provided by the Child Care Coordinator, the HACC Coordinator and the Art & Craft Centre Manager.

## Business Precinct

The old Store building is currently being removed from the site in preparation for the construction of a new Business Precinct. The new building will accommodate offices (including the Bank, Post Office and Centrelink) and will provide up to 6 retail shop spaces. It is hoped that some of the proposed new businesses will be run by local Aurukun people.

## Staff

I want to acknowledge staff who left in the past year after making a valuable contribution, including:

- Shane Marshall, former Works Manager;
- John Bensch, former Chief Executive Officer.

I also want to acknowledge the achievement of new CEO John Japp, who since he started in January 2010, has secured funding for major sewerage and water upgrades and for the development of a Community Plan which provides urgently needed land for new home construction.

I want to thank Rodney Endres for stepping up to act as the Works Manager after Shane's departure and before the appointment of our new Works Manager, Pat Gralike.

Others getting the job done for Aurukun are:

- Jane Karyuka and her staff at the Koolkan Early Childhood Centre.
- Christene and Robert Friend and the staff at the Respite Centre.
- Guy Allain and the artists at the Art and Craft Centre.

Many others play a vital role in servicing Aurukun. They include:

- The Rubbish truck drivers.
- The Plant operators.
- The Trades assistants.
- The fencing crew.
- The Mechanic.
- The Plumbers.
- The Carpenters.
- The Storemen.

There are so many without whom the job would simply not get done and I am sure to have forgotten someone.

And I must say a special thanks to the Mayor and Councillors for their commitment to the task of serving the people of Aurukun.

## Looking Ahead

Many major projects will begin in 2011, which will be an extremely busy year.



**Neil Ewart**

Chief Operations Officer,  
Aurukun Shire Council



Aurukun Access Road



Aurukun Airport Terminal



Skytrans Dash 8 - Daily Weekday Flights



Volunteer Marine Rescue Boat at The Landing



Aurukun Artists Exhibition at the  
Coo-ee Aboriginal Art Gallery,  
Bondi, NSW

# A 'LAST FRONTIER' WIK, WIK WAY & KUGU COUNTRY



1

Saltwater  
Crocodile

Almost the whole Shire is comprised in 5 areas of high conservation significance.

The majority of the Shire is very high quality wilderness. There are several areas that demonstrate the geology of the region and the geological processes that formed most of the Gulf coastline. Landform and vegetation types are varied and many vegetation types are among the best of their class.

Large, powerful and ancient species like the **Saltwater Crocodile [1]** are not the only natural treasures in the Aurukun Shire.

The **Spotted Cuscus [2]** and the **Palm Cockatoo [3]** are two other important species.

Freshwater Anchovies and the **River Garfish [4]** have their only known habitats on Cape York Peninsula in the Archer and Embley Rivers respectively.

The vulnerable **Northern Crimson Finch [5]** has important habitat in the coastal section of the Holroyd Wilderness.

The Aurukun Wetlands has important breeding sites for **Magpie Geese [6]** - a culturally important species.

Rich in **Barramundi [7]**, **Mud Crabs [8]** and numerous other species, including some that are rare and threatened, the lands and

waters of the Aurukun Shire benefit from having had little commercial exploitation. Many areas have large shell middens left by the ancient Aboriginal populations. These contain valuable scientific evidence of past climatic conditions, plant populations and cultural artifacts.

The traditional culture and heritage of the **Wik and Wik Way people [9]** is vibrant. Most Aboriginal people in Aurukun still speak their native tongue.

The Traditional Owners' association with land and water is deeply significant. They will share their knowledge and insights with you. Be prepared for a unique experience on this 'Last Frontier'.



Spotted Cuscus



Palm Cockatoo



River Garfish



Crimson Finch



Magpie Goose



Barramundi



Mud Crab



Children in Aurukun Wetlands :: Aurukun Wetland Charters

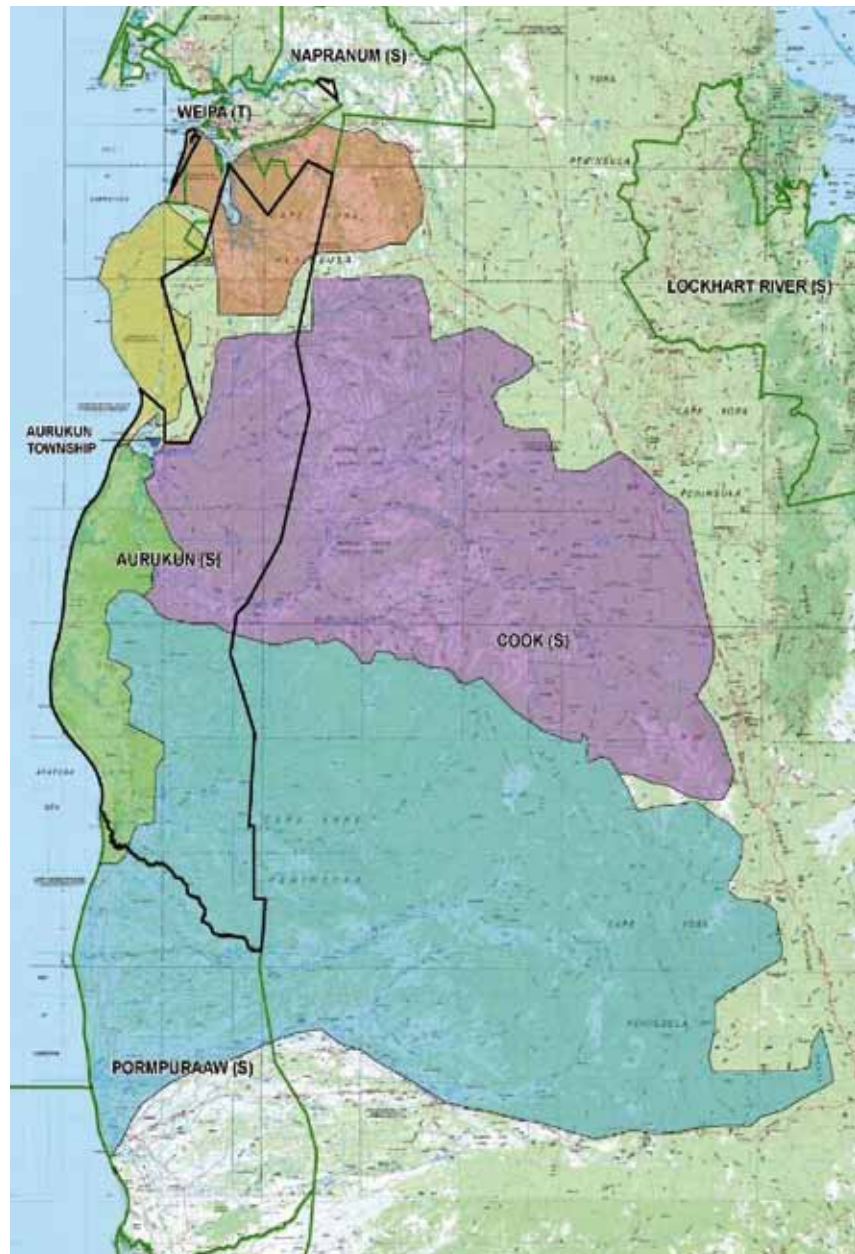


Collecting Pandanus :: Kerry Trapnell

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

The Shire boundaries are shown black in the map below. Areas of natural conservation significance located partly or wholly within the Shire are colour-coded by conservation area:

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





Breeding colonies for Magpie Geese and other water birds



Magpie Goose



# 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](http://www.aurukunwetlandcharters.com)



07 4058 1441

[info@aurukunwetlandcharters.com](mailto:info@aurukunwetlandcharters.com)  
[www.aurukunwetlandcharters.com](http://www.aurukunwetlandcharters.com)

# WIK & KUGU ARTS & CRAFT CENTRE



Arts & Craft Centre Coordinator, Guy Allain

WIK & KUGU  
ARTS & CRAFTS CENTRE



Wik, Wik Way and Kugu artists made significant progress in 2009/10 and sales through the Arts & Craft Centre increased again, by more than 50%, to over \$215,000.

There was strong engagement with an 'artist in residence' program that enhanced the creativity and diversity of artworks. The program stimulated the Aurukun painting movement and the adoption by weavers of the use of 'Ghostnets' materials.

The year was extremely busy with strong participation by artists in a range of activities including high profile Australian, Canadian and American exhibitions, competitions and tours - and in the Cairns Indigenous Art Fair. Aurukun artists gained commissions from the Cairns International Airport and a Hong Kong art collector.

## Sales

Sales were made to the Australian Museum (the entire Aurukun collection from the Menagerie Contemporary Indigenous Sculpture exhibition), the National Gallery, Art Bank, the University of Queensland Art Museum and a prominent London collector.

## Visual Art Forms

Woodcarving/sculpture and weaving/basketry have been the most typical visual art forms in Aurukun in recent years.

Traditional basketry is of a very high standard that competes with the best from overseas traditional cultures.

The wood carvings and sculpture of Aurukun artists is bold and distinctive. Its subjects most often include human figures and fauna.

## The Painting Tradition

The painting tradition has also been strong. Nearly all art works have been clearly connected to ancient pre-colonial traditions and heavily influenced by traditional designs. It is rare for an artist to paint a work that is not directly derived from the artist's own Clan heritage.

## Traditional Lore

Even though Aurukun artists are now exploring different techniques and media, the connection with traditional lore remains strong. Subjects usually include story themes, funerary items, fauna, traditional paint-up designs and the land and sea places of the artist's Clan.

## 'Ghostnets' Art

The artists in residence program included a workshop in weaving that explored the use of non-traditional materials.



Small Bird :: David Marpoondin

The Aurukun community, like many around the Gulf of Carpentaria, participates in the 'Ghostnets Program'. That is an environmental program that recovers drifting and beached net waste arising from the fishing industry. These pieces of net have been released into the water often as a result of the trawl nets catching on obstructions such as reefs. They pose an ongoing threat to fish and animal species such as turtles, which become entangled in them as they drift.

Use of net materials for weaving arose from the artist in residence program. Pictured right is one of the products of this work.

## Exhibitions

The Centre and its artists participated in:

- Eight commercial exhibitions
- The Woollahra Small Sculpture Prize (one artist)
- National tour of the Contemporary Indigenous Sculpture Exhibition Menagerie (two artists)
- Opening of the Culture Warriors Exhibition in Washington, DC (two artists)
- Works included in Border Zones: New Art Across Culture Exhibition, Museum of Anthropology, University of British Columbia, Vancouver, Canada (one artist)

## Cairns Indigenous Art Fair (CIAF)

The Centre and its artists participated in the inaugural Fair in Cairns in August 2009. CIAF showcases Indigenous art centres and the work of artists from many disciplines. It provides opportunities for networking and promotion within the region.



**Ku' (Camp Dog) ::**  
Garry Namponan  
(National Gallery of Australia)



**Fruit Basket ::** Rebecca Wolmby



**Joshua Woola and others dancing**  
at the August 2009 Cairns Indigenous Art Fair



**Ghostnets Weaving: Mermaid ::** Aurukun weavers' collaborative work



**Mavis Ngallametta**  
painting at the Art Centre



**Whale ::** Horace Wikmunea  
(National Gallery of Australia)

# AURUKUN FAMILY SUPPORT HUB



Building Parental Skills Centre

The Family Support Hub is based at the Koolkan Early Childhood Centre. It is coordinated by Jane Karyuka and works in a collaborative manner with community and various Government agencies to identify, initiate and support other needed community services.

The Family Support Hub has been involved in the development of the services listed below.

## Koolkan Early Childhood Centre

The Centre has been licensed and in operation for nine years. It opens from early January to early December each year - including Montessori Vacation Care programs in the January and June/July holidays. The Centre is licensed for 53 places and was filled this year with 98 enrolled children. Discussions have begun in relation to a proposed expansion of the Centre to cater for more children.

Highlights of the past year included the Easter Hat Parade and Under Eight's Day. The Early Childhood section of the School participated in both events and many parents and other family attended.

## Supported Locational Playgroup

Parents, other caregivers and children up to 5 years old can interact with other children and parents four times weekly at four different locations within the village. It is staffed by a qualified Coordinator and one local co-worker who has nearly completed Cert III in Child Care.

The Playgroup gives parents and care-givers an opportunity to ask questions and be referred for specialist support when needed.

## Women's Shelter

The Hub was successful in attracting funds and recruiting staff to re-open the Women's Shelter, under RAATSICC auspicing, during the year. More staff are needed but the Shelter appears to be running efficiently and providing a valuable short-term service to women and children who do not feel safe at home. The service is limited to emergency needs and its clients are unable to stay long term.

## Building Parental Skills Program

This program commenced four years ago. It has two staff and this year gained its own purpose built Centre and a vehicle. Focus of the Program has changed due to expectations of funding bodies and the Family Responsibilities Commission. It is hoped that there will be continued input to the directions of the Program from the Community Steering Committee.

## Staff Development

All staff studying towards professional qualifications traveled out to a residential course and attended an IPSU/QCOSS conference.

Two staff completed Cert III in Child Care and 4 more are progressing in their studies; two may complete later in 2010.

Four staff are progressing well towards the Diploma and two more are expected to commence the Diploma course in 2011. The Assistant Director assists all staff with their study as opportunity arises.

There are many committed staff who have put in many years of work at the Centre.

## Wik Inana

Wik Inana is a locally produced newspaper published every 2 to 3 weeks. Produced in colour it is expensive but finds a ready market in Aurukun.

It is hoped to engage a local person as coeditor in the future.



Coordinator Jane Karyuka



Building Parental Skills & CAFS workers - both studying towards Cert III in Community Management



Locally produced newspaper Wik Inana



Playgroup



Pamper day

## Wik Mungkan Language Program

Work in this Program has focused on scanning the majority of Wik Mungkan written or translated books formerly used in the Bilingual Program. They are scanned in an optical character recognition program that saves them in editable form. It has also included the beginning of recording of a qualified Wik speaker/translator reading from the Wik Mungkan Dictionary. The authentic sounds are being captured and will enable development of a computer translation capacity.

## Child & Family Support Worker (CAFS)

The CAFS Worker is based in the Building Parental Skills Centre and works with the clients of that Program and with the support of its staff. The position has been vacant in recent years but has now been filled locally.

## Literacy & Numeracy (WELL Program)

Low literacy and numeracy standards in the 15 - 35 y.o. age groups deprive many residents of opportunities for employment. The Hub, in conjunction firstly with The Learning Workshop, a private business, applied for funding from the Workplace English Language and Literacy program. This was successful and a teacher now comes into the community once every 2 weeks to deliver training to a focused group of young Council employees.

Staff from the Child Care Centre (2) and the Building Parental Skills Program plus three apprentices have been able to measurably improve their skills. This has added to their value as employees, improved their capacity

to gain qualifications and added to their personal understanding and self-esteem. Council has commended the teacher for her work. It is hoped the program can be extended past its present end date of mid-2011.

## Funding & Support

The Hub receives funding from several sources that support each of the activities above. The Aurukun Bauxite Project Community Development Fund has also supported the travel of Child Care Centre staff to attend peer graduations in Weipa and the Cairns Early Childhood Conference. The Fund also supported the Wik Mungkan Language Program and the introduction of a Culture Program at the school.

A number of volunteers have generously contributed their time and dress-making skills to a fund-raising activity that enriches the Centre and the community.

## Sewing Centre

The Sewing Centre is now being re-launched. There has been a sewing centre in Aurukun since the 1920s when dormitory girls would sew for themselves and their families. At times mothers made most of their children's clothes and school uniforms.

A purpose built domestic arts centre was built in the late 1960s. The activity was later relocated to the school and again to another Community Sewing Centre.

The Sewing Centre building has had difficult times in recent years. However, interest in revival of the Centre has been high.

In the past the Centre has been run profitably and it could be again.

Demand for product will be high in relation to the soft furnishing of the many new homes now being built.

The Sewing Centre can open many opportunities to the women who wish to gain employment and improve their skills.



Sewing on the Mission House verandah, 1940's



Aurukun Airport Terminal Grounds



CEO, John Japp and Rodney Endres with new VMR Vessel



Stanley Ahlers and Frank Pootchemunka with Rubbish Truck

# AURUKUN DAY RESPITE CENTRE (HACC)



HACC Coordinator Christine Friend

The year June 2009 to July 2010 was a very productive one for this service.

All locally employed staff have been working their way towards achieving Certificate III in Home and Community Care. They only have a further 3 modules to complete. This education is being presented one week each month by QATSIHWEPAC.

The Institute For Healthy Communities conducted a 3 yearly assessment audit of this service, and a rating of 'GOOD STANDARD' was achieved, from a previous rating of 'POOR STANDARD', three years earlier in 2007.

We have since developed a Quality Action Plan and we are acting upon this to implement standards and services to further improve our rating by the time of the next assessment. An average of 20 clients per day attends Day Respite for breakfast, lunch and activities. An average of 36 lunches then get home delivered each day.

A large flat screen television, ten comfortable leather recliner chairs and a selection of DVDs, and music have been purchased and provide very popular entertainment for the clients.

With currently 58 clients, the service has now employed an Assistant Coordinator/ Lifestyle and Recreation Officer.

Activities such as Fishing Mornings, Artwork and Beading for the Ladies and Leather work for the men have proven to be popular. More activities are planned for the near future.

The purchase of a camera has made it possible for us to build up a gallery of portraits and photographs of clients, which they really appreciate viewing on display at the Respite Centre. This is still a work in progress.

Several clients worked with a linguist on an endangered languages project recording and translating the Wik Mungkan and Wik Waya languages.



Busy readers



A fishing trip to Amban



Painting is very popular



Translating Wik Languages



Entertainers visited for a Fun Day



Electric scooters provide independence for clients with mobility problems

# 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 2009 to 30 June 2010. 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**

This 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 referred to as the net result attributable to Council.

## **Balance Sheet**

This 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**

This reports how revenue received and expenses paid impact on the cash balances of Council.

## **Statement of changes in equity**

This 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.

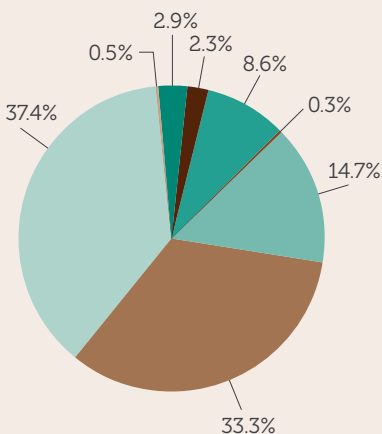
Revenue for the 2009/2010 financial year is derived from a variety of sources as shown in [graph 1](#).

During the year Council received grant funding of \$13,574,306. This is 71% of the total revenue for the year.

Income	2009-2010	2008-2009
Net utility charges	\$556,426	\$596,024
Fees and charges	\$437,337	\$230,709
Rental income	\$1,657,544	\$508,949
Interest received	\$64,863	\$90,999
Other recurrent income	\$2,819,293	\$8,335,880
Recurrent grants, subsidies, contributions and donations	\$6,393,425	\$7,699,024
Capital grants, subsidies, contributions and donations	\$7,180,881	\$2,716,024
Gain (loss) on the disposal of non-current assets	\$93,037	\$26,636
<b>Total Income</b>	<b>\$19,202,806</b>	<b>\$20,204,245</b>

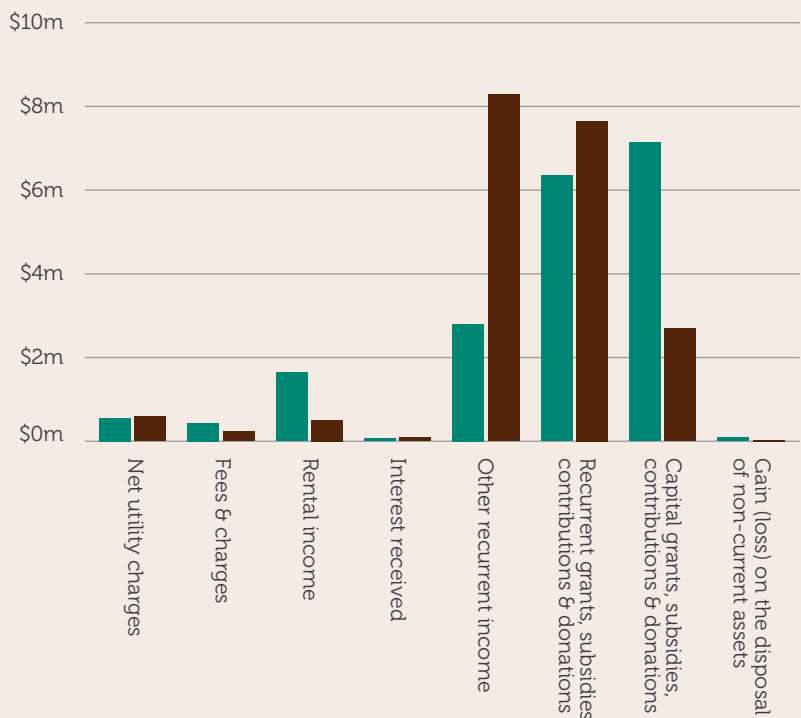
**Graph 1**  
Revenue 2009-2010

- 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



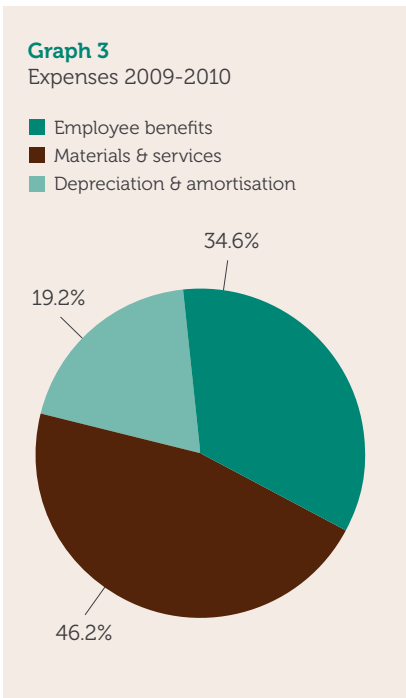
**Graph 2**  
Comparison to last year's Revenue

- 2009-2010
- 2008-2009



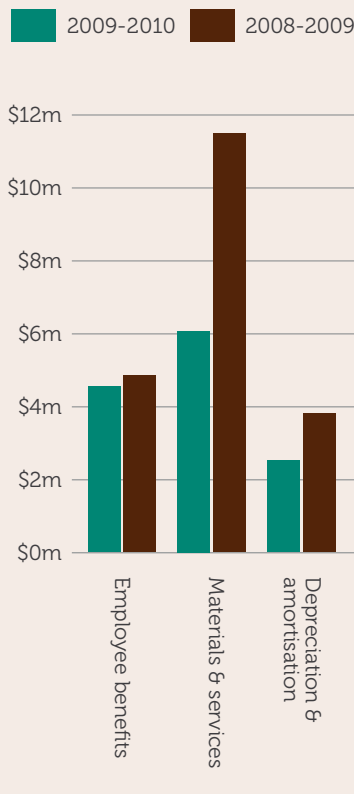
### Expenses

Council's expenses represent the cost of providing services to the community. [Graph 3](#) displays Council's expense categories.



Expenses	2009-2010	2008-2009
Employee benefits	\$4,594,104	\$4,906,060
Materials and services	\$6,135,660	\$11,628,303
Depreciation and amortisation	\$2,550,406	\$3,856,888
<b>Total Expenses</b>	<b>\$13,280,170</b>	<b>\$20,391,251</b>

**Graph 4**  
Comparison to last year's Expenses



### 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 \$5,922,636.



## THE BALANCE SHEET

How much is Council worth?

**ASSETS - LIABILITIES = EQUITY**

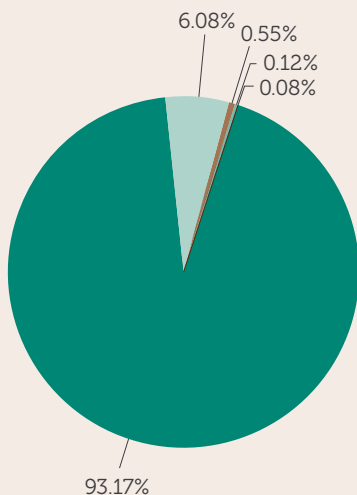
### Assets

Council's assets as at 30 June 2010 total \$128,976,428. This includes \$8,806,222 of current assets (liquid assets or amounts due to be received within twelve months) and \$120,170,205 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 2009-2010

Cash & cash equivalents	\$7,842,889
Trade & other receivables	\$700,717
Inventories	\$155,824
Other assets	\$106,792
Property, plant & equipment	\$120,170,205

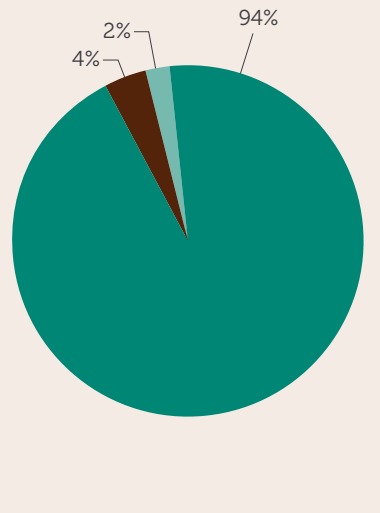


### Liabilities

Total liabilities as at 30 June 2010 are \$1,616,289. This includes \$1,585,678 of current liabilities (due to be paid out within twelve months) and \$30,611 of non-current liabilities. Liabilities consist of amounts owing to suppliers and amounts owing to employees for leave entitlements.

**Graph 7**  
Total Liabilities 2009-2010

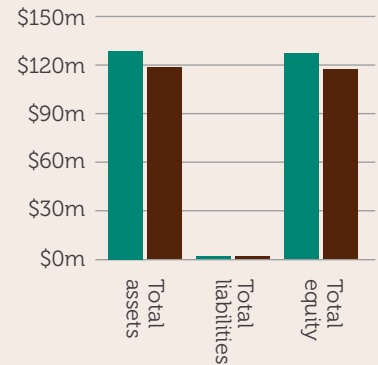
Trade & other payables	\$1,519,247
Provisions - current	\$66,432
Provisions - non-current	\$30,611



Equity	2009-2010	2008-2009
Total Assets	\$128,976,428	\$118,925,994
Total Liabilities	\$1,616,289	\$1,551,431
Total Equity	\$127,360,138	\$117,374,561

**Graph 8**  
Comparison to last year's Equity

Legend: 2009-2010 (Teal), 2008-2009 (Brown)

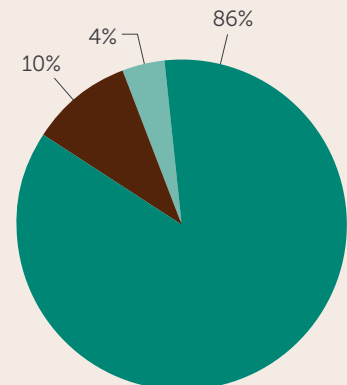


### Community equity

Council's total community equity as at 30 June 2010 is \$127,360,138. 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 2009-2010

Asset revaluation surplus	\$109,975,617
Retained surplus	\$12,535,883
Other reserves	\$4,848,639



# LEGISLATIVE INFORMATION

## 1. Borrowing Policy

The Council adopted a borrowing policy for the 2009/2010 financial year. This policy is in accordance with section 8 of the Local Government Finance Standard 2005, as amended.

Council has not borrowed any monies and remained debt free for the 2009/2010 financial year.

### Purpose:

The purpose of the borrowing policy is to set out the requirements for loan monies for the current and future years.

### Policy:

Section 4 of the Local Government Finance Standard 2005 provides that a Council must have a policy about borrowings and section 8 provides that the policy must include;

- the new borrowings planned for the financial year and the next four years;
- the purpose of new borrowings;
- the time over which it is planned to repay existing and proposed borrowings.

At this stage the Council does not intend to borrow any money from 2009/2010 to 2013/2014.

### Statement of policy direction:

The following is the Council's borrowing policy if Council considers borrowing money:

- Loans will only be used for capital expenditure;

- Borrowings will only be made in accordance with the adopted budget;
- Loan terms are to be no longer than 15 years.

## 2. 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

## 3. Overseas travel

**3.1** During September 2009 the Mayor and Deputy Mayor travelled to the United States of America as part of a team of delegates from Aurukun, Coen and Cape York Partnerships.

The purpose of the trip was to study education reform and gain an insight into lessons learnt from innovations in the United States primary school educational programs directed at disadvantaged children.

The overseas trip was fully funded by Cape York Partnerships and no funds of Council were used to pay for any expenses of the trip.

**3.2** The Arts and Craft Centre Manager with 2 artists of Aurukun attended the opening of the Cultural Warrior exhibition in Washington at the Katzen Art Centre and also visited the Klughe-Ruhe collection in Virginia.

This overseas trip offered a major opportunity to raise the profile of the Aurukun artists in the United States and the international art market. It also promoted the unique values of the Wik and Kugu culture and the excellence of its artists and enhanced the artistic, cultural, social and economic development of the whole community of Aurukun.

The Council contributed only \$735 to the expenses of the overseas trip. The rest of the expenses was paid for by other parties which include:

- National Gallery of Australia
- Queensland Indigenous Art and Marketing Agency
- Aurukun Bauxite Project
- Arts Queensland.

## 4. Advertising

During 2009/2010 Aurukun Shire Council spent \$18,850 in relation to advertising for the following services:

- Employment \$18,997
- Other \$853

## 5. Expenditure for services rendered by consultants

Aurukun Shire Council engaged the services of various consultants during 2009/2010 to provide assistance on a

wide range of services and activities. Consultants are only used in areas where Council experiences a lack of internal resources and expertise or if required under specific conditions. During 2009/2010 Council spent \$93,417 for consultants in relation to the following services:

- Engineering Services \$14,922
- Refuse Removal Services \$1,515
- Roadworks \$28,238
- Water Services \$2,308
- Town Planning \$18,017
- Construction of new buildings \$17,408
- Sport & Recreation \$2,209
- Enterprises \$8,800

## 6. Remuneration - Contract Employees

During 2009/2010 Aurukun Shire Council employed 3 senior contract employees. Details of the total remuneration packages for the senior contract employees are as follows:

- 1 senior contract employee with a total remuneration package in the range of \$150,000 to \$175,000.
- 2 senior contract employees with a total remuneration package in the range of \$120,000 to \$149,000.

## 7. Councillors & Councillor Remuneration

Councillors are elected for a four year term to represent the community. The community of Aurukun is represented by 5 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 2009/10, eight ordinary and ten special Council meetings were held. The following table shows the Councillors' attendance at the meetings for the year:

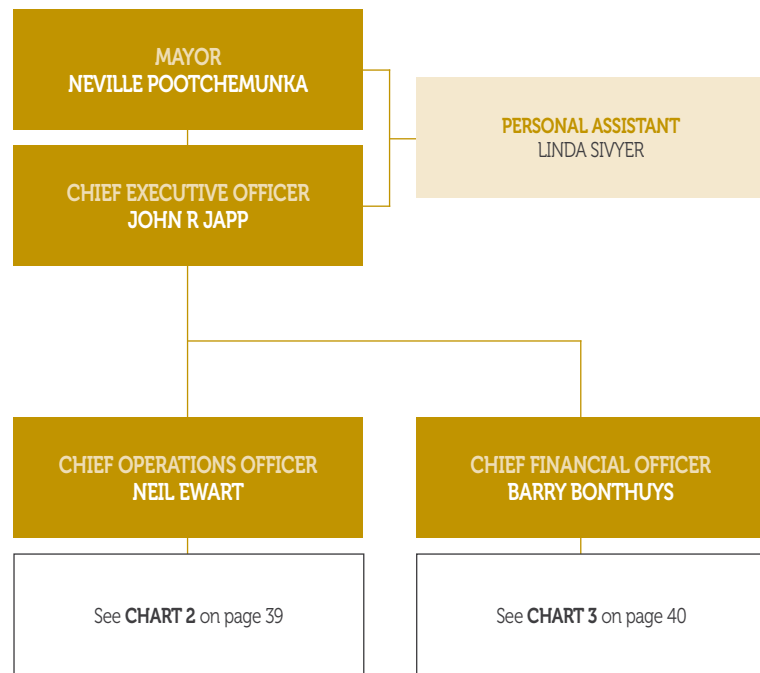
Councillor	Ordinary	Special
Cr Neville Pootchemunka	8	9
Cr Phyllis Yunkaporta	6	7
Cr Angus Kerindun	8	9
Cr Jonathon Korkaktain	7	10
Cr Patrick Koongotema	7	10

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

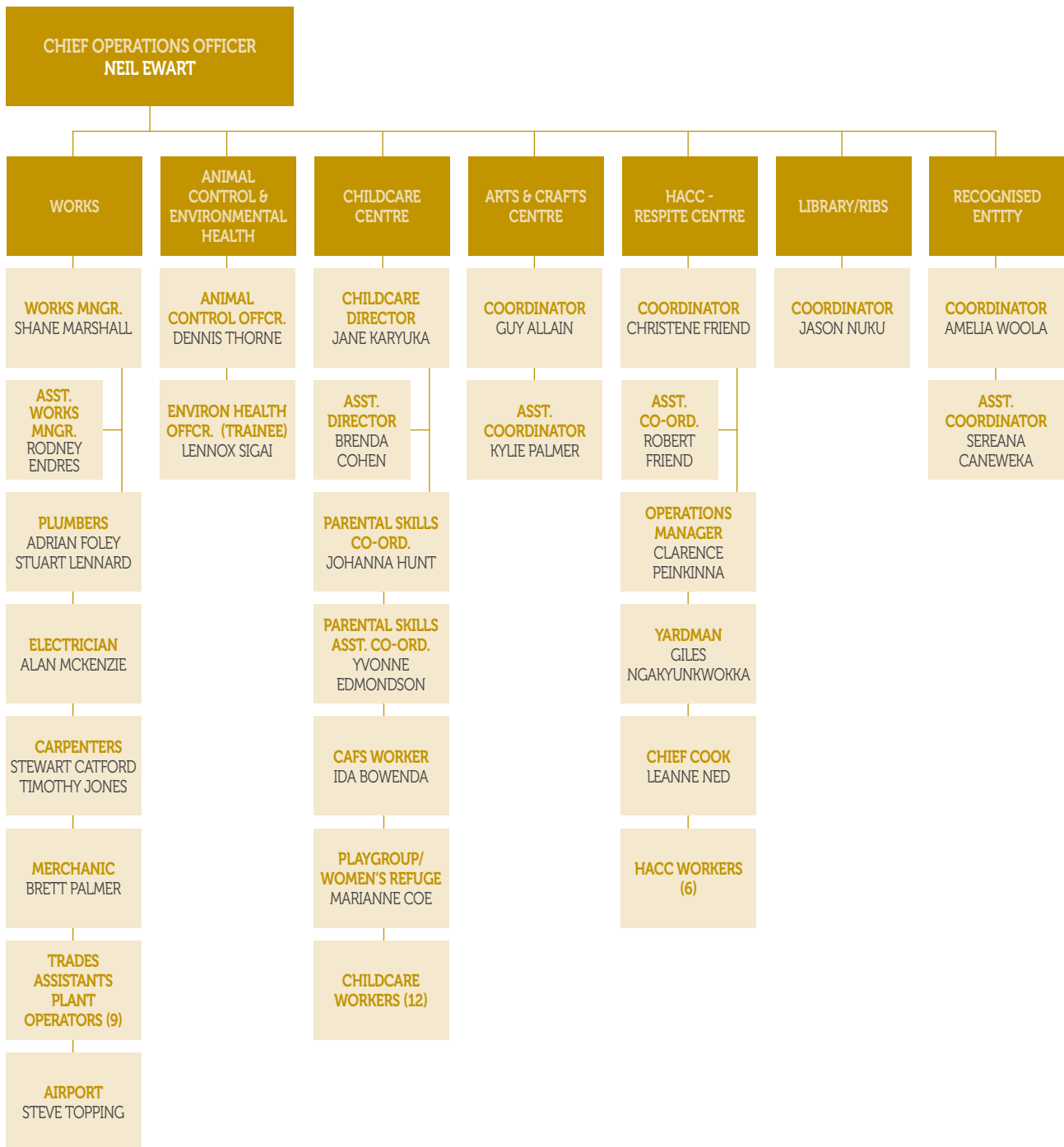
Councillor	Gross	Super-annuation	Total
Cr Neville Pootchemunka	\$88,966	\$8,007	\$96,973
Cr Phyllis Yunkaporta	\$53,924	\$4,853	\$58,777
Cr Angus Kerindun	\$34,972	\$3,148	\$38,120
Cr Jonathon Korkaktain	\$35,844	\$3,226	\$39,070
Cr Patrick Koongotema	\$40,770	\$3,669	\$44,439

# ORGANISATIONAL CHARTS

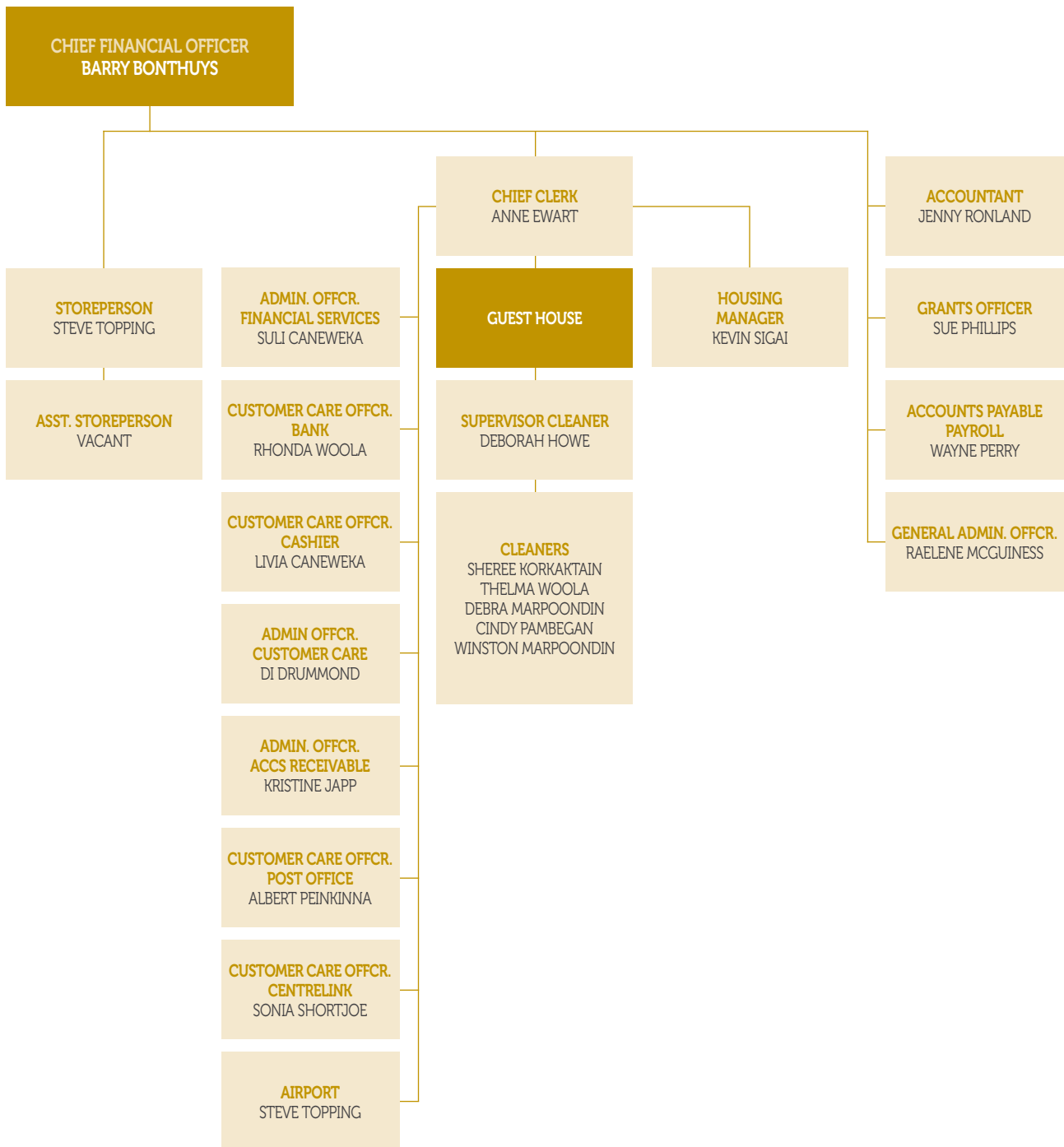
## CHART 1



## CHART 2



### CHART 3





Basket Weaving :: Kerry Trapnell



Jasper Koowearpta's Spears ::  
Aurukun Wetland Charters



Watson River :: Aurukun Wetland Charters

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

**FOR THE YEAR ENDED 30 JUNE 2010**

**AURUKUN SHIRE COUNCIL****Table of Contents**

For the year ended 30 June 2010

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**AURUKUN SHIRE COUNCIL**  
**Statement of Comprehensive Income**  
For the year ended 30 June 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Net utility charges	3	556,426	596,024
Fees and charges	3	437,337	230,709
Rental income	3	1,657,544	508,949
Interest received	3	64,863	90,999
Other recurrent income	3	2,819,293	8,335,880
Grants, subsidies, contributions and donations	4	6,393,425	7,699,024
<b>Total recurrent revenue</b>		<u><b>11,928,887</b></u>	<u><b>17,461,585</b></u>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	4	7,180,881	2,716,024
<b>Total capital revenue</b>		<u><b>7,180,881</b></u>	<u><b>2,716,024</b></u>
<b>Total revenue</b>		<u><b>19,109,768</b></u>	<u><b>20,177,609</b></u>
<b>Capital income</b>	5	<b>93,037</b>	<b>26,636</b>
<b>Total income</b>		<u><b>19,202,806</b></u>	<u><b>20,204,245</b></u>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	6	(4,594,104)	(4,906,060)
Materials and services	7	(6,135,660)	(11,628,303)
Finance costs	8	0	0
Depreciation and amortisation	9	(2,550,406)	(3,856,888)
<b>Total recurrent expenses</b>		<u><b>(13,280,170)</b></u>	<u><b>(20,391,251)</b></u>
<b>Capital expenses</b>			
Revaluation decrement	14(a)	0	(102,433)
		<u><b>0</b></u>	<u><b>(102,433)</b></u>
<b>Total expenses</b>		<u><b>(13,280,170)</b></u>	<u><b>(20,493,684)</b></u>
<b>Net operating surplus</b>		<u><b>5,922,636</b></u>	<u><b>(289,439)</b></u>
<b>Other comprehensive income</b>			
Increase/(decrease) in asset revaluation surplus	17	4,062,942	55,483,220
<b>Total other comprehensive income for the year</b>		<u><b>4,062,942</b></u>	<u><b>55,483,220</b></u>
<b>Total comprehensive income for the year</b>		<u><b>9,985,578</b></u>	<u><b>55,193,781</b></u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

**AURUKUN SHIRE COUNCIL**  
**Statement of Financial Position**  
For the year ended 30 June 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	10	7,842,889	3,292,068
Trade and other receivables	11	700,717	855,505
Inventories	12	155,824	131,954
Other assets	13	106,792	0
<b>Total current assets</b>		<u><b>8,806,222</b></u>	<u><b>4,279,527</b></u>
<b>Non-current Assets</b>			
Property, plant and equipment	14	120,170,205	114,646,467
<b>Total non-current assets</b>		<u><b>120,170,205</b></u>	<u><b>114,646,467</b></u>
<b>TOTAL ASSETS</b>		<u><b>128,976,428</b></u>	<u><b>118,925,994</b></u>
<b>Current Liabilities</b>			
Trade and other payables	15	1,519,247	1,396,358
Provisions	16	66,432	87,240
<b>Total current liabilities</b>		<u><b>1,585,678</b></u>	<u><b>1,483,598</b></u>
<b>Non-current Liabilities</b>			
Trade and other payables	15	0	38,433
Provisions	16	30,611	29,400
<b>Total non-current liabilities</b>		<u><b>30,611</b></u>	<u><b>67,833</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>1,616,289</b></u>	<u><b>1,551,431</b></u>
<b>NET COMMUNITY ASSETS</b>		<u><b>127,360,138</b></u>	<u><b>117,374,561</b></u>
<b>Community Equity</b>			
Asset revaluation surplus	17	109,975,617	105,912,675
Retained surplus	18	12,535,883	9,363,501
Reserves	19	4,848,639	2,098,385
<b>TOTAL COMMUNITY EQUITY</b>		<u><b>127,360,138</b></u>	<u><b>117,374,561</b></u>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

**AURUKUN SHIRE COUNCIL**  
**Statement of Changes in Equity**  
For the year ended 30 June 2010

	Asset revaluation surplus Note 17		Retained surplus Note 18		Reserves Note 19		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
Balance as at beginning of period	105,912,675	50,429,455	9,363,502	10,233,985	2,098,385	1,517,341	117,374,562	62,180,781
Increase/(decrease) in asset revaluation surplus	4,062,942	55,483,220	0	0	0	0	4,062,942	55,483,220
<b>Other comprehensive income for the year</b>	<b>4,062,942</b>	<b>55,483,220</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,062,942</b>	<b>55,483,220</b>
Net operating surplus	0	0	5,922,636	(289,439)	0	0	5,922,636	(289,439)
<b>Total comprehensive income for the year</b>	<b>4,062,942</b>	<b>55,483,220</b>	<b>5,922,636</b>	<b>(289,439)</b>	<b>0</b>	<b>0</b>	<b>9,985,578</b>	<b>55,193,781</b>
<b>Transfers to and from reserves</b>								
Transfers to general reserves	0	0	(3,941,092)	(2,307,638)	3,941,092	2,307,638	0	0
Transfers from general reserves	0	0	1,190,839	1,726,594	(1,190,839)	(1,726,594)	0	0
<b>Total transfers to and from reserves</b>	<b>0</b>	<b>0</b>	<b>(2,750,253)</b>	<b>(581,044)</b>	<b>2,750,253</b>	<b>581,044</b>	<b>0</b>	<b>0</b>
Balance as at end of period	109,975,617	105,912,675	12,535,883	9,363,502	4,848,638	2,098,385	127,360,138	117,374,562

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

**AURUKUN SHIRE COUNCIL****Statement of Cash Flows**

For the year ended 30 June 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<b>Cash flows from operating activities:</b>			
Receipts from customers		3,890,102	9,176,339
Payments to suppliers and employees		<u>(10,717,824)</u>	<u>(16,534,363)</u>
		<b>(6,827,722)</b>	<b>(7,358,024)</b>
Interest received		64,863	90,999
Rental income		1,657,544	508,948
Non capital grants and contributions	4	<u>6,393,425</u>	<u>7,699,024</u>
<b>Net cash inflow (outflow) from operating activities</b>	<b>24</b>	<b><u>1,288,109</u></b>	<b><u>940,947</u></b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(4,011,205)	(2,625,277)
Proceeds from sale of property, plant and equipment	5	93,037	26,636
Grants, subsidies, contributions and donations	4	<u>7,180,881</u>	<u>2,716,024</u>
<b>Net cash inflow (outflow) from investing activities</b>		<b><u>3,262,713</u></b>	<b><u>117,383</u></b>
<b>Net increase (decrease) in cash held</b>		<b>4,550,822</b>	<b>1,058,330</b>
Cash at beginning of the financial year		<u>3,292,067</u>	<u>2,233,737</u>
<b>Cash at end of the financial year</b>	<b>10</b>	<b><u>7,842,889</u></b>	<b><u>3,292,067</u></b>

The above statement should be read in conjunction with the accompanying notes and Summary of Significant Accounting Policies.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
 For the year ended 30 June 2010

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

**1.01 Basis of preparation**

These general purpose financial statements for the period 1 July 2009 to 30 June 2010 have been prepared in accordance with Australian Accounting Standards, except as detailed in Note 1.02 below, and comply with the requirements of the Local Government Act 1993 and the Local Government Finance Standard 2005.

**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 resulted in the following changes to Council's accounting policies:

Presentation of Financial Statements AASB 101 Presentation of Financial Statements, AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101, AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101.

The revised Standard and Amending Pronouncements do not affect any of the amounts presented in the financial statements, but have changed the disclosures made in the financial statements. The change in terminology in the revised AASB 101 has resulted in the Balance Sheet being renamed the Statement of Financial Position, and the Cash Flow Statement being renamed the Statement of Cash Flows. The former Income Statement has been replaced with a single Statement of Comprehensive Income. In line with the new concept of "comprehensive income" the bottom of the Statement contains other comprehensive income that was previously included in the Statement of Changes in Equity.

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

	<b>Effective for annual report periods beginning on or after:</b>
AASB 9 Financial Instruments (December 2009)	1 January 2013
AASB 124 Related Party Disclosures (December 2009)	1 January 2011
2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (May 2009)	1 January 2010
2009-9 Additional Exemptions for First -time Adopters (September 2009)	1 January 2010
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
2009-13 Amendments to AAS arising from Interpretation 19 (December 2009)	1 January 2010
2009-14 Amendments to Australian Interpretation - Prepayment of a Minimum Funding Requirement (Interpretation 14) (December 2009)	1 January 2011
Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (December 2009)	1 July 2010

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

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

**1.03 Adoption of new and revised Accounting Standards (Continued)**

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 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.

2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project includes amendments to AASB 117 Leases which revise the criteria for classification of leases involving land and buildings. Council will be required to reassess the classification of the land components of all unexpired leases that Council has entered into as at 1 July 2010, on the basis of the information existing at the inception of the relevant lease. If any such leases are reclassified to become finance leases, retrospective accounting adjustments will be processed as far as practicable.

Initial application of the other Standards/Interpretations in issue but not yet effective is not expected to have any material impact on Council's financial statements.

**1.04 Critical accounting judgement and key sources of estimation uncertainty**

In the application of Council's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and ongoing assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and 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 Aurukun Shire Council is constituted under the Queensland Local Government Act 1993 and is domiciled in Australia.

**1.07 Date of authorisation**

The financial report was authorised for issue on the date it was 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 2010

## **Note 1: Summary of significant accounting policies**

### **1.09 Grants and other revenue**

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

#### (i) 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 unspent capital grants 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.

#### (v) Interest revenue

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, monies held in trust by third parties, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Where monies are held in trust for the council by third parties, the conditions and how the monies are held are determined by the respective funding bodies.

### **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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

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

**1.11 Receivables (continued)**

All known bad debts were written-off at 30 June 2010. 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**

Council does not currently have any other financial assets.

**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 values 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**

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2010 Council did not have any term deposits in excess of three months.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**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, land, 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.

(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 and assets received in a local government restructure 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

Land and improvements, buildings, major plant and equipment and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB116 *Property, Plant and Equipment* and the *Local Government Finance Standard 2005*. Plant and equipment and office equipment are measured at amortised 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 five 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.

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

(iv) Depreciation

Depreciation on plant and equipment and office equipment is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Council.

Depreciation on other property is calculated on a consumption based depreciation method. This is a change in accounting estimate as the straight line basis of depreciation had been used in previous financial years. It is impracticable to estimate the impact of this change on the current and future financial years.

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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

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

**1.16 Property, plant and equipment (continued)**

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 (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 Bridge Network	Consumption based method
Water	Consumption based method
Sewerage	Consumption based method
Other Infrastructure	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.

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

<b>Asset</b>	<b>Range of Estimated Useful Life in Years</b>
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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

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

**1.16 Property, plant and equipment (continued)**

(v) 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 assets 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 in the surplus in respect of that asset is retained in the surplus.

(vi) 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**

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 immediately 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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

## **Note 1: Summary of significant accounting policies**

### **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.

#### (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**

Employee benefits are accrued for such items 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 entitlements are assessed at each reporting date. Where it is expected that the leave will be taken 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 is treated as a payable and not as a provision.

#### (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 and not as a provision.

#### (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 2010

**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 interest rates attaching as at the reporting date, to Commonwealth Government guaranteed securities are used to discount the estimated future cash outflows to their present value. The value of the liability was calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. This liability is treated as a provision.

**1.22 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.

(ii) Reserve held for Future Recurrent Expenditure

This reserve represents amounts that are accumulated within the Council to meet anticipated future recurrent or operating expenditure needs.

**1.23 Retained surplus**

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

**1.24 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.

**1.25 Comparatives**

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

**1.26 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.

**1.27 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 2010

**Note 2: Analysis of results by function**  
 (a) Revenue, expenses and assets have been attributed to the following functions:

	Grants revenue		Other revenue		Total revenue		Total expenses		Net result for period		Assets	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Corporate Services	2,434,411	2,788,774	725,888	1,824,681	3,160,299	4,613,455	2,385,486	3,059,288	774,813	1,554,167	8,865,321	8,968,668
Engineering Services	358,781	212,879	238,970	1,309,841	597,750	1,522,720	2,543,140	2,239,316	(1,945,369)	(716,596)	23,440,847	22,821,224
Environmental Services	269,949	152,223	3,095	0	273,044	152,223	186,008	145,609	87,036	6,614	250,569	6,558
Welfare & Social Services	1,756,670	2,228,085	29,173	634	1,785,843	2,228,719	2,205,614	2,520	(419,771)	2,226,199	2,320,931	960,503
Community & Cultural Services	440,968	1,857,170	47,562	56,829	488,130	1,913,999	550,919	2,286,464	(62,789)	(372,465)	8,058,978	9,306,450
Housing	0	99,984	1,030,685	0	1,030,685	99,984	1,548,240	2,587,274	(517,555)	(2,487,290)	64,569,254	60,095,223
Public Amenities & Utilities	27,273	0	672,482	0	699,755	0	850,411	752,339	(150,656)	(752,339)	13,302,863	8,983,132
Enterprises	721,523	408,999	2,665,302	6,468,871	3,386,825	6,877,870	1,657,407	6,987,004	1,729,418	(109,134)	8,167,666	7,348,437
ICC Programs	7,565,132	2,666,934	215,343	128,341	7,780,475	2,795,275	1,352,945	2,433,870	6,427,530	-361,405	0	435,799
<b>Total Council</b>	<b>13,574,306</b>	<b>10,415,048</b>	<b>5,628,500</b>	<b>9,789,197</b>	<b>19,202,806</b>	<b>20,204,245</b>	<b>13,280,170</b>	<b>20,493,684</b>	<b>5,922,636</b>	<b>(289,439)</b>	<b>128,976,428</b>	<b>118,925,994</b>
Controlled entity net of eliminations	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>13,574,306</b>	<b>10,415,048</b>	<b>5,628,500</b>	<b>9,789,197</b>	<b>19,202,806</b>	<b>20,204,245</b>	<b>13,280,170</b>	<b>20,493,684</b>	<b>5,922,636</b>	<b>(289,439)</b>	<b>128,976,428</b>	<b>118,925,994</b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**Note 2(b): Components of council functions**

The activities relating to the Council's components reported on in Note 3(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 2010

Notes	2010 \$	2009 \$
<b>Note 3: Revenue analysis</b>		
<b>(a) Rates and charges</b>		
Community charges	230,677	325,111
Water	113,323	83,795
Sewerage	148,207	126,247
Garbage charges	64,219	60,871
Net utility charges	<u>556,426</u>	<u>596,024</u>
<b>(b) Fees and charges</b>		
Fees and charges	<u>437,337</u>	<u>230,709</u>
	<b>437,337</b>	<b>230,709</b>
<b>(c) Rental income</b>		
Housing rental	1,155,355	508,949
Lease - general store	502,189	0
	<u>1,657,544</u>	<u>508,949</u>
<b>(d) Interest received</b>		
Interest received on term deposits	<u>64,863</u>	<u>90,999</u>
	<b>64,863</b>	<b>90,999</b>
<b>(e) Other recurrent income</b>		
General store sales	0	5,417,703
Tavern sales	0	698,845
Private works	1,708,302	1,018,322
Administration contributions	195,149	405,464
Art work sales	212,071	119,887
Agency commissions	102,580	121,563
Other income	601,191	554,096
	<u>2,819,293</u>	<u>8,335,880</u>

The absence of reported figures for the general store sales and tavern sales in 2010 is a result of the Council ceasing to operate the general store and tavern during the 2008/2009 year. The general store is now operated by Island and Cape.

**Note 4: Grants, subsidies, contributions and donations**

**(i) Recurrent - government grants, subsidies, and other contributions are analysed as follows**

General purpose grants	2,419,744	2,707,646
State Government subsidies and grants	3,968,012	4,783,955
Other grants and contributions	5,669	207,423
<b>Total recurrent revenue</b>	<u>6,393,425</u>	<u>7,699,024</u>

**(ii) Capital - government grants and subsidies, and other contributions are analysed as follows**

State Government subsidies and grants	7,180,881	2,716,024
Contributions	0	0
<b>Total capital revenue</b>	<u>7,180,881</u>	<u>2,716,024</u>

**Note 5: Capital income**

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

Proceeds from the sale of property, plant and equipment	156,416	26,636
Less: Book value of property, plant and equipment disposed	(63,379)	0
<b>Total gain (loss) on the disposal of non-current assets</b>	<u>93,037</u>	<u>26,636</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

	Notes	2010	2009
		\$	\$
<b>Note 6: Employee benefits</b>			
Total staff wages and salaries		3,361,262	3,991,833
Councillors' remuneration		253,810	195,953
Annual, sick and long service leave entitlements		467,084	364,368
Superannuation	23	<u>392,052</u>	<u>320,377</u>
		<b>4,474,208</b>	<b>4,872,531</b>
Other employee related expenses		<u>136,457</u>	<u>42,372</u>
		<b>4,610,665</b>	<b>4,914,903</b>
Less: Capitalised employee expenses		<u>(16,561)</u>	<u>(8,843)</u>
		<b><u>4,594,104</u></b>	<b><u>4,906,060</u></b>

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

**Total Council employees at period end**

Elected members		5	5
Administrative staff		56	51
Depot and outdoors staff		<u>42</u>	<u>42</u>
<b>Total full time equivalent employees</b>		<b><u>103</u></b>	<b><u>98</u></b>

**Note 7: Materials and services**

Audit services		139,584	65,257
Donations paid		0	5,695
Other material and services		3,386,542	1,112,758
General store costs		55,995	4,946,966
Tavern costs		77,005	746,223
Write-down of inventories		(15,893)	126,824
Plant operations		309,426	519,148
Community housing		282,393	194,212
Doubtful debts		(131,717)	236,657
Administration expenses		639,465	860,046
Staff housing		154,387	232,307
Child care expenses		268,944	380,825
Arts and craft expenses		454,226	636,965
Aged care		401,813	281,568
CDEP		<u>113,490</u>	<u>1,282,852</u>
		<b><u>6,135,660</u></b>	<b><u>11,628,303</u></b>

**Note 8: Finance costs**

Interest on finance leases		<u>0</u>	<u>0</u>
		<b><u>0</u></b>	<b><u>0</u></b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
<b>Note 9: Depreciation and amortisation</b>			
<b>(a) Depreciation of non-current assets</b>			
Buildings		1,498,526	3,008,935
Plant and equipment		384,229	374,425
Aerodrome		55,045	70,561
Office equipment		49,139	59,419
Road, drainage and bridge network		436,261	177,110
Water		52,333	58,130
Sewerage		74,872	99,371
Other infrastructure assets		0	8,937
<b>Total depreciation of non-current assets</b>		<b><u>2,550,406</u></b>	<b><u>3,856,888</u></b>
<b>Note 10: Cash and cash equivalents</b>			
Cash at bank and on hand		2,290,041	1,366,851
Term deposits		1,077,911	1,029,110
Monies held in trust by third parties	10(a)	<u>4,474,936</u>	<u>896,107</u>
<b>Balance per Statement of Cash Flows</b>	10(b)	<b><u>7,842,889</u></b>	<b><u>3,292,068</u></b>
 (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	20	870,450	163,467
Kids Living Safer Lives Infrastructure Project	20	0	237,640
Welfare Reform Project	20	327,267	495,000
Redevelopment of the Aurukun Business Precinct	20	3,277,219	0
		<b><u>4,474,936</u></b>	<b><u>896,107</u></b>
 (b) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:			
Unspent Government grants and subsidies	19	<u>4,848,639</u>	<u>2,098,386</u>
Total unspent restricted funds for capital and recurrent projects		<b><u>4,848,639</u></b>	<b><u>2,098,386</u></b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

<u>Notes</u>	<u>2010</u>	<u>2009</u>
	\$	\$
<b>Note 11: Trade and other receivables</b>		
<b>Current</b>		
Service charge debtors	109,758	175,026
General store and tavern debtors	39,979	264,947
Rent debtors	31,041	37,785
Housing debtors	98,902	72,365
Other debtors	568,710	587,382
Less: Impairment	(147,672)	(282,000)
	<u><b>700,717</b></u>	<u><b>855,505</b></u>
<b>Note 12: Inventories</b>		
<b>Current</b>		
<b>Inventories for consumption:</b>		
Miscellaneous saleable items	9,828	11,340
<b>Total inventories for consumption</b>	<u><b>9,828</b></u>	<u><b>11,340</b></u>
Valued at the lower of cost and selling price less cost to sell.		
<b>Inventories for distribution:</b>		
Plant and equipment stores	155,996	130,614
Less: Provision for slow moving and obsolete materials	(10,000)	(10,000)
<b>Total inventories for distribution</b>	<u><b>145,996</b></u>	<u><b>120,614</b></u>
Valued at the lower of cost and replacement value		
<b>Total inventories</b>	<u><b>155,824</b></u>	<u><b>131,954</b></u>
<b>Note 13: Other assets</b>		
<b>Current</b>		
Prepayments	106,792	0
	<u><b>106,792</b></u>	<u><b>0</b></u>

**AURUKUN SHIRE COUNCIL**  
Notes to the Financial Statements  
For the year ended 30 June 2010

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

	Office Equipment	Plant & Equipment	Buildings	Road, Drainage, and Bridge Network	Aerodrome	Sewerage	Water	Other Infrastructure Assets	Capital Works in Progress	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>										
Opening gross value at cost	410,218	4,771,654	0	0	0	0	0	0	2,021,583	7,203,455
Opening gross value at valuation	0	0	110,761,133	9,756,420	5,735,266	5,967,602	2,934,370	0	0	135,154,791
Additions at cost	43,601	364,897	5,473,306	0	0	0	0	0	(1,833,602)	4,048,201
Disposals	(102,156)	(58,355)	0	0	0	0	0	0	0	(160,510)
Revaluation adjustment to the ARS	0	0	2,337,547	97,564	57,353	1,080	3,708	0	0	2,497,252
Revaluation adjustment to income	0	0	0	0	0	0	0	0	0	0
Assets classified as held for sale	0	0	0	0	0	0	0	0	0	0
Internal transfers	0	0	0	0	0	0	0	0	0	0
<b>Closing gross value</b>	<b>351,664</b>	<b>5,078,196</b>	<b>118,571,985</b>	<b>9,853,984</b>	<b>5,792,619</b>	<b>5,968,682</b>	<b>2,938,078</b>	<b>0</b>	<b>187,981</b>	<b>148,743,189</b>
<b>Accumulated Depreciation</b>										
Opening balance	174,135	3,794,792	20,887,129	1,437,610	257,474	640,352	520,289	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	2,550,406
Depreciation on disposals	(57,906)	(39,225)	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	(1,592,071)
Impairment adjustment to the ARS	0	0	0	0	0	0	0	0	0	0
Impairment adjustment to income	0	0	0	0	0	0	0	0	0	0
Assets classified as held for sale	0	0	0	0	0	0	0	0	0	0
Internal transfers	0	0	0	0	0	0	0	0	0	0
<b>Accumulated depreciation at period end</b>	<b>165,368</b>	<b>4,139,796</b>	<b>21,394,190</b>	<b>1,451,986</b>	<b>260,048</b>	<b>640,636</b>	<b>520,960</b>	<b>0</b>	<b>0</b>	<b>28,572,984</b>
<b>Total written down value at period end</b>	<b>186,296</b>	<b>938,400</b>	<b>97,177,795</b>	<b>8,401,999</b>	<b>5,532,570</b>	<b>5,328,047</b>	<b>2,417,118</b>	<b>0</b>	<b>187,981</b>	<b>120,170,205</b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**Note 14(b): Property, plant and equipment**  
**For the year ended 30 June 2009 (Restated)**

	Office Equipment	Plant & Equipment	Buildings	Road, Drainage, and Bridge Network	Aerodrome	Sewerage	Water	Other Infrastructure Assets	Capital Works in Progress	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Asset Values</b>										
Opening gross value at cost	219,801	4,592,472	0	0	0	0	0	0	109,178	4,921,451
Opening gross value at valuation	0	0	81,945,242	6,904,123	1,916,610	4,232,713	2,906,500	178,735	0	98,083,923
Additions at cost	190,417	265,572	157,473	99,410	0	0	0	0	1,912,405	2,625,277
Disposals	0	(86,391)	0	0	0	0	0	0	0	(86,391)
Revaluation adjustment to the ARS	0	0	28,658,418	2,752,887	3,818,657	1,734,890	27,869	(35,057)	0	36,957,664
Revaluation adjustment to income	0	0	0	0	0	0	0	(143,678)	0	(143,678)
Assets classified as held for sale	0	0	0	0	0	0	0	0	0	0
Internal transfers	0	0	0	0	0	0	0	0	0	0
<b>Closing gross value</b>	<b>410,218</b>	<b>4,771,653</b>	<b>110,761,133</b>	<b>9,756,420</b>	<b>5,735,267</b>	<b>5,967,603</b>	<b>2,934,369</b>	<b>0</b>	<b>2,021,583</b>	<b>142,358,246</b>
<b>Accumulated Depreciation</b>										
Opening balance	114,716	3,506,757	33,978,558	1,626,714	454,600	1,888,449	898,100	40,191	0	42,508,085
Depreciation provided in period	59,419	374,425	3,008,935	177,110	70,561	99,371	58,130	8,937	0	3,856,888
Depreciation on disposals	0	(86,391)	0	0	0	0	0	0	0	(86,391)
Revaluation adjustment to the ARS	0	0	(16,100,364)	(366,214)	(267,688)	(1,347,468)	(435,941)	(7,883)	0	(18,525,558)
Impairment adjustment to the ARS	0	0	0	0	0	0	0	0	0	0
Revaluation adjustment to income	0	0	0	0	0	0	0	(41,245)	0	(41,245)
Assets classified as held for sale	0	0	0	0	0	0	0	0	0	0
Internal transfers	0	0	0	0	0	0	0	0	0	0
<b>Accumulated depreciation at period end</b>	<b>174,135</b>	<b>3,794,791</b>	<b>20,887,129</b>	<b>1,437,610</b>	<b>257,473</b>	<b>640,352</b>	<b>520,289</b>	<b>0</b>	<b>0</b>	<b>27,711,779</b>
<b>Total written down value at period end</b>	<b>236,083</b>	<b>976,862</b>	<b>89,874,004</b>	<b>8,318,810</b>	<b>5,477,794</b>	<b>5,327,251</b>	<b>2,414,080</b>	<b>0</b>	<b>2,021,583</b>	<b>114,646,467</b>

Refer to Note 28 for correction of error in relation to buildings in 2009.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**Note 14 (c) Property, plant and equipment valuations**  
**For the year ended 30 June 2010**

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

**Buildings**

Buildings have been included at their written down current replacement cost as determined by Australia Pacific Valuers Pty Ltd as at 30 June 2010. Condition assessments of buildings by Council revealed that there had been no change to the condition of assets since 30 June 2009.

**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.

**Infrastructure**

Sewerage, Water, and Waste Disposal Infrastructure –

Included at the written down current replacement cost as at 30 June 2010 as determined by Australia Pacific Valuers Pty Ltd. Condition assessments of Sewerage, Water and Waste Disposal Infrastructure by Council revealed that there had been no change to the condition of assets since 30 June 2009.

Roads, Drainage, Bridge Network and Aerodrome Infrastructure -

Included at the written down current replacement cost as at 30 June 2010 as determined by Australia Pacific Valuers Pty Ltd. Condition assessments of Roads, Drainage, Bridge Network and Aerodrome Infrastructure by Council revealed that there had been no change to the condition of assets since 30 June 2009.

**Other infrastructure assets**

Other Infrastructure assets have been included at their written down current replacement cost as determined by Australia Pacific Valuers Pty Ltd as at 30 June 2010. Condition assessments of Other Infrastructure assets by Council revealed that there had been no change to the condition of assets since 30 June 2009.

**Capital works in progress**

Capital works in progress are measured at cost.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

Notes	2010	2009
	\$	\$
<b>Note 15: Trade and other payables</b>		
<b>Current</b>		
Creditors and accruals	798,161	981,294
GST payable	456,627	213,915
Annual leave payable	264,459	201,149
	<u>1,519,247</u>	<u>1,396,358</u>
<b>Non-current</b>		
Accrued annual leave	0	38,433
	<u>0</u>	<u>38,433</u>
<b>Note 16: Provisions</b>		
<b>Current</b>		
Long service leave	66,432	87,240
	<u>66,432</u>	<u>87,240</u>
<b>Non-current</b>		
Long service leave	30,611	29,400
	<u>30,611</u>	<u>29,400</u>
<b>Long service leave</b>		
Opening balance	116,640	96,488
Long service leave entitlement arising	20,559	58,423
Long service leave entitlement extinguished	(26,716)	0
Long service leave entitlement paid	(13,440)	(38,271)
<b>Balance at the end of period</b>	<u>97,043</u>	<u>116,640</u>
<b>Note 17: Asset revaluation surplus</b>		
<b>(i) Asset revaluation surplus</b>		
Movements in the asset revaluation surplus were as follows:		
Balance at beginning of the financial year	105,912,675	50,429,455
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings	3,302,630	44,758,782
Road, drainage, and bridge network	519,449	3,119,101
Aerodrome	109,823	4,086,344
Sewerage	75,669	3,082,357
Water	55,370	463,810
Other infrastructure assets	0	(27,174)
<b>Balance at end of the financial year</b>	<u>109,975,617</u>	<u>105,912,675</u>
<b>(ii) Asset revaluation surplus analysis</b>		
The closing balance of the asset revaluation surplus is comprised of the following asset categories:		
Buildings	87,786,529	84,483,898
Road, drainage and bridge network	11,788,910	11,269,461
Aerodrome	4,656,064	4,546,241
Sewerage	3,175,923	3,100,254
Water	2,568,191	2,512,821
Other infrastructure assets	0	0
	<u>109,975,617</u>	<u>105,912,675</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

Notes	2010	2009	
	\$	\$	
<b>Note 18: Retained surplus</b>			
Movements in the retained surplus were as follows:			
Retained surplus/(deficit) at the beginning of the financial year	9,363,500	10,233,985	
Result from ordinary activities	5,922,636	(289,439)	
Transfers (to) from capital reserves for future capital project funding, or from reserves funds that have been expended:			
Constrained works reserve	(2,788,297)	(1,030,126)	
Transfers (to) from recurrent reserves for future project funding, or from reserves funds that have been expended:			
Recurrent expenditure reserve	38,044	449,081	
<b>Retained surplus at the end of the financial year</b>	<b>12,535,883</b>	<b>9,363,501</b>	
<b>Note 19: Reserves</b>			
<b>(a) Summary of reserves held for future capital expenditure:</b>			
(iv) Constrained works reserve	4,151,985	1,363,687	
	<b>4,151,985</b>	<b>1,363,687</b>	
<b>(b) Summary of reserves held for future recurrent expenditure:</b>			
(i) Recurrent expenditure reserve	696,654	734,698	
	<b>696,654</b>	<b>734,698</b>	
<b>Total reserves</b>	<b>4,848,639</b>	<b>2,098,385</b>	
<b>(c) Movements in capital reserves are analysed as follows:</b>			
<b>(i) Constrained works reserve</b>			
Balance at the beginning of the financial year	1,363,688	333,562	
Transfer from retained earnings for future expenditure	3,645,065	1,071,006	
Transfer to the retained earnings funds expended in the period	(856,768)	(40,881)	
<b>Balance at the end of the financial year</b>	<b>4,151,985</b>	<b>1,363,687</b>	
<b>(d) Movements in recurrent reserves are analysed as follows:</b>			
<b>(i) Recurrent expenditure reserve</b>			
Balance at the beginning of the financial year	734,698	1,183,779	
Transfer from retained earnings for future expenditure	296,027	1,236,632	
Transfer to retained earnings	(334,071)	(1,685,713)	
<b>Balance at the end of the financial year</b>	<b>696,654</b>	<b>734,698</b>	
<b>Note 20: Contractual commitments</b>			
Contractual commitments at balance date but not recognised in the financial statements are as follows:			
Health and Well Being Infrastructure Project	10	870,450	163,468
Kids Living Safer Lives Infrastructure Project	10	0	237,639
Welfare Reform Project	10	327,267	495,000
Redevelopment of the Aurukun Business Precinct	10	3,277,219	0
		<b>4,474,936</b>	<b>896,107</b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
 For the year ended 30 June 2010

**Note 21: Contingent liabilities**

**For the year ended 30 June 2010**

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 2010 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 \$78,943.

**Note 22: Trust funds**

<b>Notes</b>	<b>2010</b>	<b>2009</b>
	\$	\$
<b>Trust funds held for outside parties</b>		
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	53,166	53,466
Security deposits	44,428	44,428
Mission account	641	10,145
	<b>98,235</b>	<b>108,039</b>

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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
 For the year ended 30 June 2010

**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 1993.

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 2009 (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 amendments to the Local Government Act 1993 passed in June 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:

	<u>Notes</u>	<u>2010</u>	<u>2009</u>
		\$	\$
Contributions	6	392,052	320,377

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

	Notes	2010 \$	2009 \$
<b>Note 24: Reconciliation of result from ordinary activities to net cash inflow (outflow) from operating activities</b>			
<b>Net operating result</b>		<b>5,922,636</b>	<b>(289,439)</b>
<b>Non-cash operating items:</b>			
Depreciation and amortisation	9	2,550,406	3,856,888
Revaluation decrement	14(a)	0	102,433
		<u>2,550,406</u>	<u>3,959,321</u>
<b>Investing and development activities:</b>			
Net (profit) loss on disposal of non-current assets	5	(93,037)	(26,636)
Capital grants and contributions	4	(7,180,881)	(2,716,024)
		<u>(7,273,919)</u>	<u>(2,742,660)</u>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in receivables		154,790	(144,093)
(Increase)/decrease in inventory		(23,870)	445,204
(Increase)/decrease in prepayments		(106,792)	26,383
Increase/(decrease) in payables		84,456	(210,324)
Increase/(decrease) in other provisions		(19,598)	(103,445)
Increase/(decrease) in other liabilities		0	0
		<u>88,986</u>	<u>13,725</u>
<b>Net cash inflow from operating activities</b>		<u><u>1,288,109</u></u>	<u><u>940,947</u></u>

### 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 measures risk exposure using a variety of methods as follows:

Risk exposure	Measurement method
Interest rate risk	Sensitivity analysis
Liquidity risk	Maturity
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 2010

**Note 25: Financial instruments (continued)**

**(a) Credit risk**

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

<b>Financial Assets</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents – bank	7,842,889	3,292,067
Receivables	848,389	1,137,506
<b>Total</b>	<b>8,691,278</b>	<b>4,429,573</b>

**Past due or impaired**

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 on the Council's financial assets that are either fully performing, past due or impaired:

	<b>Fully Performing</b>	<b>Past due</b>	<b>Past due</b>	<b>Past due</b>	<b>Impaired</b>	<b>Total</b>
		<b>30-60 days</b>	<b>61-90 days</b>	<b>90+ days</b>		
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receivables	366,094	52,451	108,292	173,880	147,672	848,389

**(b) Liquidity risk**

Liquidity risk refers to the situation where the Council may encounter difficulty in meeting obligations associated with financial liabilities. 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 flows at balance date:

**Financial liabilities**

	<b>0 to 1 year</b>		<b>1 - 5 Years</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Creditors and Accruals	798,161	981,294	0	0	798,161	981,294
GST Payable	456,627	213,915	0	0	456,627	213,915
Accrued Annual Leave	264,459	201,149	0	38,433	264,459	239,582
<b>Total</b>	<b>1,519,247</b>	<b>1,396,358</b>	<b>0</b>	<b>38,433</b>	<b>1,519,247</b>	<b>1,434,791</b>

**(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 2010

**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.

	<b>Net carrying amount</b>	<b>Net carrying amount</b>	<b>Profit/Loss</b>	<b>Profit/Loss</b>	<b>Equity</b>	<b>Equity</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Financial Assets	33,680	20,091	33,680	20,091	33,680	20,091
Financial Liabilities	0	0	0	0	0	0
<b>Net</b>	<b>33,680</b>	<b>20,091</b>	<b>33,680</b>	<b>20,091</b>	<b>33,680</b>	<b>20,091</b>

**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;
- (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.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**Note 27: Operating lease (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 receipts are based on best estimates.

Notes	2010	2009
	\$	\$
Lease receipts	502,189	89,166

**Note 28: Correction of error**

In the process of applying a suitable indexation percentage to the Council's assets at 30 June 2010, it was discovered that a building asset has been duplicated during the valuation process at 30 June 2009. This error has been corrected by adjusting the comparative amounts for 2008-09. The adjustments are as follows:

		2009	Amendment	2009
<b>Asset values - Buildings</b>				
Closing gross value	14(b)	114,096,983	(3,335,850)	110,761,133
<b>Accumulated depreciation - Buildings</b>				
Accumulated depreciation at period end	14(b)	21,508,731	(621,602)	20,887,129
<b>Total written down value at period end</b>		<b>92,588,252</b>	<b>(2,714,248)</b>	<b>89,874,004</b>
<b>Asset revaluation surplus</b>		<b>12,077,749</b>	<b>(2,714,248)</b>	<b>9,363,501</b>

**Note 29: 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 2010

**Note 30: Tied grants by project**

Source of Funds and/or Projects	Balance 1/07/2009 \$	Revenue	Expense	Balance 30/06/2010 \$
<b>OTHER THAN DEWR/ICC GRANTS</b>				
<b>General purpose grants</b>				
Grants for the whole of Council:				
State Government Financial Aid	0	1,187,994	1,187,994	0
Financial Assistance Grant	0	1,240,730	1,240,730	0
Negotiations	23,124	0	23,124	0
Environmental Health	105,104	0	0	105,104
<b>Total general purpose grants</b>	<b>128,228</b>	<b>2,428,724</b>	<b>2,451,848</b>	<b>105,104</b>
<b>Specific purpose grants</b>				
Roads to Recovery Supplementary	221,330	299,353	514,719	5,964
Indigenous Economic Development	0	80,000	7,122	72,878
Community Justice Group Program	0	142,583	142,583	0
Justice Group Operational & Transport	0	25,000	25,000	0
Pest Control	4,701	0	0	4,701
Feral & Domestic Animal Management	7,732	49,355	57,087	0
Animal Control - Capital Works Program	49,970	0	49,970	0
Animal Management Unit	0	27,500	14,686	12,814
Environmental Health Worker	20,968	68,295	64,062	25,202
Community Health Officer	0	22,500	0	22,500
Upgrade of Barge Landing on MacKenzie Drive	0	27,273	4,210	23,063
Wet Season - BMX Track and Skate Park	35,000	0	35,000	0
Relocatable Toilet Block	275	0	275	0
Water Treatment Plant Upgrade	71,001	0	71,001	0
Training Programs	700	0	700	0
Breaking the Unemployment Cycle	3,542	0	3,542	0
HACC - Recurrent	0	280,352	280,231	121
HACC - Cape York Welfare Reform (CDEP Positions)	0	144,012	144,012	0
HACC - Recurrent (Maintenance)	12,406	0	12,406	0
Cape York Welfare Reforms - CDEP Conversion Program (Aged Care)	11,000	45,012	56,012	0
Aged care package – recurrent	102,541	267,567	289,409	80,698
Recognised Entity	0	129,021	110,452	18,570
Child Care Centre - Federal Funded Program	0	387,680	387,680	0
Child Care Centre – State Government Funded Program	0	128,654	128,654	0
Child Care Centre - Vacation Care	0	9,147	9,069	78
Child Care Centre - Child and Family Support	299	45,021	45,320	0
Child Care Centre - Building Parental Skills Project 2	106,798	182,430	246,903	42,325
Child Care Centre - Targeted Parenting Program	8,742	56,149	46,958	17,933
Child Care Centre - Alcohol & Other Substance Abuse Reduction Program 2	0	40,788	32,747	8,041
Family income management	79,209	0	5,475	73,735
RADF	11	20,000	15,001	5,010
Chalco – CDF Funding	12,197	0	12,197	0
Community Development Fund (Department of Infrastructure & Planning)	100,000	0	100,000	0
Emergency Management Australia	31,500	0	31,500	0
Local Government Improvement	32,760	0	32,760	0
Skilling Queenslanders	21,797	0	0	21,797
Beautification Scheme (RLIP)	45,455	0	45,455	0
Strong Community Life	1,000	0	1,000	0
Arts and Craft Centre - Backing Indigenous Arts (Arts Qld)	0	120,000	83,562	36,438
Arts and Craft Centre - IT Equipment (Arts Qld)	1,616	0	0	1,616
Arts and Craft Centre - Building Skills & Opportunities (Qld Arts)	0	10,000	10,000	0
Community Initiative	6,818	0	0	6,818
<b>Total specific purpose grants</b>	<b>989,368</b>	<b>2,607,692</b>	<b>3,116,756</b>	<b>480,305</b>
<b>Total</b>	<b>1,117,596</b>	<b>5,036,416</b>	<b>5,568,604</b>	<b>585,409</b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
For the year ended 30 June 2010

**Note 30: Tied grants by project (continued)**

Source of Funds and/or Projects	Balance 1/07/2009 \$	Revenue	Expense	Balance 30/06/2010 \$
<b>ICC GRANTS</b>				
<b>ICC Special Projects:</b>				
Outstation development	0	138,302	138,302	0
CDEP Job Creation Municipal Positions	0	94,000	23,140	70,860
RIBS	9,910	15,000	24,910	0
Traditional Knowledge Facilitator	5,186	0	0	5,186
Beautification Scheme	27,281	0	27,281	0
ICC – Outstations – Capital	27,898	0	9,972	17,926
Arts and Craft Centre - ICC	0	395,428	395,428	0
Arts and Craft Centre (Capital)	25,000	0	0	25,000
Arts and Craft Centre - Cape York Job Transition in Arts (Off CDEP)	10,738	12,969	6,875	16,833
WIK Mungkan Language Maintenance Program	20,134	0	332	19,802
Locational Supported Playgroup	0	86,374	57,166	29,208
Wathaniin Works	20,000	0	20,000	0
BMX Track and Skate Park	20,000	15,530	25,238	10,292
Aurukun Health and Wellbeing Centre	148,607	766,559	123,847	791,318
Aurukun Kids Living Safer Lives	216,036	0	216,036	0
Aurukun Welfare Reform Accommodation	450,000	3,181,369	3,333,853	297,516
Redevelopment of the Aurukun Business Precinct	0	3,000,000	20,710	2,979,290
<b>Total special projects</b>	<b>980,790</b>	<b>7,705,531</b>	<b>4,423,091</b>	<b>4,263,230</b>
<b>TOTAL GRANTS</b>	<b>2,098,386</b>	<b>12,741,948</b>	<b>9,991,695</b>	<b>4,848,639</b>
	<b>Notes</b>	<b>2010</b>	<b>2009</b>	
		\$	\$	
<b>Summary of Grants unexpended</b>				
Other Reserves	19	4,848,639	2,098,386	
		<b>4,848,639</b>	<b>2,098,386</b>	


**AURUKUN SHIRE COUNCIL****Management Certificate**

For the year ended 30 June 2010

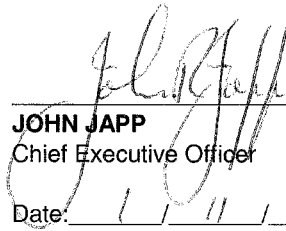
These general purpose financial statements have been prepared pursuant to section 532 of the Local Government Act 1993, the Local Government Finance Standard 2005 (the Standard) and other prescribed requirements.

In accordance with Section 48 of the Standard we certify that:

- (i) the relevant recording and reporting procedures have been complied with in the preparation of the financial statements; and
- (ii) the financial statements, as out on pages 2 to 34, have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the financial performance and cash flows of Aurukun Shire Council for the financial year 1 July 2009 to 30 June 2010 and the financial position as at the end of that year.

**NEVILLE POOTCHEMUNKA**

Mayor

Date: 1/11/10**JOHN JAPP**

Chief Executive Officer

Date: 1/11/10

## 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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with the *Local Government Act 1993* and *Local Government Finance Standard 2005* including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free of 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 risks of material misstatement in 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 and fair presentation of the financial report 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 and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

#### *Independence*

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

*Basis for Qualified Auditor's Opinion*

In my report for 2008-09 I was unable to express an opinion on employee costs of \$4,906,060, disclosed in Note 6, accrued annual leave balances of \$239,582, disclosed in Note 15 and long service leave provisions of \$116,640, disclosed in Note 16, as insufficient documentation was available to support these reported amounts. These 2009 comparative amounts remain qualified in 2010.

In my 2008-09 report I was also unable to express an opinion on the reported depreciation expense of \$3,856,888, disclosed in Note 9, because this expense was based on the reported value of property, plant and equipment prior to the 30 June 2009 revaluation and Council was unable to demonstrate that those property, plant and equipment values did not materially differ from fair value. This 2009 comparative amount remains qualified in 2010.

The impact of these issues on the financial report was unable to be practicably quantified due to the absence of reliable evidentiary sources.

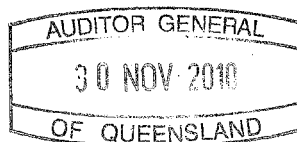
*Qualified Auditor's Opinion*

In accordance with s.40 of the *Auditor-General Act 2009*, I have audited the Council's financial report and except for the matters referred to in the preceding paragraphs and the effects of such adjustments, if any, as might have been determined to be necessary had these limitations not existed -

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion -
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Aurukun Shire Council for the financial year 1 July 2009 to 30 June 2010 and of the financial position as at the end of that year.



G G POOLE FCPA  
Auditor-General of Queensland



Queensland Audit Office  
Brisbane



# Aurukun Shire Council

## **Aurukun Shire Council**

39 KANG KANG STREET

AURUKUN QLD 4871

**Ph:** (07) 4060 6800

**Fax:** (07) 4060 6191

**Email:** [council@aurukun.qld.gov.au](mailto:council@aurukun.qld.gov.au)

## **Cairns Office**

351 SHERIDAN STREET

NORTH CAIRNS QLD 4870

**Ph:** (07) 4047 6700

**Fax:** (07) 4047 6770

**Email:** [cairnsadmin@aurukun.qld.gov.au](mailto:cairnsadmin@aurukun.qld.gov.au)

## **ALL MAIL TO:**

PO Box 887N

North Cairns QLD 4870



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