



# 2019-2020 ANNUAL REPORT



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<i>Photo Acknowledgement: Front Cover Kendall Ryff</i>	

## MESSAGE FROM THE MAYOR



### **Mayor Keri Tamwoy**

I welcome the opportunity to present my first report as Mayor.

Thanks everyone who voted for me at the elections held in March.

Council is committed to making Aurukun a safer place to live. We want to see people come together; we need to get along with one another and all lead peaceful lives.

A community safety plan will be developed by early 2021 and this will be put on public consultation for all residents and stakeholders to have their input.

I look forward to more consultation with Aurukun residents and stakeholders. Your input will be appreciated at *Community Have Your Say* meetings to be held during 2021.

It is pleasing to see that Len Yusia has set up his Lawn Care business. I encourage other residents to consider their possibilities such as cleaning, Indigenous tourism, retail and fishing businesses. Council wishes to hear from you and will assist.

It is most important that local residents aspire to work. There are many opportunities with Council and other local employers.

Our monthly video conferences with Ministerial Champion Di Farmer and Government Champion Rachel Hunter continue to provide Council with an opportunity to seek assistance for improving community services, infrastructure and funding.

An unqualified report has again been received for Council's financial statements from the Queensland Audit Office. The ongoing efforts of our management team and staff are appreciated.

Council looks forward to a term of achievement over the next four years and seeks your support.

**Keri Tamwoy**

**Mayor**

# AURUKUN SHIRE PROFILE

## Legal Status

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

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

## COMMUNITY PROFILES

### Portfolio and Committee Representation

Mayor Cr Keri Tamwoy	Elected 2020 to date. Portfolio – Business Development, Employment and Training  Council Representative: Local Government Association of Queensland (LGAQ) Torres Cape Indigenous Council Alliance (TCICA) Inc Island and Cape Retail Enterprises Local Disaster Management Group (LDMG) Western Cape Communities Trust – Southern Region Aurukun Supermarket Advisory Committee
Deputy Mayor Cr Craig Koomeeta	Elected 2000 to 2003 Elected 2020 to date. Portfolio – Health, Community Safety/Environment, Arts, Craft and Culture  Council Representative: Local Disaster Management Group (LDMG) Torres Cape Indigenous Council Alliance (TCICA) Inc Aurukun Health Action Team
Cr Delys Yunkaporta	Elected 2020 to date. Portfolio – Housing and Community Services and Education Services Council Representative: Wik Kath Min Committee

Cr Kemuel Tamwoy	Elected 2020 to date. Portfolio – Transport and Infrastructure, Youth, Sports and Recreation, Education Services  Council Representative: Western Cape Communities Trust – Southern Region (substitute for Mayor)
Cr Anna Kerindun	Elected 2020 to 30 June 2020
Cr Jayden Marrott	Elected 31 October 2020 to date. Portfolio – Employment and Training, Housing, Youth, Sports and Recreation

## OUR SENIOR EXECUTIVE TEAM

Chief Executive Officer	Bernie McCarthy
Director of Corporate Services	Dave Ferguson
Director of Technical Services	Augustus Yates
Director of Community Services	Alan Neilan
Finance Manager	Lucy Deemal

## Land Tenure: Aurukun Land Transfer Day

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

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

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

## Services Available in Aurukun

Aurukun has the following services available to residents and visitors:

Koolkan Aurukun State School – Prep to Year 12

Airport and Skytrans agency – daily flights (weekdays) from and to Cairns

Kang Kang Café and Giftshop

Health Clinic

RFDS (Emergency Service)

Apunipima Wellbeing Centre

Koolkan Child Care Centre and Family Support

Queensland Police Service

SES and QMV Unit

Community Police

Bendigo Bank

Post Office

Wik Mungkan Library/IKC Services (also radio broadcasting)

Cape York Partnerships Opportunity Hub

Centrelink

Freight Services –Tuxworths Transport; Sea Swift Barge Services

Winchanam Ngench Thayan Sports Centre (PCYC)

Neville Pootchemunka Sports Field

Tennis/Basketball Courts

Wik and Kugu Arts Centre

Akay Koo'oilala Women's Art Centre

Kooth Pach Guest House Accommodation

Wuungkam Lodge Accommodation

May Min Eatery

Supermarket, fast food take-away

Aurukun Retail Fuel Depot

Uniting Church of Australia

Wo'uw Ko'alam Community Centre

Waterfront Boat ramp for recreational fishing/freight

Aawuch Mee'-aathanak Training Centre

Families Responsibilities Commission

Community Justice Group and Mediation Centre

Cape York Employment (CDP)

Aak Puul Ngantam (APN) Depot and Office

Ngan Aak Kunch Aboriginal Corporation (NAKAC) Office  
Child Support Services  
Ma'aathan Women's Shelter  
Aged Care, Disability and Respite Services (Chivaree Centre)  
Rio Tinto Office  
Ergon Power Station  
Radio Stations: ABC, Blackstar, Vision  
Television Stations: ABC Regional, SBS, ABC 24 Hrs News, WIN, Satellite TV also available  
Queensland Government Hub and Department of Aboriginal and Torres Strait Islander Policy Development  
Queensland Department of Housing and Public Works  
Themp Street Offices – Glencore Bauxite Resources Pty Ltd  
Act for Kids – Safe House  
Men's Shed



*Ochre dyed traditional fibres used for weaving.*

## Location

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

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



*Seaswift weekly barge service arriving at Aurukun Landing*

Aurukun is a Welfare Reform Community.

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

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

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

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

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

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

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

## **Alcohol Management Plan**

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

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

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

## Community Safety Strategy

Council operates 85 CCTV cameras in the township under a Memorandum of Understanding with the Queensland Police Service. The use of CCTV cameras has been found to be effective in reducing the incidence of crime. A Community Safety Plan is being developed in 2020-21.

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



*State Library of Queensland Exhibition - Aurukun carvings and bark canoes*

## Corporate Vision

Our Community Vision and Council Mission



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



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

## Shire History

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

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

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

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

## Challenges We Face

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

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

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

## Housing

Council provides the following housing services in Aurukun:

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

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

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

## Our Environment

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

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

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

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






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



*Possum Creek swimming pond.*

# Shire Boundaries



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

## FOR VISITORS

### Access to Country (Outside Aurukun Township)

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

### Meals and Supplies in Aurukun

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

A small convenience store operates at Wuungkam Lodge.

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

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

### Travel and Transport to Aurukun

#### By Road

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

Road condition reports can be obtained from Department of Transport and Main Roads Ph: 131940, the RACQ website <https://www.racq.com.au/cars-and-driving/safety-on-the-road/road-conditions> and in relation to the Aurukun Access

Road, visit [www.aurukun.qld.gov.au](http://www.aurukun.qld.gov.au) or contact the Queensland Police Service on 40834999. Cook Shire Road information visit [www.cook.qld.gov.au](http://www.cook.qld.gov.au).

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

## By Air

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

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

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



*Skytrans aircraft servicing Aurukun.*

## By Sea

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

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



**Bernie McCarthy PSM**  
**Chief Executive Officer**

My eighth year as Chief Executive Officer has been rewarding but challenging. We will all remember 2020 as the year of the COVID-19 pandemic.

Council continues to be the major services and infrastructure provider for the Aurukun community. Thanks to the government agencies, police, stakeholders and residents on their efforts to make Aurukun a better place to live.

Many thanks to our employees and sponsors for their keen participation in the ASC Deadly Employee Awards which recognise Council staff's performance, safety and volunteer efforts

ASC will soon release the final Aurukun Master Plan for public consultation. It will demonstrate how Aurukun will develop in future years.

I thank all ASC staff for their dedication and continuing efforts throughout the past year. Their efforts in maintaining services through the difficult time of 2020 are greatly appreciated.

All local persons are encouraged to take employment with Council or other employers in our community.

Finally, Council continues to be fully committed to working towards improving the quality of lifestyle for all Aurukun residents.

**Bernie McCarthy PSM**  
**Chief Executive Officer**

## Corporate Services Overview

### Corporate Services Overview

Corporate Services completed another interesting year despite the challenges of the COVID-19 pandemic that impacted services due to travel restrictions. Aurukun Shire Council continued as the main provider in delivering community services to the township.

### Arts Centre

The Arts Centre secured a small grant from the Indigenous Regional Arts Development Fund (IRADF) 2019/20. This project will support Wik and Kugu Elders/Senior Artists in providing artistic and cultural teachings to the younger generations through a series of on-country day camps.

At the end of the project, youth will organise an event to share their experiences with the wider Aurukun community by presenting their film clips and photographs and showcasing their arts and crafts products as well as types of raw material that is nowadays rarely collected.

The Arts Centre has been working with Yoke Digital Agency, a renowned digital marketing and design specialist, to create an online catalogue (stage 1) and shop site (stage for promoting Wik and Kugu artists and their artworks nationally and internationally, and, most importantly, helping to counteract the expected revenue loss from cancelled (physical) exhibitions and fairs in 2020. Both modules will be integrated into the new Aurukun Shire Council's website.



*Aurukun dogs – Wik and Kugu Arts Centre*

## Customer Service

Local Fare Scheme (LFS) through Skytrans has been extended until 30 June 2021. Ongoing promotions for residence to join the scheme. Number registered to date is 675.

Local Fare Scheme continues to recognise eligibility for residents from other Cape Communities. Any further enquiries on the LFS should be addressed to the Councils Administration Manager.



*Customers at the Aurukun Post Office Agency*

## Cleaning

Council's cleaning crew continued to provide services to the Council Office, Business Centre and staff housing.

## Information Technology

During the financial year 2019/20 Aurukun Shire Council built on its established cloud computing system by expanding the use of Microsoft Office 365 services and decommissioning legacy on-premises servers. In response to the coronavirus pandemic in 2020, several Council staff worked from home for 11 weeks from April to June, connecting to Council's cloud-based services and applications from home.

Microsoft Teams and Telstra's TIPT Business Connect software was used to maintain communications between the reduced staff numbers at Council offices and those working from home. Council also modernised its

procurement system, switching to a cloud-based system which integrates with the primary Council finance system.

Prior to August 2019 Council relied on the Telstra underground fibre optic connection to Aurukun for all Council Internet and 4G communication services. In August, a new Iterra backup satellite system was tested and brought online. This always-on satellite system maintains the Council's connection to the Internet whenever the fibre optic connection experiences a loss of service.

The satellite system also allows Council to use its internal telephone system even when all landline and 4G services in Aurukun are offline. Council also increased the bandwidth of its fibre optic data link service in Aurukun from 20 to 50Mbps. The increased bandwidth allowed for faster file transfer between Council's offices in Aurukun and in Cairns as well as Council's data centre, which is hosted by Telstra.

## **Cairns Support Office**

Cairns Support Office assists Council with the delivery of transparent and accountable governance, efficient management of Councils finance and provides administrative support to Aurukun operations based in Aurukun. The office also serves as venue for meetings with various government agencies and a facility for Mayor, Councillors and Management.

The focus of the Finance Team in 2019/20 included:

- Stringent implementation of internal controls
- Effective revenue collection (Long term sustainability is a challenge for not-for-profit services)
- Provision of critical financial information to assist Council and management in making informed decisions, and
- Pass external audit.

## **Human Resources**

### **Awards**

Deadly Employee awards continued throughout the year with quarterly/annual presentations. It is pleasing to award employees for their hard work and efforts especially as it has been a difficult year with COVID-19 impacts.

### **Training**

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

### **Recruitment**

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

## Retention

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

## Workplace Health and Safety

The following summarises improvements and achievements for the year.

- Toolbox meetings and sessions
- Formation of Workplace Health and Safety Committee
- Ongoing WHS training in First Aid, CPR, High risk licences and plant operator competencies.
- The MANGO Safety Management system was introduced. The system monitors compliance for buildings, plant, procedure and staff training.

## Records Management

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

## Council Stores



*Charlie Callope at the Stores Depot*

Council stores continued to operate satisfactorily. A review of operations will be conducted by an external consultant in late 2020, to improve the function of stores.

The new diesel fuel system, Smart Fill, in conjunction with the new stores inventory system were introduced as part of the new finance system Synergy Soft.

### **Commercial Accommodation**

Council continues to lease commercial accommodation to Sodexo Australia:

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

The occupancy rate was significantly decreased due to COVID-19 travel restrictions.

Thank you to all staff for their efforts during the past year plus Council and Management for their ongoing support. Corporate Services looks forward to an improving 2020/21.

### **Bernie McCarthy, CEO on behalf of Director Corporate Services**



*Print Making Workshop*

## COMMUNITY SERVICES OVERVIEW



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

### Community Services Overview

The Community Services portfolio undertakes the following functions and services:

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

### Koolkan Early Childhood Centre

Council continues to have an agreement with Education Queensland to allow a qualified teacher to manage and lead the Koolkan Early Childhood Centre staff. The team consists of a Manager, Assistant Manager, Group Leaders, Early Years Education Assistants, and operational staff. The Centre is licensed for 53 children. Due to COVID-19 restrictions, there have been occasions where the Centre has had to restrict attendance.

A Quality Improvement Plan guides the educational programs being conducted for children to transition to prep classes at Koolkan Aurukun State School.

## Family Support Hub and Playgroup Services

Playgroups reduced numbers following the incident in early 2020 saw an increase for assistance by the Family Support Hub. Family Support Workers (two) provided 'at home' service in client homes and Playgroup during the impact of COVID-19 travel restriction. The 'at home' model continued when Playgroup recommenced in May 2020 including other locations and areas of the community for ease of access.

Special Events activities included face painting and activity packs for NATSI Children's Day. The Family Support Worker also coordinated the International Women's Day event held at the Splash Park. Facilitation also occurred in providing activities for children during the school vacation period.



*Playgroup activities at the Well Being Centre*

## Chivaree Centre Aged and Disability Services

Chivaree Centre has continued to provide services to the elderly and disabled clients with more elderly people inquiring about our services.

COVID-19 impacts resulted in centre-based activities ceasing for a limited period, however, all other services were maintained and delivered in the community.

Community clients have provided positive comments in relation to meal services and activities. This information assists in future planning, particularly in relation to menus.

The weekend packs provide some additional grocery items to assist clients. A partnership between Island & Cape and Woolworths Supermarkets, saw grocery packs delivered to each client during the COVID-19 closure.



Grocery Pack Deliveries



Elders playing music at Seniors Luncheon  
Chivaree Centre

## Community Police

There are eight Community Police Officers (CPO) rostered over the weekly cycle, which covers 24/7 hours. Some CPO's working at the Supermarket and Business Centre during the day and others driving patrol vehicles during the afternoon and night shift. Council remains committed to the Community Police operations as a community safety strategy to ensure peace and calm.

## Security / CCTV System

Security Officers patrol day and night to protect Council assets, report community issues and incidents. A total of 84 CCTV cameras are installed externally in the township.

The CCTV camera system can be monitored at the Aurukun Police Station and Council Office. CCTV cameras assist Police investigating crimes and hopefully deter some individuals from committing a crime.

## Wik Mungkan Indigenous Knowledge Centre (IKC)

The Wik Mungkan Indigenous Knowledge Centre (IKC) continues to support Elders and the Community in the transmission of Traditional Knowledge and the maintenance of the lingua franca language of Aurukun, Wik Mungkan, along with other less spoken languages of the Wik people.

The United Nations International Year of Indigenous Languages held in 2019 and the IKC, led by Perry Yunkaporta and other Elders, put together a digital showcase of the Wik Mungkan Language which was the standout feature of the State Library's "Spoken" exhibition in Brisbane and which is now a virtual exhibition on line with an international audience.

As a successful partnership between the Aurukun Shire Council, Education Queensland and the State Library of Queensland, the IKC hosts a Flexible Learning Program which has an enrolment of up to 16 teenage youth who access numeracy and literacy learning opportunities along with digital literacy resources. The Flexi students, along with other school children after school hours, engage with Elders in learning in-Language and on-Country which is recorded in the production of educational digital resources for the on-going Strategic Priorities Project “Woyan Min (Good Way) Bio Cultural Catalogue and Outdoor Living Classroom”.



*Flexi students enjoying their class and canoe carving project at the Wik Mungkan Indigenous Knowledge Centre.*

## **Animal Management**

The animal management program focuses on animal health, community education and the implementation of Local Laws e.g. registration and impoundments. An arrangement has been made for a regular veterinary service to visit Aurukun.

Dogs are being treated for mange and the health of dogs has improved significantly. Vaccination and de-sexing surgery for both dogs and cats is offered by our visiting vet. Communication with dog owners needs to continue, to encourage people to de-sex and register their animals and adhere to the two dogs per property policy. Dog owners are encouraged to register their dogs.

Every attempt is made to rehome unwanted dogs with various animal refuges.

## **Food Premises Licensing**

All commercial food preparation premises have been issued with Food Licences under the *Food Act 2006*. In addition to commercial premises, Koolkan Early Childhood Centre, Wo'uw Ko'alam Community and Chivaree Centres have also been licensed. These premises are inspected annually by an Environmental Health Officer from Cook Shire Council and an improvement report provided, if required.

## **Funerals**

Community members are supported by an arrangement with Western Cape Communities Trust (WCCT) to access funds for funerals and house openings. Council assists in liaison with family members and funeral proceedings.

Aak Ngench Thayan Cemetery on Obon Road is the only site for burials in Aurukun. New facilities have been provided for families including a shade structure and toilets. Council will continue to maintain the Aurukun Old Cemetery which has been closed for any further burials.

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

The Wo'um Ko'alam Community Centre has firmly established itself within the community over the past year. Council continues to host multiple successful events, while community stakeholders participate in these events to promote their services or act as volunteers.

Events including Aurukun Day, Um Thurpak Festival, Community Christmas Party, Newcomers Welcome Night, and Local Government elections are just a few of the successful functions that have been held at the Wo'um Ko'alam Community Centre.

Clean-up Australia Day, Anzac Day, River to Ramp Fun Run and School Vacation Program have been held in conjunction with other Community Stakeholders.

The Wo'um Ko'alam Community Centre is utilised by numerous organisations for community engagement meetings, training and celebrations. Families and community members are encouraged to hire the centre for family celebrations and funeral wakes.



*2019 Fun Run Participant approaching the finish line.*

## **Aak Muunchanak Splash Park**

This facility is being managed and operated under an agreement with the Department of Aboriginal and Torres Strait Policy.

The Splash Park is open seven days a week excluding Public Holidays. Families are encouraged to access the Splash Park after school hours. The Splash Park is open for extended hours during the school vacation period.

Several special events have been held at this popular venue including River to Ramp Fun Run presentations, school vacation programs and International Women's Day.



International Women's Day – Aak Muunchanak Splash Park

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

## TECHNICAL SERVICE OVERVIEW



**Augustus Yates**  
**Director Technical Services**

### Technical Services Overview

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

### Road Works

Some Disaster Recovery Funding Arrangements (DRFA) 2018/19 restorations works were completed in accordance with the approved scopes.

Two sections of the Aurukun Access Road were reconstructed to current engineering standards. The first section was a 3.9km pavement widening, reprofiling and seal at Boyd's Jump Up between chainages. The second section was a culvert upgrade, 4.1km pavement widening, reprofiling and seal at the Boundary Creek and culverts between chainages.



*Ngaay Road Industrial Estate Aurukun Access Road*

## **Water Reticulation and Supply**

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

The Director General of the Department of Natural Resources, Mines and Energy approved Council's amended Drinking Water Quality Management Plan with standard conditions.

Water sampling is being undertaken on a daily basis and a weekly sample being sent to Cairns Regional Council for compliance testing as per regulation. Chlorination testing is also undertaken by ASC and data sent to Department of Natural Resources and Energy as per legislation.

## **Sewerage Infrastructure**

The planned upgrade of Sewer Pump Station three that was to be completed in 2019/20 has been delayed due to COVID-19, works have been rescheduled for the 2020/21 financial year. Funding is through the Indigenous Council Critical Infrastructure Program (ICCIP)

## **Aurukun Waste Management Facility**

Indigenous Council Critical Infrastructure Program (ICCIP) approved \$1.8M of funding to develop a scope of works, design and reconstruct the Solid Waste facility in Aurukun. The design has been completed and contract awarded in late 2019 with onsite works programmed to commence in 2019/20.

## **Garbage Collection**

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

Regulated wastes is appropriately stored at Councils facility for transporting to Weipa for recycling.

## **Building, Construction, Capital and Maintenance Works**

The following are a representation of the works completed by the Building Construction and Maintenance Team in 2019/20:

- Successfully completed 85 externally funded upgrade and renewal projects
- Refurbishment of three Council staff houses.
- Relined seven accommodation rooms in Wuungkam Lodge and relined the floor at the Kooth Pach Guesthouse.
- Reinstated the fence and installed new grandstands at the Neville Pootchemunka Sports Field.

- Numerous maintenance and repair tasks for internal and external customers including Community housing.

The Building Team has commenced utilising SurePact for project managing the delivery of internal and external upgrade and renewal projects. The use of QBuild's maintenance portal mobile application has been rolled out through the Maintenance section.

Ross Wolmby has completed his carpentry apprenticeship, and continues to work for Council as a Carpenter.



*Community facilities at the waterfront*

## **Fleet and Mechanical Workshop**

New fleet items were purchased during the year to replace fleet items that had reached the end of their useful lives. Workshop staff continue to service and repair Council plant and vehicles

## **Electrical Services (CCTV)**

Council's Electricians have commenced servicing and repairing the City Safe CCTV system in Aurukun Township. Maintenance efficiency and response times have improved as a supply of parts are being stocked locally. Since service and repairs have been undertaken by staff the average percentage of cameras fully operational has increased to 95%.

Solar streetlights located at the Aurukun Waterfront have been replaced with new Solar Lights.



*Aurukun Shire Council electrical team servicing the City Safe CCTV system.*

## **Master Plan**

The proposed Aurukun Master Plan continues to be a positive process for planning of future town and infrastructure development and Council looks forward to this plan being completed and published for community and stakeholder consultation.

## **Aurukun Airport**

During the past year, the Aurukun Airport has continued to serve as the primary port of access despite reduced flights due to COVID-19 travel restrictions.

Funding from the Department of State Development, Tourism and Innovation was utilised to prepare a detailed design and therefore have a shovel ready project for the Aurukun Airport Terminal. Works are planned to commence on this project in the 2020/21.



*New airport terminal to be completed in late 2021*

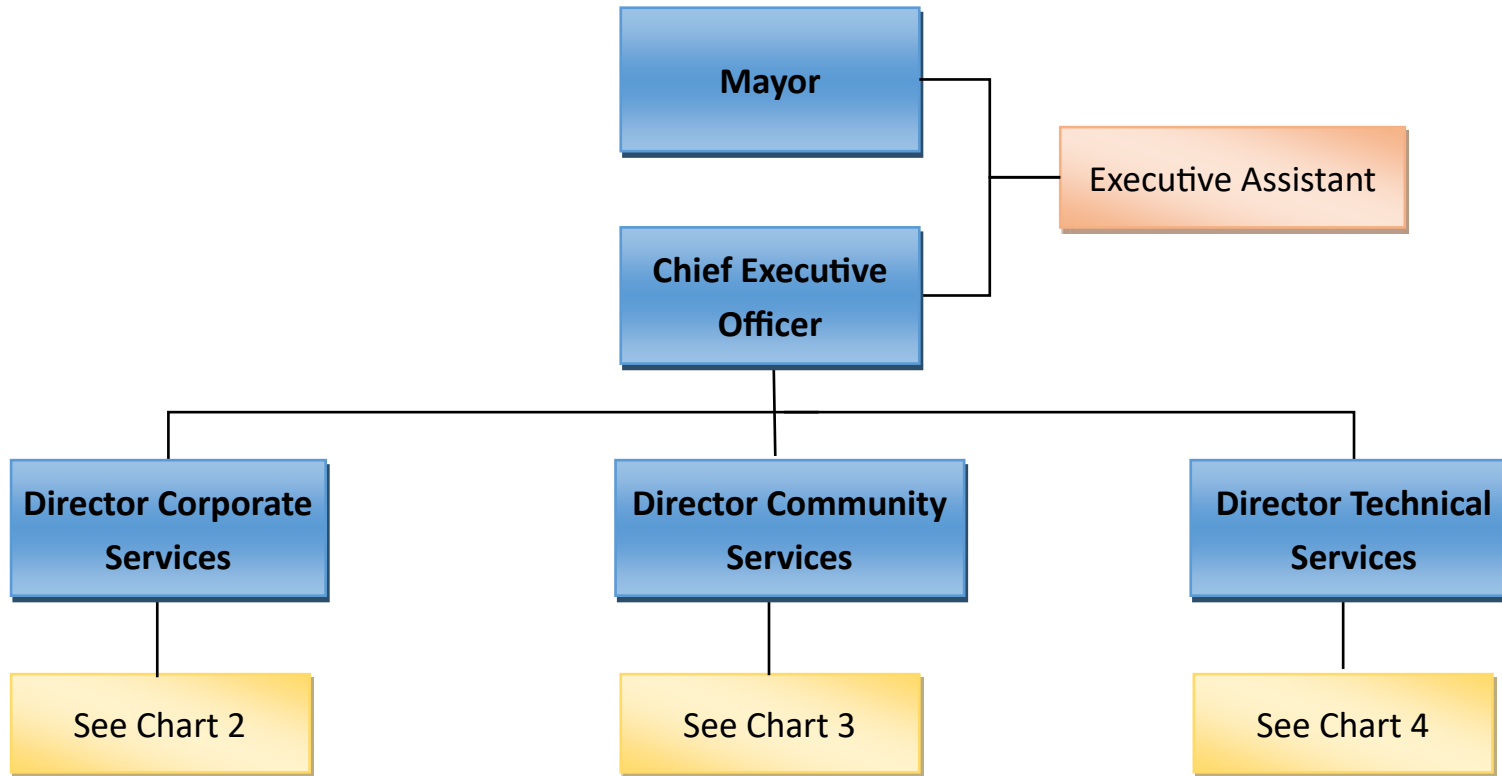


*New facilities constructed at Aak Ngench Thayan Cemetery.*

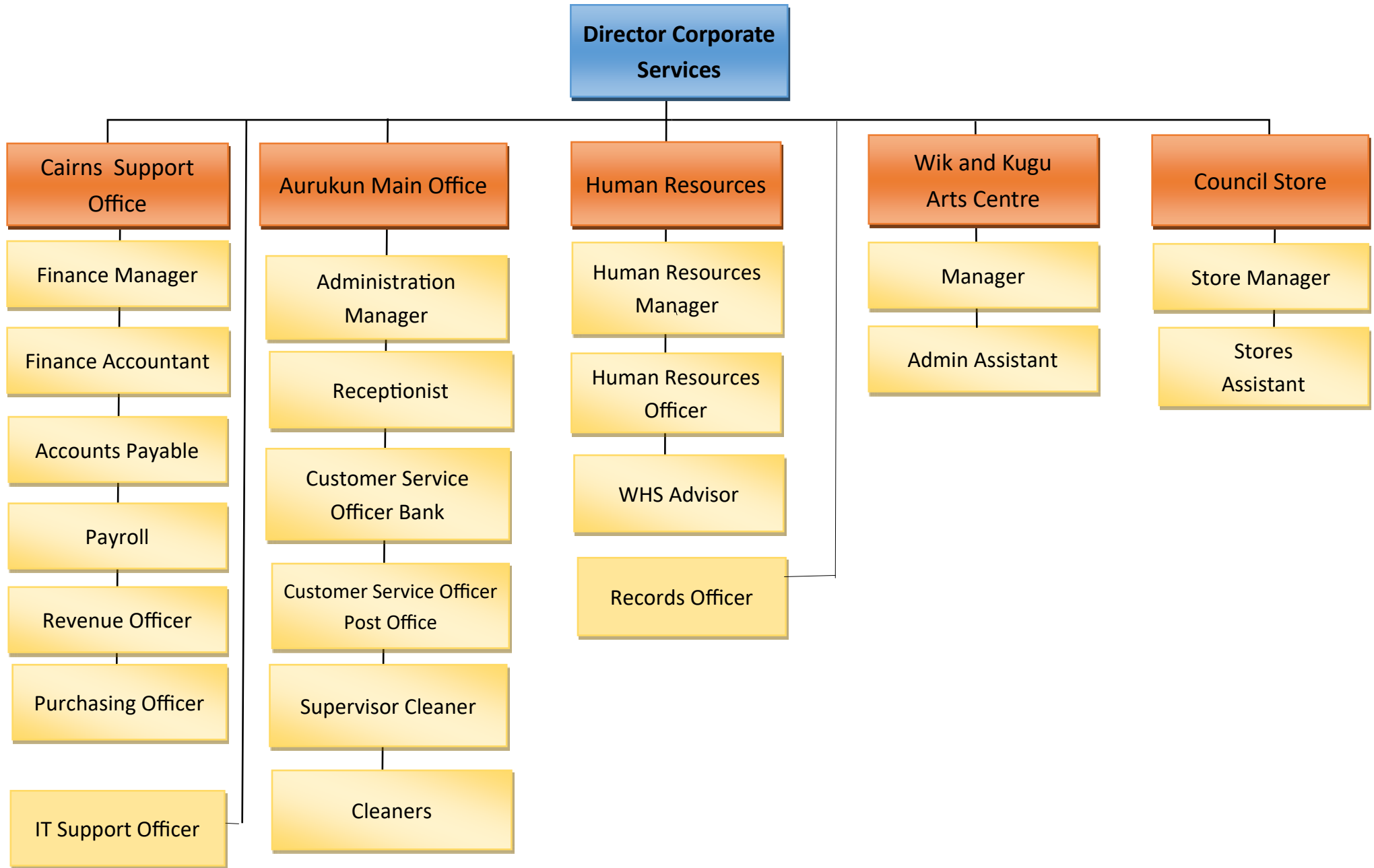
Thanks to all Technical Services staff for their ongoing efforts throughout the year. We all look forward to a positive year working and operating at the required level to provide a diverse range of community facilities and services to the Aurukun township.

**Augustus Yates**  
**Director Technical Services**

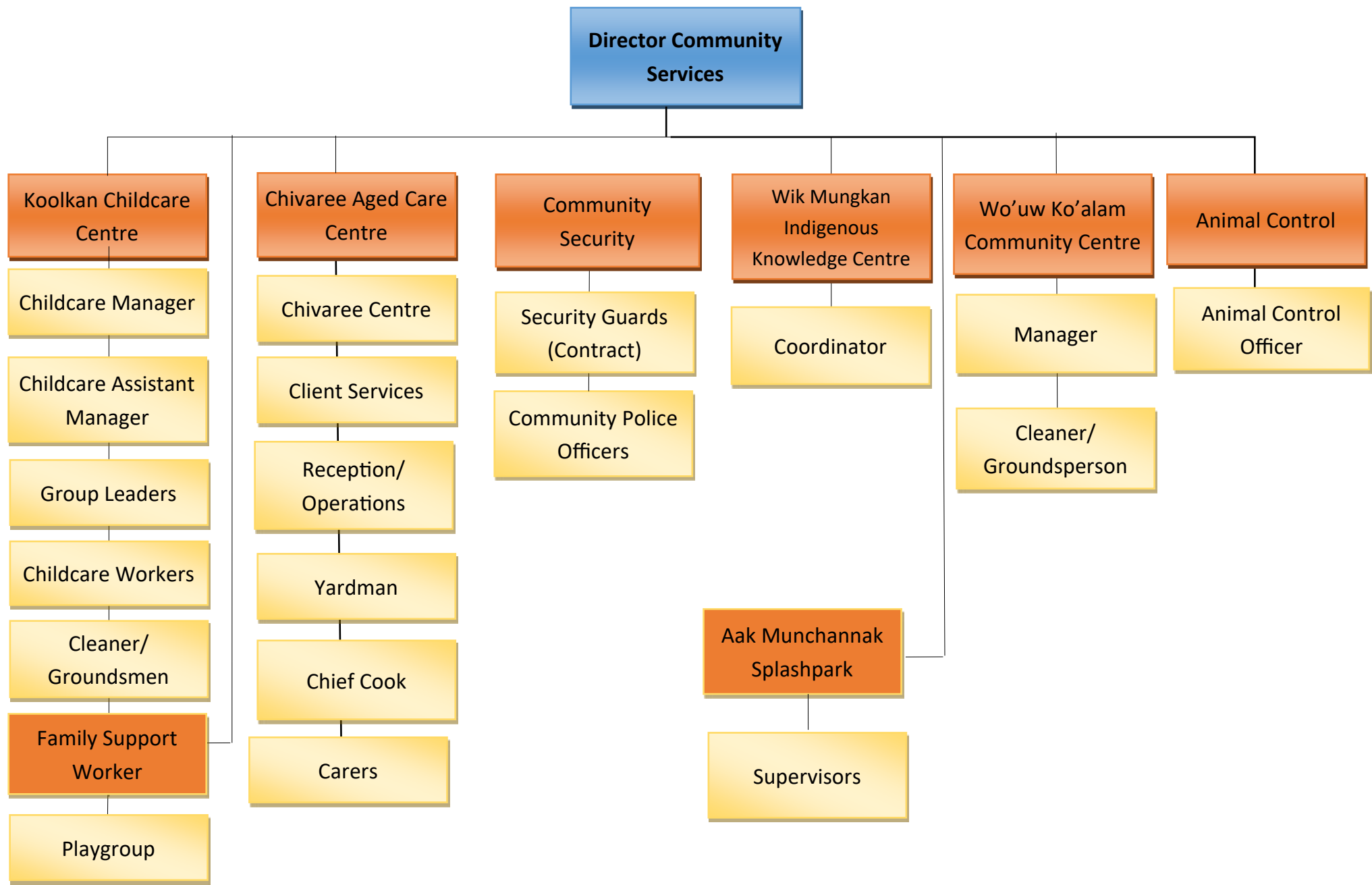
## ORGANISATION CHART AS AT 30 JUNE 2020



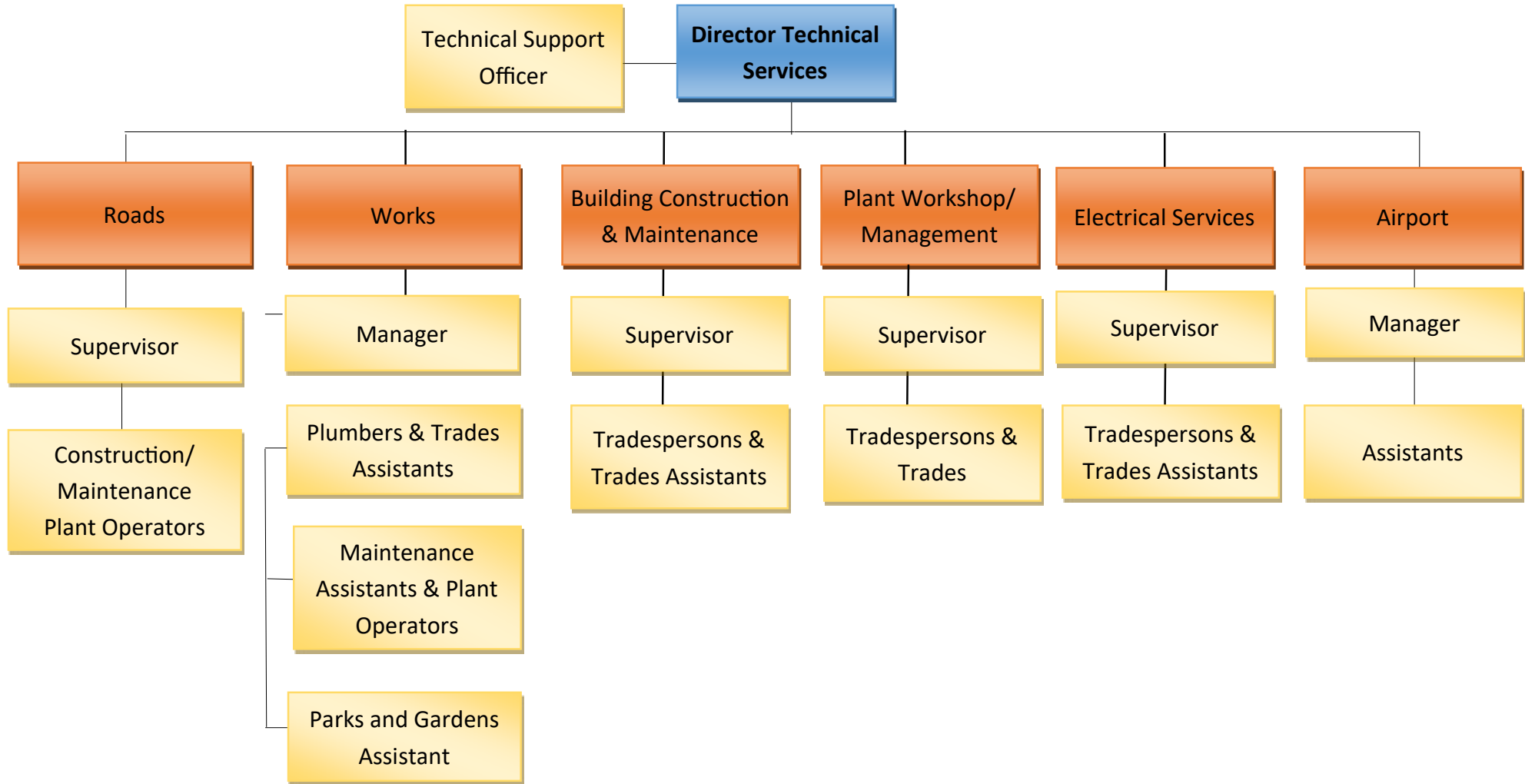
### Organisation Chart 2 - Director Corporate Services



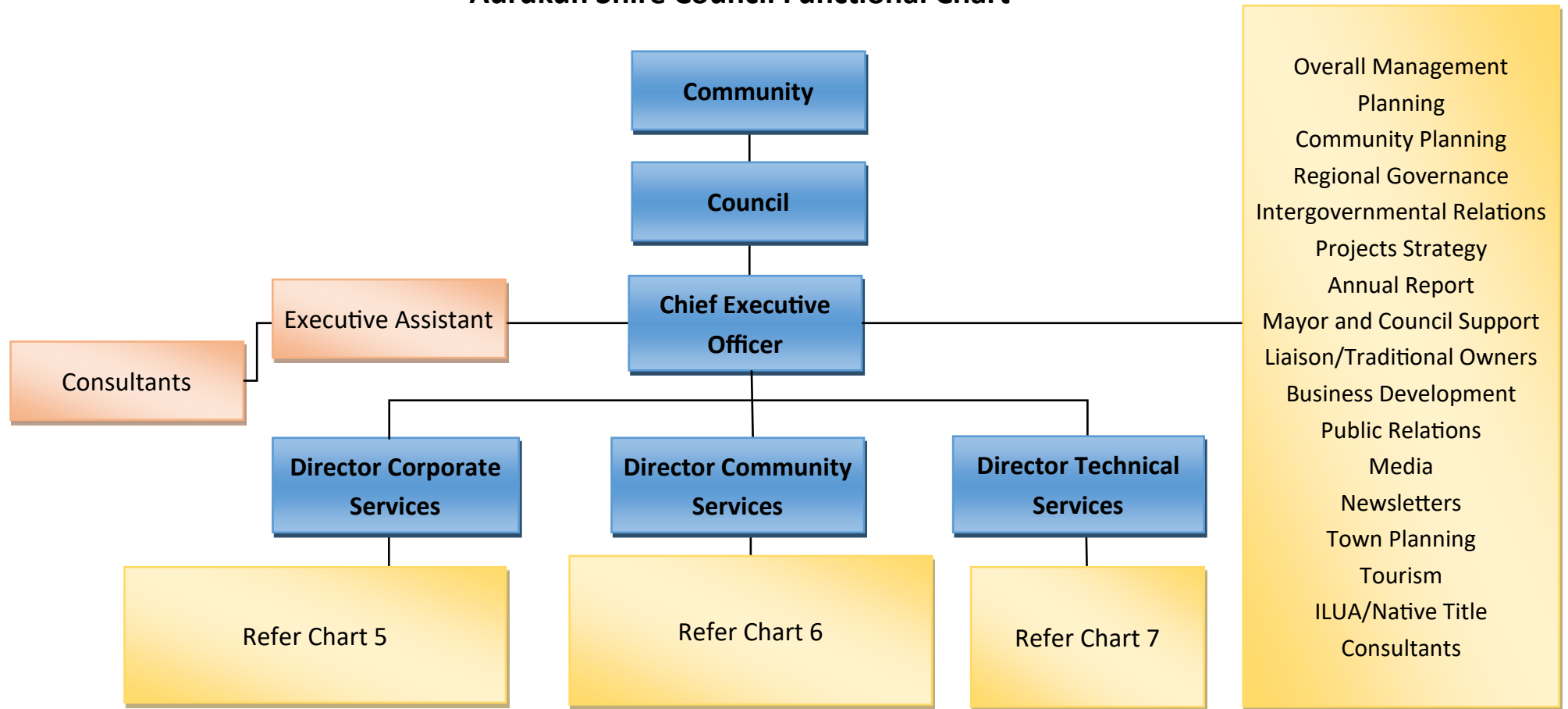
### Organisation Chart 3 - Director Community Services



### Organisation Chart 4 - Director Technical Services



# Aurukun Shire Council Functional Chart



# Aurukun Shire Council Functional Chart



- CHART 5**
- Financial Management
  - Budgets
  - Records Management
  - Office Administration
  - Grants Management
  - Project Management
  - Asset Management Plan
  - Risk Management, Insurances
  - Purchasing and Supply
  - Arts and Culture
  - Customer Service
  - Accommodation Commercial
  - Accommodation Staff
  - Property Mgt. Leasing
  - Human Resources
  - Workplace Health and Safety
  - Training
  - Information Technology
  - Council Store
  - Governance

- CHART 6**
- Recreation and Leisure
  - Sporting Facilities
  - Community Centre
  - Community Events
  - IKC/Library
  - Project Management
  - Business Development
  - Grants Lobbying
  - Asset Management
  - Childcare
  - Aged Care/ Disability Services
  - Community Police/Community Security/CCTV
  - Community Development
  - Community Engagement
  - Cemeteries—Burial Register
  - Funeral Assistance
  - Animal Control
  - Environmental Health

- CHART 7**
- Roads and Drainage
  - Parks and Gardens
  - Project Management
  - Asset Management
  - Disaster Management
  - Liaison with Contractors
  - CCTV
  - Street Lighting
  - Airport
  - Private Works
  - Boat Ramp
  - Plant Workshop Depot
  - Fleet Management
  - Waste Services
  - Water Supply
  - Sewerage Services
  - Construction/Maintenance
  - Cemeteries Maintenance
  - Building Control
  - Town Planning

# COMMUNITY FINANCIAL REPORT

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

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

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

- **Statement of Comprehensive Income**

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

- **Statement of Financial Position**

Shown at a point in time, is a snapshot of what we own and what we owe at 30 June 2020.

- **Statement of Cash Flows**

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

- **Statement of Changes in Equity**

Shows the movement in Council's Equity balance.

- **Notes to the financial statements**

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

- **Measures of Financial Sustainability**

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

## Financial Statements at a glance

Operating revenue	24,065,288
Operating expenses	(22,537,343)
<b>Operating position</b>	<b>(1,527,945)</b>
Capital revenue	4,217,640
Capital expenses	(844,143)
<b>Net result</b>	<b>4,901,442</b>
Current assets	19,828,663
Non-current assets	125,558,695
<b>Total assets</b>	<b>145,387,358</b>
Current liabilities	6,247,037
Non-current liabilities	1,590,617
<b>Total liabilities</b>	<b>7,837,654</b>
<b>Net community assets (Equity)</b>	<b>137,549,704</b>

Aurukun Shire Council has performed well throughout the 2019/20 financial year, finishing the year with a \$4.901 million net result.

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

Council has a strong asset base of \$145.387 million (2018/19: \$141.802 million) which is made up of \$96.319 million of property, plant and equipment assets and \$16.968 million in cash and term deposits.

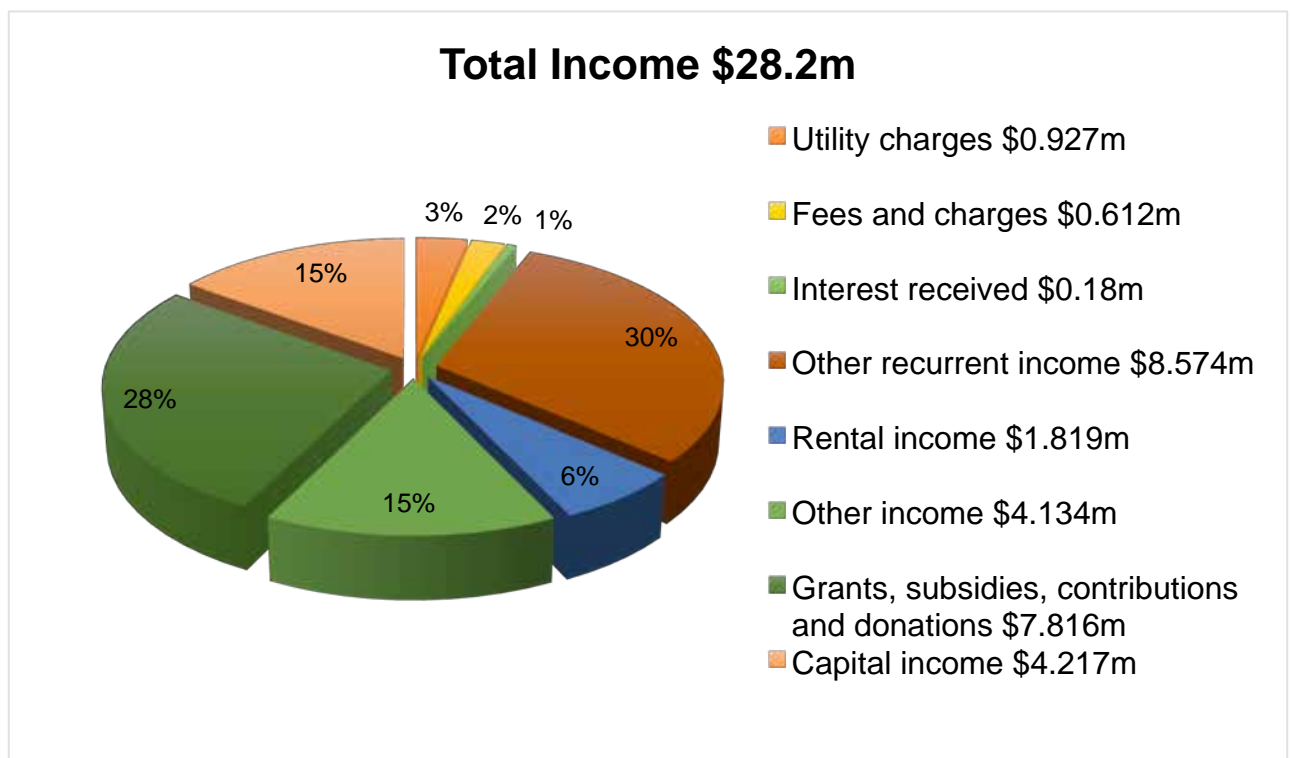
## Statement of Comprehensive Income

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

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

The majority of Council's revenue is Other recurrent income (30%) which is made up predominantly of private works income (\$8.022 million). Private works income has increased by \$3.621 million compared to 2018/19.

Another significant source of revenue is grant funding, Council received grant funding from various sources including Federal and State governments and other entities. Council's grants are received for operational programs (28%) and capital (15%) which is received solely for the purpose of funding infrastructure and other capital projects for the benefit of the community. Council's other income of \$4.134 million includes revenue for 40-year leases.

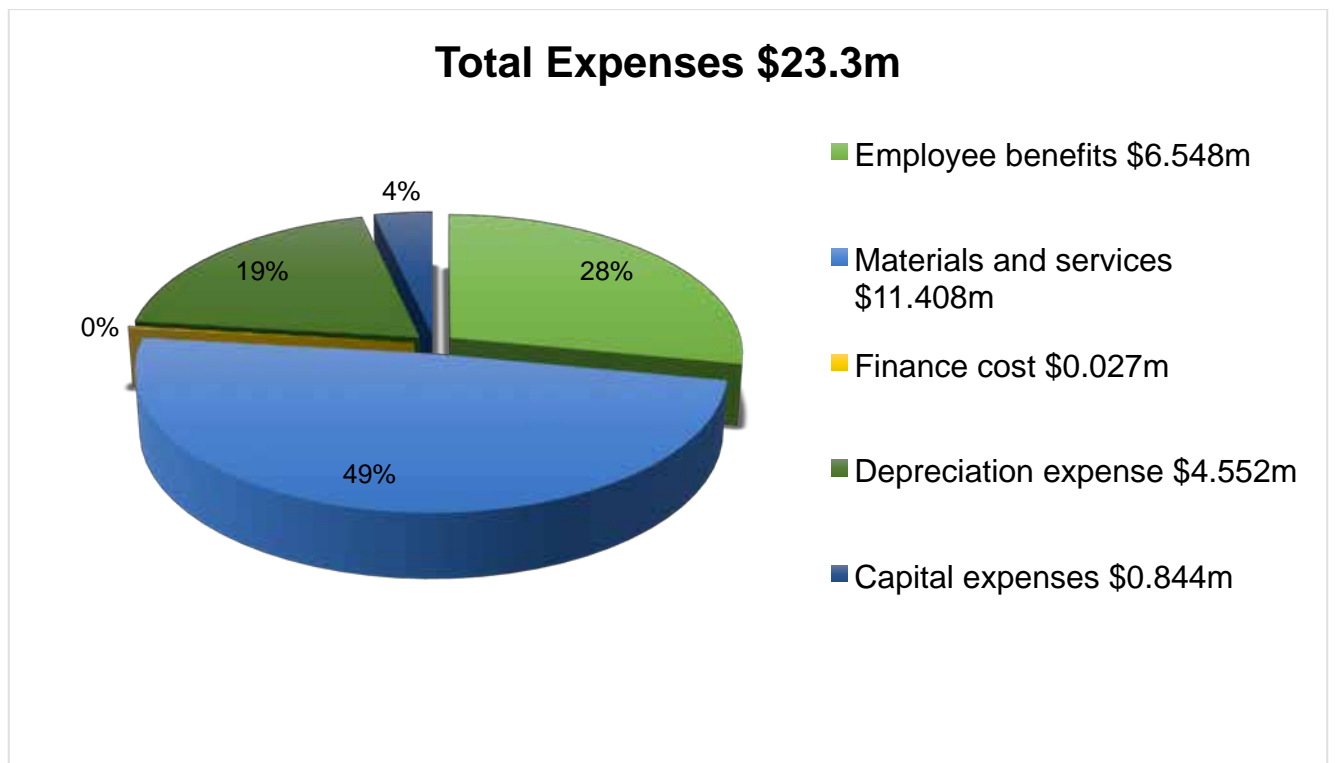


## Expenses: How was the money spent?

Council's expenditure in 2019/20 has seen a slight increase compared to the previous year, with an increase of \$958 thousand or 4%. Materials and services makes up 49% of the Council's total expenses and includes items like Council's administration expense, costs to run the Arts Centre, Aged Care, Child Care as well as operational costs for technical services and private works.

Council is the largest employer in Aurukun township and employee benefits makes up 28% of total expenses.

Depreciation expense is the reduction in value of Council's owned assets for the current financial year.



*Cairns Support Office staff*

## Statement of Financial Position

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

### Assets

	2019/20	2018/19
	\$'000s	\$'000s
Current Assets	19,829	18,801
Non-Current Assets	125,559	123,001
<b>Total Assets</b>	<b>145,387</b>	<b>141,803</b>

Total assets have increased to \$145.387 million in 2019/20 from \$141.802 million in 2018/19. This is mainly due to:

- Cash and cash equivalents has increased \$1.415 million due to timing of receipts and a reflection of the increased revenue received during the period; and
- Non-Current Lease Receivables increase of \$2.611 million, to \$29.239 million at year end. Lease Receivables relates to the 284 dwellings that Council leases back to the Queensland Government for a term of 40 years. Due to the length of the lease, long term interest rates are used to calculate the amount Council should recognise as a receivable for all of the future lease payments, this year the change in those rates has meant a large increase in the receivable amount.

This is also reflected in an increase to Capital Revenue on the Statement of Comprehensive Income.

### Liabilities

	2019/20	2018/19
	\$'000s	\$'000s
Current Liabilities	6,247	3,065
Non-Current Liabilities	1,591	2,230
<b>Total Liabilities</b>	<b>7,838</b>	<b>5,295</b>

Total liabilities have increased by \$2.543 million in 2019/20. This is due to recognising \$4.015 million in current contract liabilities. Contract liabilities relates to funds received upfront to construct Council-controlled assets. In previous years this would have been recognised as revenue when received, however due to new accounting standards coming into effect this year Council are required to recognise these funds as a liability until the contract is completed. This year is the first year it will effect the statement of financial position.

## Community Equity

Council's total community equity at 30 June 2020 is \$137,549,704. Community equity represents Council's asset revaluation surplus of \$111.758 million (increase in values as a result of change in fair value of assets owned) and retained surplus of \$25.791 million.

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

## Measures of Financial Sustainability

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

Ratio	What the ratio provides	How the ratio is calculated	Actual result	Target result
Operating surplus ratio	An indication to how well revenues raised can cover operating expenses.	Net result divided by total operating revenue	6%	Between 0% and 15%
Asset sustainability ratio	This ratio shows the level that Council is replacing assets as they reach the end of their useful lives.	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	29%	Greater than 90%
Net financial liabilities ratio	An indicator to the extent that Council's net liabilities can be serviced by its operating revenues.	Total liabilities less current assets divided by total operating revenue	-50%	Not greater than 60%

The operating surplus ratio is within target range, indicating that Council's revenue is well placed to cover the cost of its operations.

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

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

## Statutory Reporting Requirements

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

### 1. Councillors and Councillor Remuneration

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

Councillors must:

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

#### Meetings:

The following table displays the Councillor's attendance at meetings for 2019/20.

2019/20	Ordinary Meetings (8)	Special Meetings (2)
Cr Dereck Walpo	8	2
Cr Edgar Kerindun	8	2
Cr Ada Woolla	8	2
Cr Vera Koomeeta	4	2
Cr Doris Poonkamelya	8	2

2020	Ordinary Meetings (3)	Special Meetings (1)
Cr Keri Tamwoy	3	1
Cr Craig Koomeeta	3	1
Cr Delys Yunkaporta	3	1
Cr Kemuel Tamwoy	3	1
Cr Anna Kerindun	3	1

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

#### Previous Council to 10 April 2020

Councillor	Salary \$	Meeting Fees \$	Total Gross \$	Super. \$	Other Exp
Cr Dereck Walpo	\$83,656		\$83,656	\$8,061	\$12,304
Cr Edgar Kerindun	\$48,954		\$48,954	\$5,871	
Cr Ada Woolla	\$29,164	\$13,262	\$42,426	\$5,091	
Cr Vera Koomeeta	\$29,164	\$13,262	\$42,426	\$5,091	
Cr Doris Poonkamelya	\$29,164	\$13,262	\$42,426	\$4,031	

#### Current Council from 11 April 2020

Councillor	Salary \$	Meeting Fees \$	Total Gross \$	Super. \$	Other Exp
Cr Keri Tamwoy	\$22,360		\$22,360	\$2,791	\$371
Cr Craig Koomeeta	\$13,419		\$13,419	\$1,610	

Cr Delys Yunkaporta	\$7,121	\$4,509	\$11,630	\$1,396	
Cr Kemuel Tamwoy	\$7,121	\$4,509	\$11,630	\$1,396	
Cr Anna Kerindun	\$7,121	\$4,509	\$11,630	\$1,396	

### Resolution – Councillors Remuneration

At a Special Meeting of Council held on 14 April 2020, the following resolution was passed:

#### Resolution 19.6321 (1 July 2019/30 June 2020)

Position	Remuneration Payable
Mayor	\$106,100 pa
Deputy Mayor	\$61,211 pa
Councillors	\$53,049 pa

#### Resolution 20.6582 (1 July 2020 to date)

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

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

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

### Compliance Requirements

Orders made under section 150I(2) of the LGA	Nil
Orders made under section 150AH(1) of the LGA	Nil
Decisions, orders and recommendations made under section 150AR(1) of the LGA	Nil
Name of each Councillor for whom a decision, order or recommendation was made under section 150I(2), 150AH(1) or 150AR(1) of the LGA	Nil
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each councillor	Nil
A summary of the decision, order or recommendation made for each councillor	Nil
Complaints referred to the assessor under section 150P(2)(a) of the LGA by local government entities for the local government	Nil
Matters, mentioned in section 150(P)(3) of the LGA, notified to the Crime and Corruption Commission	Nil

Notices given under section 150R(2) of the LGA	Nil
Notices given under section 150S(2)(a) of the LGA	Nil
Decisions made under section 150W(1)(a)(b) and (d) of the LGA (1 July 2019 to 31 August 2019)	Nil
Decisions made under section 150W(1)(a)(b)(e) of the LGA (1 September 2019 to 30 June 2020)	Nil
Decisions made under section 150X(b)(iii) of the LGA (1 September 2019 to 30 June 2020)	One
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the LGA	Nil
Occasions information was given under section 150AF(4)(a) of the LGA	Nil
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the LGA for the local government, the suspected inappropriate conduct of a councillor	Nil
Applications heard by the conduct tribunal about the alleged misconduct of a councillor (1 July 2019 to 31 August 2020)	Nil
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a councillor engaged in misconduct or inappropriate conduct (1 September 2019 to 30 June 2020)	Nil

### **Complaints Management (s187)**

The Council has a complaints management process in place and is committed to dealing fairly with administrative complaints. The complaints management process is designed to ensure that any member of the public can lodge a complaint about how they have been dealt with by Council staff or how they have been affected by any Council administrative decision. The complaints management process is available on the Council's website.

### **3. Senior Contract Employees Remuneration (s201)**

At 30 June 2020, Aurukun Shire Council employed four senior contract employees. Details of the total remuneration packages for the senior contract employees are as follows:

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

One senior employee with a total remuneration package in the range of \$200,001 to \$300,000.

### **4. Overseas Travel (s188)**

No Council staff or Councillors undertook any overseas travel on Council business during the 2019/20 financial year.

## **5. Grants to Community Organisations (s189 and 190)**

Concessions were not paid for the waiver of:

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

During the 2019/20 financial year, no grants were paid to community organisations.

## **6. Reserves and Controlled Roads**

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

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

### **Corporate Plan**

The Council adopted its Corporate Plan for the five years ending 30 June 2025 at its meeting held on 19 March 2019 (Resolution 19.6261). The Corporate Plan sets out the strategic direction of the Council's operations and activities for the abovementioned period. An annual review of the Corporate Plan will be undertaken in 2020/21.

### **Operational Plan**

The Operational Plan is developed annually and is linked to the objectives in the new Corporate Plan. The Operational Plan sets out the projects and services Council will deliver in the financial year. A review of the Corporate Plan commenced during 2018.

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

No invitations to tenderers occurred during the reporting period.

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

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

- (1) Minutes of Council Meetings
- (2) Register of Personal Interests of Councillors
- (3) Register of Personal Interests of Chief Executive Officers and/or Senior Managers
- (4) Road Register
- (5) Schedule of Fees and Charges
- (6) Register of Local Laws and Subordinate Local Laws
- (7) Register of Burials
- (8) Register of Regulatory Fees
- (9) Register of Delegations
- (10) Register of Council Policies
- (11) Register of Contact by Lobbyists
- (12) Register of Fraud Incidents

- (13) Register of Gifts to Staff
- (14) Register of Public Interest Disclosures
- (15) Register of Complaints against Mayor and Councillors
- (16) Register of Administrative Complaints
- (17) Register of Unsuitable Council Meeting Conduct
- (18) Register of Councillor Conduct

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

Council does not grant any concessions for Rates and Utility Charges under its Revenue Policy.

Due to COVID-19 travel restrictions which saw a significant reduction of visitors to Aurukun and the Cape York region. Council granted one of its lessees' concession on fees and charges from 1 June 2020. Concessions granted are as follows:

Concession on Cleansing Charges	\$901.34
Concession on Sewerage Charges	\$1,533.34
Concession on Water Charges	\$1,326.67

Under the General Fees and Charges Council grants an exemption for landing fees to the Royal Flying Doctor Service and Queensland Police Service.

## **11. Equal Employment Opportunity**

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

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

## **12. Capital Works Projects**

Council completed the following works program during the period 1 July 2019 to 30 June 2020:

<b>Source of funds and/or projects – specific purpose grants</b>	<b>Expense \$</b>
Works for Queensland round 2	345,308
Business precinct refurbishment	8,963
Supermarket building renovation	1,627
Community centre fitout	29,463
Football oval upgrade	72,012
Community facilities	68,035
Rio Tinto - road user agreement	2,308,844

Disaster recovery funding arrangements 2019	115,978
TIDS 2019/20	334,912
Roads to recovery 2019/20	4,450
Strategic planning for the airport	198,170
Airport disability lift unit purchase	2,182
Works for Queensland round 3	89,721
Solid waste facility refurbishment	126,383
Wastewater infrastructure improvements	12,983
Water infrastructure improvements	7,468
	<b>3,726,497</b>

### **13. Report on 2019/20 Internal Audit: Local Government Regulation Section 190 (h)**

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

Aurukun Shire Council appointed its Internal Audit contractor in 2018 after competitive quotes were received and independently evaluated by the organisation's internal evaluation panel.

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

Due to COVID-19 restrictions toward the latter half of 2019/20, there was a reduction in scope to a number of projects in order to have less days spent on site. Council saw the completion of the following projects, with a number of projects outlined in the original Internal Audit Plan now planned for future years.

#### **Risk Review**

##### **Project Overview**

Reviewed Council's Corporate Risk Register and Fraud Risk Register for relevance to the current operational environment. This project considered the organisational objectives of Council's Corporate Plan and the risks to which the organisation may be exposed.

##### **Outcomes**

The registers were reviewed and updated with additional risk items that are now applicable to the organisation.

#### **Tender Evaluation and Contract Management Review**

##### **Project Overview**

The review examined the appropriateness of controls and procedures in respect to Council's Procurement and Contract Management practices.

##### **Outcomes**

The Procurement processes were reviewed, and a number of recommendations suggested to the organisation which were considered for implantation.

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

**FOR THE YEAR ENDED 30 JUNE 2020**

ABN 32 338 490 426

**AURUKUN SHIRE COUNCIL**  
**Financial statements**  
**For the year ended 30 June 2020**

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**AURUKUN SHIRE COUNCIL**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Income</b>			
<b>Revenue</b>			
<b>Recurrent revenue</b>			
Utility charges	3(a)	927,841	869,981
Fees and charges	3(b)	612,253	1,132,415
Other recurrent income	3(c)	8,574,774	5,046,474
Grants, subsidies, contributions and donations	3(d)	7,816,337	8,256,936
<b>Total recurrent revenue</b>		<b><u>17,931,205</u></b>	<b><u>15,305,806</u></b>
<b>Capital revenue</b>			
Grants, subsidies, contributions and donations	3(d)	4,217,640	8,459,974
<b>Total capital revenue</b>		<b><u>4,217,640</u></b>	<b><u>8,459,974</u></b>
Rental income	10	1,819,158	2,125,373
Interest received		180,402	282,494
Gain on revaluation of finance leases	10(b)(i)	3,528,115	546,946
Gain on revaluation of landfill rehabilitation	15	606,408	-
<b>Total Income</b>		<b><u>28,282,928</u></b>	<b><u>26,720,591</u></b>
<b>Expenses</b>			
<b>Recurrent expenses</b>			
Employee benefits	4	(6,548,434)	(6,481,291)
Materials and services	5	(11,408,171)	(10,281,660)
Other expenses	15	-	(1,471,785)
Finance cost		(27,873)	(54,599)
Depreciation	11	(4,552,865)	(4,166,756)
<b>Total recurrent expenses</b>		<b><u>(22,537,343)</u></b>	<b><u>(22,456,091)</u></b>
<b>Capital expenses</b>			
Loss on disposal of assets	6	(844,143)	33,058
<b>Total capital expenses</b>		<b><u>(844,143)</u></b>	<b><u>33,058</u></b>
<b>Total expenses</b>		<b><u>(23,381,486)</u></b>	<b><u>(22,423,032)</u></b>
<b>Net result</b>		<b><u>4,901,442</u></b>	<b><u>4,297,559</u></b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Increase/(decrease) in asset revaluation surplus	16	560,109	2,775,295
<b>Total other comprehensive income for the year</b>		<b><u>560,109</u></b>	<b><u>2,775,295</u></b>
<b>Total comprehensive income for the year</b>		<b><u>5,461,551</u></b>	<b><u>7,072,854</u></b>

*The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.*

**AURUKUN SHIRE COUNCIL**  
**Statement of Financial Position**  
**as at 30 June 2020**

	Note	2020	2019
		\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	16,968,410	15,552,832
Trade and other receivables	8	848,914	1,634,785
Inventories	9	763,164	719,002
Lease receivables	10(b)(i)	917,083	894,715
Contract assets	12(a)	331,092	-
<b>Total current assets</b>		<b><u>19,828,663</u></b>	<b><u>18,801,333</u></b>
<b>Non-current assets</b>			
Property, plant and equipment	11	96,319,549	96,373,120
Lease receivables	10(b)(i)	29,239,147	26,628,115
<b>Total non-current assets</b>		<b><u>125,558,695</u></b>	<b><u>123,001,235</u></b>
<b>Total assets</b>		<b><u>145,387,357</u></b>	<b><u>141,802,568</u></b>
<b>Current liabilities</b>			
Trade and other payables	13	2,159,210	2,989,508
Contract liabilities	12(b)	4,015,504	-
Provisions	15	41,425	45,974
Borrowings	14	30,898	29,760
<b>Total current liabilities</b>		<b><u>6,247,037</u></b>	<b><u>3,065,242</u></b>
<b>Non-current liabilities</b>			
Provisions	15	1,016,137	1,625,420
Borrowings	14	574,480	604,377
<b>Total non-current liabilities</b>		<b><u>1,590,617</u></b>	<b><u>2,229,796</u></b>
<b>Total liabilities</b>		<b><u>7,837,654</u></b>	<b><u>5,295,039</u></b>
<b>Net community assets</b>		<b><u>137,549,704</u></b>	<b><u>136,507,529</u></b>
<b>Community equity</b>			
Asset revaluation surplus	16	111,758,257	111,198,148
Retained surplus		25,791,447	25,309,381
<b>Total community equity</b>		<b><u>137,549,704</u></b>	<b><u>136,507,529</u></b>

*The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.*

**AURUKUN SHIRE COUNCIL**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2020**

	Note	Asset revaluation surplus Note 16		Retained surplus		Total	
		2020	2019	2020	2019	2020	2019
		\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July</b>		<b>111,198,148</b>	<b>108,422,853</b>	<b>25,309,381</b>	<b>21,036,573</b>	<b>136,507,529</b>	<b>129,459,426</b>
Adjustment on initial application of AASB 9		-	-	-	(24,751)	-	(24,751)
Adjustment on initial application of AASB 15 / 1058	21	-	-	(4,419,377)	-	(4,419,377)	-
<b>Restated balance at 1 July</b>		<b>111,198,148</b>	<b>108,422,853</b>	<b>20,890,004</b>	<b>21,011,822</b>	<b>132,088,152</b>	<b>129,434,675</b>
Net result		-	-	4,901,442	4,297,559	4,901,442	4,297,559
Other comprehensive income for the year							
Increase/(decrease) in asset revaluation surplus		560,109	2,775,295	-	-	560,109	2,775,295
<b>Total comprehensive income for the year</b>		<b>560,109</b>	<b>2,775,295</b>	<b>4,901,442</b>	<b>4,297,559</b>	<b>5,461,551</b>	<b>7,072,854</b>
<b>Balance as at 30 June</b>		<b>111,758,257</b>	<b>111,198,148</b>	<b>25,791,447</b>	<b>25,309,381</b>	<b>137,549,704</b>	<b>136,507,529</b>

*The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.*

**AURUKUN SHIRE COUNCIL**  
**Statement of Cash Flows**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Cash flows from operating activities:</b>			
Receipts from customers		10,655,366	7,228,962
Payments to suppliers and employees		<u>(19,444,897)</u>	<u>(15,938,438)</u>
		<b>(8,789,531)</b>	<b>(8,709,476)</b>
Interest received		180,402	282,494
Rental income		1,935,973	1,967,004
Non capital grants and contributions		<u>7,816,337</u>	<u>8,256,936</u>
<b>Net cash inflow (outflow) from operating activities</b>	19	<b><u>1,143,181</u></b>	<b><u>1,796,958</u></b>
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment		(4,369,413)	(6,048,264)
Proceeds from sale of property, plant and equipment	6	45,550	43,436
Finance lease receipts	10	894,715	881,385
Grants, subsidies, contributions and donations		<u>3,758,176</u>	<u>6,619,564</u>
<b>Net cash inflow (outflow) from investing activities</b>		<b><u>329,029</u></b>	<b><u>1,496,120</u></b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowings	14	(28,759)	(27,618)
Finance costs		<u>(27,873)</u>	<u>(54,599)</u>
<b>Net cash inflow (outflow) from financing activities</b>		<b><u>(56,631)</u></b>	<b><u>(82,218)</u></b>
<b>Net increase (decrease) in cash and cash equivalent held</b>		<b>1,415,579</b>	<b>3,210,861</b>
Cash and cash equivalents at beginning of the financial year		<u>15,552,832</u>	<u>12,341,970</u>
<b>Cash and cash equivalents at end of the financial year</b>	7	<b><u>16,968,410</u></b>	<b><u>15,552,832</u></b>

*The comparatives have not been restated on adoption of AASB 15 / 1058 and AASB 16 and therefore the comparative information is presented using the previous standards relating to revenue and leases.*

# AURUKUN SHIRE COUNCIL

## Notes to the Financial Statements

### For the year ended 30 June 2020

#### Note 1: Significant accounting policies

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

Aurukun Shire Council is constituted under the Queensland *Local Government Act 2009* and is domiciled in Australia.

These general purpose financial statements are for the period 1 July 2019 to 30 June 2020 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2019, the standards which had an impact on reported position, performance and cash flows were those relating to revenue and leases.

Refer to the change in accounting policy note 21 for transition disclosures for AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of NFP Entities* and AASB 16 *Leases*.

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

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2020, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies the new Australian Accounting Standards that were issued but not yet effective at the time of preparing these financial statements that could be applicable to Council.

	<b>Effective for NFP annual report periods beginning on or after:</b>
AASB 1059 <i>Service Concession Arrangements: Grantors</i>	1 January 2020
AASB 2018-7 <i>Amendments to Australian Accounting Standards - Definition of Material</i>	1 January 2020
AASB 2019-3 <i>Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform</i>	1 January 2020

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

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

Revenue - Note 3

Valuation of finance leases - Note 10

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

Contract assets and liabilities - Note 12

Provisions - Note 15

Contingent liabilities - Note 17

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

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

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

##### 1(e) Taxation

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

# AURUKUN SHIRE COUNCIL

## Notes to the Financial Statements

### For the year ended 30 June 2020

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

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

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

##### **Corporate services**

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

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

##### **Engineering services**

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

##### **Environmental services**

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

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

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

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

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

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

This function includes:

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

##### **Housing**

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

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

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

##### **Enterprises**

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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

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

Year ended 30 June 2020

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring	Net result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2020	2020	2020	2020							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate services	4,299,177	5,051,739	10,590	-	9,361,506	6,006,042	129,342	6,135,383	3,344,874	3,226,123	63,830,733
Engineering services	224,540	7,767,030	2,696,285	-	10,687,855	7,835,008	707,105	8,542,113	156,563	2,145,742	31,942,255
Environmental services	191,588	1,368	20,000	-	212,956	292,495	-	292,495	(99,539)	(79,539)	379,149
Welfare & social services	2,457,349	169,606	-	-	2,626,955	1,795,982	-	1,795,982	830,973	830,973	4,667,193
Community & cultural services	643,683	533,127	518,996	-	1,695,806	3,077,568	7,696	3,085,265	(1,900,758)	(1,389,459)	11,899,589
Housing	-	391,597	495,539	-	887,136	1,037,133	-	1,037,133	(645,536)	(149,998)	8,748,443
Public amenities & utilities	-	1,969,951	468,309	-	2,438,260	1,759,861	-	1,759,861	210,090	678,399	18,337,937
Enterprises	-	364,532	7,922	-	372,454	733,253	-	733,253	(368,721)	(360,799)	5,582,057
<b>Total</b>	<b>7,816,337</b>	<b>16,248,951</b>	<b>4,217,640</b>	<b>-</b>	<b>28,282,928</b>	<b>22,537,343</b>	<b>844,143</b>	<b>23,381,486</b>	<b>1,527,945</b>	<b>4,901,442</b>	<b>145,387,357</b>

Year ended 30 June 2019

Functions	Gross program income				Total income	Gross program expenses		Total expenses	Net result from recurring	Net result	Assets
	Recurring		Capital			Recurring	Capital				
	Grants	Other	Grants	Other							
	2019	2019	2019	2019							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate services	4,291,655	2,110,751	348,975	223	6,751,604	4,427,331	-	4,427,331	1,975,075	2,324,273	59,016,669
Engineering services	1,117,900	4,485,359	5,559,739	32,835	11,195,833	6,855,514	-	6,855,514	(1,252,256)	4,340,318	31,507,992
Environmental services	187,563	2,737	-	-	190,300	186,532	-	186,532	3,768	3,768	358,050
Welfare & social services	2,188,542	197,201	-	-	2,385,744	2,802,009	-	2,802,009	(416,265)	(416,265)	4,641,806
Community & cultural services	471,276	276,569	966,810	-	1,714,655	2,382,571	-	2,382,571	(1,634,726)	(667,917)	12,896,228
Housing	-	479,846	-	-	479,846	837,145	-	837,145	(357,299)	(357,299)	8,375,588
Public amenities & utilities	-	1,261,663	1,584,450	-	2,846,113	3,646,689	-	3,646,689	(2,385,027)	(800,577)	20,065,054
Enterprises	-	1,189,556	-	-	1,189,556	1,318,299	-	1,318,299	(128,742)	(128,742)	4,941,181
<b>Total</b>	<b>8,256,936</b>	<b>10,003,683</b>	<b>8,459,974</b>	<b>33,058</b>	<b>26,753,650</b>	<b>22,456,091</b>	<b>-</b>	<b>22,456,091</b>	<b>(4,195,472)</b>	<b>4,297,559</b>	<b>141,802,568</b>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>AASB 15</u>	<u>AASB 1058</u>
		\$	\$
<b>Note 3: Revenue</b>			
<b>Revenue recognised at a point in time</b>			
Utility charges	3(a)	-	927,841
Fees and charges	3(b)	612,253	-
Grants, subsidies, contributions and other donations	3(d)	-	6,697,888
Other recurrent income	3(c)	348,183	203,780
		<u>960,437</u>	<u>7,829,509</u>
<b>Revenue recognised over time</b>			
Grants and subsidies	3(d)	1,413,312	3,922,027
Other recurrent income	3(c)	8,022,810	-
		<u>9,436,122</u>	<u>3,922,027</u>
<b>Total revenue</b>		<u>10,396,559</u>	<u>11,751,536</u>

**3(a) Utility charges**

2020 accounting policy: Utility charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid utility charges are recognised as a financial liability until the beginning of the rating period.

2019 accounting policy: Utility charges are recognised when Council is unconditionally entitled to those funds. Generally this is when the service is provided.

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Water		279,781	257,800
Sewerage		454,511	428,316
Garbage charges		193,550	183,865
		<u>927,841</u>	<u>869,981</u>

**3(b) Fees and charges**

2020 accounting policy: Revenue arising from fees and charges is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

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

2019 accounting policy: Fees and charges are recognised when council is unconditionally entitled to those funds. Generally this is when the service is provided.

Accommodation fees	14,673	515,329
Airport landing fees	209,878	97,767
Aerodrome baggage handling fees	139,945	192,639
Other fees and charges	247,758	326,680
	<u>612,253</u>	<u>1,132,415</u>

**3(c) Other recurrent income**

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

Sale of art work is recognised when the customer has taken delivery of the goods. Revenue from services is recognised when the service is rendered.

Private works	8,022,810	4,401,474
Art work sales	184,282	153,771
Agency commissions	94,989	108,021
Other income	272,692	383,208
	<u>8,574,774</u>	<u>5,046,474</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 3: Revenue (continued)**

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

2020 accounting policy:

Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue is recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but include roadworks restoration. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Capital grants received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Where assets are donated or purchased for significantly below fair value, the revenue is recognised when the asset is acquired and controlled by the Council.

2019 accounting policy: Grants, subsidies, contributions and donations that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. Restrictions that have been placed on Council's cash and cash equivalents due to funding agreements are disclosed in Note 7.

Physical assets contributed to Council are recognised when Council obtains control of the assets and there is sufficient information to determine approximate values of such assets. 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.

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

General purpose grants (state and commonwealth governments)	4,299,177	3,543,955
State government subsidies and grants	1,038,448	2,490,778
Commonwealth government subsidies and grants	1,422,894	1,348,839
Contributions, donations and other grants	1,055,818	873,364
	<u>7,816,337</u>	<u>8,256,936</u>

**3(d)(ii) Capital**

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investments in new assets. It also includes non-cash contributions of assets.

State government capital grants	1,261,943	5,663,702
Commonwealth government capital grants	5,375	-
Other capital contributions and grants	2,950,323	2,796,272
	<u>4,217,640</u>	<u>8,459,974</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Note 4: Employee benefits</b>			
Total staff wages and salaries		4,964,659	4,798,804
Councillors' remuneration		332,658	316,054
Annual, sick and long service leave entitlements		668,076	690,795
Superannuation	18	589,649	574,073
		<u>6,555,041</u>	<u>6,379,725</u>
Other employee related expenses		284,194	209,195
		<u>6,839,235</u>	<u>6,588,920</u>
Less: capitalised employee expenses		(290,801)	(107,629)
		<u>6,548,434</u>	<u>6,481,291</u>

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

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

Elected members		5	5
Administrative staff		34	34
Depot and outdoors staff		35	49
<b>Total full time equivalent employees</b>		<u>74</u>	<u>88</u>

**Note 5: Materials and services**

Administration expenses		1,741,179	1,452,481
Aged care		651,996	946,300
Arts centre		295,099	311,282
Audit of annual financial statements by the Auditor-General of Queensland*		97,417	59,283
Child care		238,560	618,497
Other materials and services		1,749,803	2,160,627
Plant operations		415,547	422,520
Private works		5,310,926	2,796,813
Property, building and housing		777,845	1,247,470
Technical services		129,799	266,387
		<u>11,408,171</u>	<u>10,281,660</u>

\* Total audit fees quoted by the Queensland Audit Office relating to the 2019-20 financial statements are \$83,000 (2019: \$79,000)

**Note 6: Capital income / expenses**

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

Proceeds from the sale of property, plant and equipment		45,550	43,436
Less: book value of property, plant and equipment disposed		(889,693)	(10,377)
		<u>(844,143)</u>	<u>33,058</u>

**Note 7: Cash and cash equivalents**

Cash at bank and on hand		12,134,194	10,801,374
Term deposits - 3 months or less		4,834,216	4,751,458
<b>Balance per Statement of Cash Flows</b>		<u>16,968,410</u>	<u>15,552,832</u>

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

Externally imposed expenditure restrictions at the reporting date:

Constrained works		321,228	2,723,712
Future recurrent expenditure		3,842,357	2,828,494
<b>Total unspent restricted cash</b>	25	<u>4,163,585</u>	<u>5,552,207</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

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

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. Funds held in the trust account include security deposits lodged to guarantee performance and unclaimed monies (e.g. wages). The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements since Council has no control over the assets.

**Trust funds held for outside parties**

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

Security deposits	116,138	148,532
Mission account	44,428	44,428
	641	641
	<u>161,207</u>	<u>193,601</u>

**Note 8: Trade and other receivables**

Receivables are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery. Settlement is required within 30 days from invoice date.

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

Service charge debtors	18,675	25,600
Lease receivables	170,680	287,495
Other debtors	705,092	1,218,142
GST receivable	-	159,699
Prepayments	-	392
	<u>894,447</u>	<u>1,691,329</u>
Less: Loss allowance	<u>(45,533)</u>	<u>(56,544)</u>
	<u>848,914</u>	<u>1,634,785</u>

Movement in accumulated impairment losses is as follows:

Opening balance at 1 July	(56,544)	(32,934)
Adjustment to opening balance upon application of AASB 9	-	(24,751)
Impairment debts written off during the year	14,097	28,597
Additional impairments recognised	(3,086)	(27,456)
Closing balance at 30 June	<u>(45,533)</u>	<u>(56,544)</u>

**Note 9: Inventories**

Plant and equipment stores and miscellaneous saleable items are held for distribution and valued at the lower of cost or net realisable value and are adjusted when applicable for any loss of service potential.

**Inventories for sale:**

Miscellaneous saleable items	6,411	6,581
<b>Total inventories for sale</b>	<u>6,411</u>	<u>6,581</u>

**Inventories for consumption:**

Plant and equipment stores	766,753	722,421
Less: Provision for slow moving and obsolete materials	(10,000)	(10,000)
<b>Total inventories for consumption</b>	<u>756,753</u>	<u>712,421</u>
<b>Total inventories</b>	<u>763,164</u>	<u>719,002</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 10: Leases**

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

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

***Exceptions to lease accounting***

***Short-term leases***

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

***Leases at significantly below market value - concessionary leases***

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

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

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

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

Council has a peppercorn lease contract with Department of Education for the use of 2,581 m2 land and the buildings on the premises for educational purposes. The lease expires 30 June 2020.

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

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

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

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

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

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

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

Council has leased 284 dwellings (2019: 284) as lessor to the Queensland Government for a total lease term of 40 years. The total lease payment per dwelling in the current year ranged between \$2,845 and \$3,198 (2019: \$2,802 and \$3,150). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (depreciated replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are measured at the present value of the expected future lease payments receivable (fair value). Gains or loss on revaluation of finance lease assets are recognised as other recurrent income.

**Current**

Finance leases on social housing	917,083	894,715
	<u>917,083</u>	<u>894,715</u>

**Noncurrent**

Finance leases on social housing	29,239,147	26,628,115
	<u>29,239,147</u>	<u>26,628,115</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Note 10: Leases (continued)</b>			
<b>10(b) Council as a lessor (continued)</b>			
<b>10(b)(i) Finance leases (continued)</b>			
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:			
Gross minimum lease payments receivable:			
Not later than one year		917,083	894,715
Later than one year but not later than five years		4,585,415	4,473,575
Later than five years		<u>24,058,293</u>	<u>24,373,493</u>
		29,560,791	29,741,783
Add: Estimated contingent rent		15,132,715	15,862,609
Less: Present value adjustment		<u>(14,537,275)</u>	<u>(18,081,562)</u>
Fair value of lease payments		<u><u>30,156,230</u></u>	<u><u>27,522,831</u></u>
The fair value of lease payments are receivable as follows:			
Not later than one year		917,083	894,715
Later than one year but not later than five years		3,679,993	3,535,638
Later than five years		<u>25,559,155</u>	<u>23,092,478</u>
		<u><u>30,156,230</u></u>	<u><u>27,522,831</u></u>
Movements in finance leases were as follows:			
Opening balance		27,522,831	27,857,269
Less: Lease receipts		(894,715)	(881,385)
Plus: Gain on revaluation		<u>3,528,115</u>	<u>546,946</u>
Closing balance		<u><u>30,156,230</u></u>	<u><u>27,522,831</u></u>
The calculation of fair value has included an estimate of average annual CPI increases of 2.5% per annum (2019: 2.5%) and a discount rate of 2.35% per annum (2019: 3.0%).			
<b>10(b)(ii) Operating leases</b>			
Where Council retains the risks and rewards relating to a lease, they are classified as operating leases and relate to the property, plant and equipment in the statement of financial position.			
Rent from property is recognised as income on a periodic straight line basis over the lease term.			
Property income (excluding variable lease payments not dependent on an index or rate)		1,246,758	1,600,986
Property income relating to variable lease payments not dependent on an index or rate		572,400	524,387
Direct operating expenses from property that generated income		251,719	312,460
Contract obligations for future repairs and maintenance		-	496
There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.			
The Aurukun General Store is leased to an operator until 2 September 2020. Operating lease income is calculated as 6% of gross sales.			
Wuungkam Lodge, Kooth Pach Guesthouse and MacKenzie One Camp are leased to an operator until 28 February 2022. Operating lease income is calculated as 10% of gross accommodation revenue.			
The minimum lease receipts are as follows:			
Not later than one year		457,706	413,425
One to five years		630,971	599,795
Later than five years		<u>799,752</u>	<u>928,608</u>
		<u><u>1,888,429</u></u>	<u><u>1,941,828</u></u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**Note 11: Property, plant and equipment**  
**11(a) For the year ended 30 June 2020**

Note	Office equipment	Plant & equipment	Buildings and other structures	Land	Road, drainage and bridge network	Aerodrome	Sewerage	Water	Capital works in progress	TOTAL
Basis of measurement	Cost	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
Fair value category			Levels 2 & 3	Level 2	Level 3	Level 3	Level 3	Level 3		
<b>Asset values</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2019	389,376	4,050,044	78,038,923	475,000	32,906,389	5,725,760	15,350,282	13,187,280	1,352,988	151,476,044
- Renewals	-	-	353,841	-	970,577	-	8,325	-	-	1,332,742
-Other additions	18,304	441,286	619,980	-	1,583,770	-	-	-	832,795	3,496,135
Disposals	6	(431,914)	(353,841)	-	(1,032,173)	-	(8,325)	-	-	(1,826,253)
Internal transfers	31,086	18,158	796,450	-	51,665	-	-	-	(897,360)	-
Revaluation adjustment to asset revaluation surplus	16	-	1,960,200	-	208,958	85,840	115,148	98,790	-	2,468,936
<b>Closing gross value as at 30 June 2020</b>	<b>438,765</b>	<b>4,077,575</b>	<b>81,415,554</b>	<b>475,000</b>	<b>34,689,186</b>	<b>5,811,600</b>	<b>15,465,430</b>	<b>13,286,070</b>	<b>1,288,424</b>	<b>156,947,605</b>
<b>Accumulated depreciation</b>										
Opening balance as at 1 July 2019	328,627	2,293,413	29,642,458	-	5,808,430	1,093,910	7,320,065	8,616,020	-	55,102,923
Depreciation provided in period	25,072	368,554	2,471,271	-	769,342	106,020	351,681	460,925	-	4,552,865
Disposals	6	(386,129)	(208,354)	-	(337,279)	-	(4,797)	-	-	(936,559)
Revaluation adjustment to asset revaluation surplus	16	-	245,167	-	912,421	19,068	660,404	71,767	-	1,908,828
<b>Accumulated depreciation as at 30 June 2020</b>	<b>353,698</b>	<b>2,275,837</b>	<b>32,150,542</b>	<b>-</b>	<b>7,152,915</b>	<b>1,218,998</b>	<b>8,327,353</b>	<b>9,148,712</b>	<b>-</b>	<b>60,628,056</b>
<b>Book value as at 30 June 2020</b>	<b>85,067</b>	<b>1,801,737</b>	<b>49,265,012</b>	<b>475,000</b>	<b>27,536,271</b>	<b>4,592,602</b>	<b>7,138,077</b>	<b>4,137,358</b>	<b>1,288,424</b>	<b>96,319,549</b>
Residual value	-	164,112	-	-	-	-	-	-	-	164,112
Range of estimated useful life in years	4-10	2-25	5-80	Indefinite	25-indefinite	25-indefinite	7-100	10-80		

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

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

11(b) For the year ended 30 June 2019

Note	Office equipment	Plant & equipment	Buildings and other structures	Land	Road, drainage and bridge network	Aerodrome	Sewerage	Water	Capital works in progress	TOTAL
Basis of measurement	Cost	Cost	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Cost	
Fair value category			Levels 2 & 3	Level 2	Level 3	Level 3	Level 3	Level 3		
<b>Asset values</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2018	384,230	4,075,164	74,061,655	475,000	28,351,422	5,613,503	15,091,832	12,716,302	601,576	141,370,685
Additions at cost	13,534	177,079	2,052,067	-	4,209,118	-	218,662	216,650	1,001,563	7,888,674
Disposals	(8,388)	(261,649)	(115,650)	-	-	-	-	-	-	(385,687)
Transfers from capital work in progress	-	59,450	-	-	190,701	-	-	-	(250,151)	-
Revaluation adjustment to asset revaluation surplus	-	-	2,040,851	-	155,148	112,257	39,788	254,328	-	2,602,371
<b>Closing gross value as at 30 June 2019</b>	<b>389,376</b>	<b>4,050,044</b>	<b>78,038,923</b>	<b>475,000</b>	<b>32,906,389</b>	<b>5,725,760</b>	<b>15,350,282</b>	<b>13,187,280</b>	<b>1,352,988</b>	<b>151,476,044</b>
<b>Accumulated depreciation</b>										
Opening balance as at 1 July 2018	309,936	2,221,604	26,861,343	-	5,863,771	968,520	7,279,753	7,979,473	-	51,484,400
Depreciation provided in period	27,079	328,030	2,258,366	-	646,613	103,941	354,846	447,880	-	4,166,756
Disposals	(8,388)	(256,222)	(110,700)	-	-	-	-	-	-	(375,309)
Revaluation adjustment to asset revaluation surplus	-	-	633,449	-	(701,955)	21,449	(314,535)	188,667	-	(172,924)
<b>Accumulated depreciation as at 30 June 2019</b>	<b>328,627</b>	<b>2,293,413</b>	<b>29,642,458</b>	<b>-</b>	<b>5,808,430</b>	<b>1,093,910</b>	<b>7,320,065</b>	<b>8,616,020</b>	<b>-</b>	<b>55,102,923</b>
<b>Book value as at 30 June 2019</b>	<b>60,748</b>	<b>1,756,631</b>	<b>48,396,465</b>	<b>475,000</b>	<b>27,097,959</b>	<b>4,631,850</b>	<b>8,030,217</b>	<b>4,571,261</b>	<b>1,352,988</b>	<b>96,373,120</b>
Residual value	-	129,112	-	-	-	-	-	-	-	129,112
Range of estimated useful life in years	5-10	2-25	5-80	Indefinite	20-indefinite	25-indefinite	7-100	10-80		

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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

**11(c) Recognition**

Plant and equipment with a total value of less than \$5,000, and infrastructure assets and buildings with a total value of less than \$10,000 are treated as an expense in the year of acquisition. All other items of property, plant and equipment are capitalised.

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

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

**11(d) Measurement**

Property, plant and equipment assets are initially recorded at cost. Subsequently, each class of property, plant and equipment is stated at cost or fair value less, where applicable, any accumulated depreciation and accumulated impairment loss.

Cost is determined as the fair value of 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.

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value.

**11(e) Depreciation**

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, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Land is not depreciated as it has an unlimited useful life. Depreciation on property, plant and equipment assets is calculated on a straight-line basis so as to write-off the net cost or revalued amount of each depreciable asset progressively over its estimated useful life to the Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

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.

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.

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

**Key judgements and estimates:**

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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

**11(f) Impairment**

Property, plant and equipment recognised at cost are assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

**11(g) Valuation**

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

Council's valuation policies and procedures are documented within Council's non-current asset accounting policy which is reviewed annually.

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

In the intervening years professionally qualified independent valuers perform a "desktop" valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life and condition rating. The valuer then determines suitable indices which are reviewed by management and are applied to each of these asset classes. The valuer also adjusts the condition and remaining useful life of the asset-based on capital works undertaken by Council over the financial year and based on management advice.

Further details in relation to valuers, the methods of valuation and the key assumptions used in valuing each different asset class are disclosed below.

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

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life. Separately identified components of assets are measured on the same basis as the assets to which they relate.

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

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

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

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels during the year.

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

**Land (level 2)**

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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

**11(g) Valuation (continued)**

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

Land (level 2) (continued)

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

The last comprehensive valuation of land located outside of the boundaries of Aurukun Shire Council was undertaken by Jones Lang LaSalle Advisory Pty Ltd, effective 30 June 2018. The same valuers determined through desktop top valuation that no adjustment was required as at 30 June 2020. The next comprehensive valuation of land is planned in 2021. A traditional direct sales comparison approach was utilised to determine fair value whereby consideration was given to transactions of comparable land sites in close proximity to the subject property. The valuer has determined value on a price per square metre analysis with adjustments made for difference between the sale properties and subject property in respect of physical, legal, economic differences. The fair value is considered a level 2 measurement in the fair value hierarchy.

Buildings and other structures (level 2 and 3)

The last comprehensive valuation of buildings and other structures was undertaken by Jones Lang LaSalle Advisory Pty Ltd, effective 30 June 2018. The next comprehensive valuation of buildings and other structures assets is planned in 2021.

Where there is a market for Council building assets, they are categorised as non-specialised buildings and fair value is derived from the sales prices of comparable properties using a traditional direct sales comparison approach. The valuer has determined value on a price per square metre analysis with adjustments made for difference between the sale properties and subject property in respect of physical, legal, economic differences. The fair value is considered a level 2 measurement in the fair value hierarchy. The net current value of a building asset is the difference between the market value of the asset as a whole (including land) and the market value of the land component.

Where Council buildings and other structures are of a specialist nature and there is no active market for the assets, such as those located in the Aurukun area, fair value has been determined using the current replacement cost approach. In applying this approach, the valuer has determined the replacement cost or gross current value of a new asset having similar service potential to the subject asset. This replacement cost includes allowances for preliminaries and professional fees. CRC at 30 June 2020 was determined by the same valuers through a desktop valuation. An increase in replacement costs of 1.50% was determined from reference to current capital projects undertaken by the Council, construction data for recent projects within the general region and construction costing guides issued by the Australian Institute of Quantity Surveyors and Rawlinson's (Australian Construction Handbook). The views were supported by Aurukun building and asset management officers. The net current value of a building asset is the gross current value less accumulated depreciation to reflect the consumed or expired service potential of the asset.

In determining the level of accumulated depreciation the asset has been disaggregated into significant components which exhibit different useful life profiles. Useful lives were assessed having regard to a number of characteristics including, but not limited to, design, materials, utilisation and environment. Aurukun Shire has a remote coastal location and tropical climate which has a direct impact on the expected useful lives of assets.

Overall, remaining useful lives were based on the assets conditions taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Allowance has been made for the typical asset life cycle and renewal treatments of each component and the condition of the asset. Asset conditions were reassessed. The views were supported by Aurukun building and asset management officers.

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
Buildings and other structures		\$	\$
- Non-specialised (level 2)		950,000	950,000
- Specialised (level 3)		48,315,012	47,446,465
Total		<u>49,265,012</u>	<u>48,396,465</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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

**11(g) Valuation (continued)**

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

Infrastructure assets (level 3)

All Council infrastructure assets were fair valued using written down current replacement cost. This valuation comprises the asset's current replacement cost (CRC) less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Council first determined the gross cost of replacing the full service potential of the asset and then adjusted this amount to take account of the expired service potential of the asset.

CRC was measured by reference to the lowest cost at which the gross future economic benefits of the asset could currently be obtained in the normal course of business. Where existing assets were over designed, had excess capacity, or were redundant an adjustment was made so that the resulting valuation reflected the cost of replacing the existing economic benefits based on an efficient set of modern equivalent assets to achieve the required level of service output within the Council's planning horizon.

The unit rates (labour and materials) and quantities applied to determine the CRC of an asset or asset component were based on a "Greenfield" assumption meaning that the CRC was determined as the full cost of replacement with a new asset including components that may not need to be replaced, such as earthworks. The CRC was determined using methods relevant to the asset class as described under individual asset categories below.

Waste landfill cells fair values were determined by Council engineers effective 30 June 2020. CRC was calculated by reference to landfill cell area and volume specifications, estimated labour and material inputs, services costs, and overhead allocations. Material and services costs were determined by reference to existing supplier contracts and labour costs by reference to Council's staffing rates.

Site improvements are depreciated over their useful life to the council. The useful life of cells and some other improvements extends until the site becomes available for another use, as they continue to provide benefits over this period (including the monitoring period) by facilitating the safe disposal of waste.

Road, drainage and bridge network and aerodrome

A full valuation of road, drainage and bridge network and aerodrome assets was undertaken by independent valuers, Jones Lang Lasalle Advisory Pty Ltd, effective 30 June 2020. The last comprehensive valuation was undertaken by independent valuers, APV Valuers and Asset Management, effective 30 June 2017. The next comprehensive valuation of road, drainage and bridge network and aerodrome assets is planned in 2023.

*Current replacement cost*

Council categorises its road, drainage and bridge network infrastructure into sealed and unsealed roads, carparks, kerbs and channels and stormwater drains. Aerodrome assets are categorised into sealed and unsealed runways. These assets are segmented into sections based on attributes of age and surface type (where necessary) and then componentised into formation, pavement and seal (as applicable). Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials.

CRC was calculated by reference to asset linear and area specifications, estimated labour and material inputs, services costs, and overhead allocations. Council assumes that pavements are constructed to depths of 320 mm for high traffic areas and 150 mm for lower traffic locations. Council also assumes that all raw pavement materials can be sourced from local quarries sites within the Aurukun region. For internal construction estimates, material and services prices were based on existing supplier contract rates or supplier price lists and labour wage rates were based on Council's current staffing costs. All direct costs were allocated to assets at standard usage quantities according to recently completed similar projects. Where construction is outsourced, CRC was based on the average of completed similar projects over the last few years.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2018**

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

**11(g) Valuation (continued)**

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

Infrastructure assets (level 3) (continued)

Road, drainage and bridge network and aerodrome (continued)

*Accumulated depreciation*

In determining physical obsolescence, assets were either subject to a site inspection or an assessment based on age and design characteristics to determine remaining useful life. Where site inspections were conducted, the assets were allocated a condition assessment rating of between 0 and 5, which was used to estimate remaining service potential - 0 being brand new or rehabilitated to new with a remaining service potential of 90-100% and 5 being a failed assets, no longer serviceable and should not remain in service with a remaining service potential of 0-5%. The higher the condition rating, the lower the fair value.

Sewerage and water

The last comprehensive valuation of water and sewerage assets was undertaken by Jones Lang Lasalle Advisory Pty Ltd, effective 30 June 2018. CRC at 30 June 2020 was determined by the same valuers through a desktop valuation. The next comprehensive valuation of sewerage and water infrastructure assets is planned in 2021.

*Current replacement cost*

Council categorises its sewerage and water assets into mains, equipment, meter and services and manholes. Equipment is sub-categorised into civil, mechanical, electrical and pipework and valve. Council assumes that environmental factors such as soil type, climate and topography are consistent across each segment. Council also assumes a segment is designed and constructed to the same standard and uses a consistent amount of labour and materials. An increase in replacement costs of 0.75% was determined through analysis of cost guides such as Rawlinsons and Cordells, recent Aurukun Shire Council projects and specialist suppliers' pricing. Aurukun engineering officer support this view.

*Accumulated depreciation*

In determining physical obsolescence, a determination was made of each asset's remaining useful life in line with their design characteristics. Useful lives were assessed having regard to a number of characteristics including, but not limited to, design, materials, utilisation and environment. Condition was assessed taking into account both physical characteristics as well as holistic factors such as functionality, capability, utilisation and obsolescence. Assets were allocated a condition assessment rating of between 0 and 5, which was used to estimate remaining service potential - 0 being excellent with a remaining service potential of 90-100% and 5 being unserviceable with a remaining service potential of 0-5%. The higher the condition rating, the lower the fair value. The views were supported by Aurukun engineering officers.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 12: Contract balances**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

<b>12(a) Contract assets</b>	<u><u>331,092</u></u>	
<b>12(b) Contract liabilities</b>		
Funds received upfront to construct Council controlled assets	3,837,516	
Deposits received in advance of services provided	177,988	
	<u><u>4,015,504</u></u>	
Current contract liabilities	4,015,504	
	<u><u>4,015,504</u></u>	

**Revenue recognised that was included in the contract liability balance at the beginning of the year**

Funds to construct Council controlled assets	5,525,363	
	<u><u>5,525,363</u></u>	

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

The contract assets and liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously the revenue was recognised on receipt and therefore there was no effect on the statement of financial position.

**Note 13: Trade and other payables**

Creditors are recognised when goods or services are received, at the amount owed. Amounts owing are unsecured and are generally settled on 30 day terms.

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

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

**Current**

Creditors and accruals	1,761,162	2,710,626
Annual leave payable	398,048	278,882
	<u><u>2,159,210</u></u>	<u><u>2,989,508</u></u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>Note 14: Borrowings</b>			
Borrowings are initially recognised at fair value plus any directly attributable transaction costs. Thereafter, borrowing costs are expensed as they accrue. No borrowing costs have been capitalised during the current or comparative reporting period. Expected final repayment dates is 15 June 2035. There have been no defaults or breaches of the loan agreement during the period.			
Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.			
<b>Current</b>			
Loans - Queensland Treasury Corporation		30,898	29,760
<b>Non-current</b>			
Loans - Queensland Treasury Corporation		574,480	604,377
		<u>605,378</u>	<u>634,137</u>
<b>Loans - Queensland Treasury Corporation</b>			
Opening balance at beginning of financial year		634,137	661,756
Principal repayments		(28,759)	(27,618)
Book value at end of financial year		<u>605,378</u>	<u>634,137</u>

The QTC loan market value at the reporting date was \$718,780 (2019: \$731,018). This represents the value of the debt if Council repaid it at that date. As it is the intention of Council to hold the debt for its term, no provision is required to be made in these accounts.

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

Loans - QTC	0 to 1 year	1 - 5 Years	Over 5 years	Total
	\$	\$	\$	\$
30-Jun-20	54,018	216,073	540,183	810,274
30-Jun-19	54,018	216,073	594,201	864,293

**Note 15: Provisions**

Liabilities are recognised for employee benefits such as wages and salaries, sick, annual and long service leave in respect of services provided by the employees up to the reporting date.

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values.

**Long service leave**

A provision for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value.

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 15: Provisions (continued)**

**Landfill restoration**

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

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

The total projected cost of \$865,377 is expected to be incurred between 2030 and 2060. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

**Current**

Long service leave	41,425	45,974
	<u>41,425</u>	<u>45,974</u>

**Non-current**

Landfill restoration	865,377	1,471,785
Long service leave	150,759	153,635
	<u>1,016,137</u>	<u>1,625,420</u>

**Long service leave**

Balance at beginning of financial year	199,609	137,102
Long service entitlement paid	(82,483)	(9,381)
Long service leave entitlement extinguished	(54,225)	(3,526)
Long service leave entitlement arising	129,284	75,414
Balance at end of financial year	<u>192,184</u>	<u>199,609</u>

**Landfill restoration**

Balance at beginning of financial year	1,471,785	-
Initial recognition during the year	-	1,471,785
(Gain) / loss due to change in available information	(606,408)	-
Balance at end of financial year	<u>865,377</u>	<u>1,471,785</u>

**Note 16: Asset revaluation surplus**

**Asset revaluation surplus**

Movements in the asset revaluation surplus were as follows:

Balance at beginning of financial year	111,198,148	108,422,853
Net adjustment to non-current assets at end of period to reflect a change in current fair value:		
Buildings and other structures	1,715,033	1,407,401
Road, drainage and bridge network	(703,463)	857,103
Aerodrome	66,772	90,808
Sewerage	(545,256)	354,323
Water	27,023	65,660
	<u>560,109</u>	<u>2,775,295</u>
Balance at end of financial year	<u>111,758,257</u>	<u>111,198,148</u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Note 16: Asset revaluation surplus (continued)</b>		
<b>Asset revaluation surplus analysis</b>		
The closing balance of the asset revaluation reserve is comprised of the following asset categories:		
Buildings and other structures	85,354,307	83,639,274
Road, drainage and bridge network	20,470,385	21,173,848
Aerodrome	3,692,655	3,625,883
Sewerage	2,148,226	2,693,482
Water	92,683	65,660
	<u><u>111,758,257</u></u>	<u><u>111,198,148</u></u>

**Note 17: Contingent liabilities**

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

**Local Government Mutual**

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

As at 30 June 2019 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Local Government Workcare**

The Council is a member of the Queensland local government workers compensation self-insurance scheme, Local Government Workcare. Under this scheme, the Council has provided an indemnity towards a bank guarantee to cover bad debts which may remain should the self-insurance licence be cancelled and there was insufficient funds available to cover outstanding liabilities. Only the Queensland Government's workers compensation authority may call on any part of the guarantee should the above circumstances arise. The Council's maximum exposure to the bank guarantee is \$209,073.29.

**Note 18: Superannuation**

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

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIASuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 18: Superannuation (continued)**

The last completed actuarial assessment of the scheme was undertaken as at 1 July 2018. The actuary indicated that "At the valuation date of 1 July 2018, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is not due until 1 July 2021.

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

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

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

There are currently 62 entities contributing to the scheme and any changes in contribution rates would apply equally to all 62 entities. The council made less than 4% of the total contributions to the plan in the 2019-20 financial year.

The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	589,649	574,073
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**Note 19: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities**

<b>Net result</b>		<b>4,901,442</b>	<b>4,297,559</b>
<b>Non-cash operating items:</b>			
Depreciation and amortisation		4,552,865	4,166,756
		<u>4,552,865</u>	<u>4,166,756</u>
<b>Investing and development activities (non-cash):</b>			
Net (profit) loss on disposal of non-current assets	6	844,143	(33,058)
(Gain) loss on revaluation of finance leases	10	(3,528,115)	(546,946)
Changes in accounting policy		(4,419,377)	-
Capital grants and contributions	3(d)	(4,217,640)	(8,459,974)
Finance costs		27,873	54,599
		<u>(11,293,116)</u>	<u>(8,985,379)</u>
<b>Changes in operating assets and liabilities:</b>			
(Increase)/decrease in receivables		785,871	21,723
(Increase)/decrease in other assets		(44,162)	(57,491)
(Increase)/decrease in contract assets		(331,092)	-
Increase/(decrease) in payables		(830,298)	819,498
Increase/(decrease) in contract liabilities		4,015,504	-
Increase/(decrease) in provisions		(613,832)	1,534,291
		<u>2,981,991</u>	<u>2,318,022</u>
<b>Net cash inflow/(outflow) from operating activities</b>		<u><u>1,143,181</u></u>	<u><u>1,796,958</u></u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$
<b>Note 20: Reconciliation of liabilities arising from finance activities</b>		
<b>Loans</b>		
Balance as at 1 July	634,137	661,756
Cash flows	<u>(28,759)</u>	<u>(27,618)</u>
Balance as at 30 June	<u><b>605,378</b></u>	<u><b>634,137</b></u>

**Note 21: Changes in accounting policy**

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB1058 *Income of NFP Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated *Accounting Interpretations*.

Adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019. In relation to AASB 16, Council did not have any lease agreements which required recognition of right-of-use assets and lease liabilities as at 1 July 2019 for the lease previously classified as operating lease.

The impact of adopting these standards and associated transition disclosures are provided below:

**Revenue standards - AASB 15 and AASB 1058**

The following options have been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements.
- Council has not retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

**Changes in accounting policy on adoption of AASB 15 and AASB 1058**

The changes in accounting policies on adoption of AASB 15 and AASB 1058 are disclosed in Note 3.

Opening contract balances on transition at 1 July 2019

	<b>Balance at 1 July 2019</b>
	\$
<b>Contract assets</b>	
- Under AASB 1058	1,171,335
<b>Total contract assets</b>	<u><b>1,171,335</b></u>
<b>Contract liabilities</b>	
- Under AASB 1058	5,590,713
<b>Total contract liabilities</b>	<u><b>5,590,713</b></u>

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**Note 21: Changes in accounting policy (continued)**

**Comparison of affected financial statements lines between AASB 15 / 1058 and previous revenue standards**

The following table shows the amount by which the financial statement line item is affected by the application of AASB 15 and AASB 1058 as compared to the previous revenue standards.

*Statement of financial position at 30 June 2020*

	<b>Carrying amount per Statement of Financial Position Dr / (Cr) \$</b>	<b>Adjustments  Dr / (Cr) \$</b>	<b>Carrying amount if previous standards had been applied  \$</b>
Contract assets	331,092	(331,092)	-
Contract liabilities - current	(4,015,504)	4,015,504	-
Retained earnings	25,791,447	(4,419,377)	21,372,070
	<b>22,107,035</b>	<b>(734,965)</b>	<b>21,372,070</b>

*Statement of comprehensive income for the year ended 30 June 2021*

	<b>Carrying amount per Statement of Comprehensive Income Dr / (Cr) \$</b>	<b>Adjustments  Dr / (Cr) \$</b>	<b>Carrying amount if previous standards had been applied  \$</b>
Revenue - operating	12,033,227	734,965	12,768,192
Grants	12,033,227	734,965	12,768,192
	<b>12,033,227</b>	<b>734,965</b>	<b>12,768,192</b>

The adjustments above relate to the recognition of contract assets and contract liabilities for revenue streams where the revenue is recognised overtime rather than on receipt of funding under AASB 1004.

*Statement of cash flows for the year ended 30 June 2020*

The adoption of AASB 15 and AASB 1058 has not caused material changes to the Statement of Cash Flows for the year ended 30 June 2020.

**Note 22: Events after the reporting date**

The global COVID-19 pandemic and the subsequent restrictions imposed by the Commonwealth and Queensland governments have caused disruption to business and economic activity. The Commonwealth and Queensland governments implemented bio-security and specific access restrictions for remote communities, including the Aurukun community. The bio-security restrictions were lifted by the Commonwealth government from 12 June 2020 and all travel restrictions including entry and quarantine requirements were lifted by the Queensland government from 3 July 2020, the latter removing and applying the same provisions as other areas of Queensland.

As at the date of signing these financial statements, given the evolving circumstances of COVID -19, the ongoing impact on Council cannot be reliably estimated for future financial periods. This is considered a non-adjusting event for financial reporting and disclosure purposes and, as such, has no impact on the amounts reported in these financial statements.

To the best of Council's knowledge at the date of this financial report, there are no other post balance date events that are likely to have a material impact on the financial statements.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**Note 23: Impact of COVID-19 on the financial statements as at 30 June 2020**

Council did not experience challenges in carrying out contracts and recoverable works during the period impacted by travel restrictions. Therefore the impact of COVID-19 has been immaterial. Council did however establish isolation accommodation facilities as a precaution.

There have not been any other significant adverse operational or financial impacts as a result of the COVID-19 pandemic to date and it is confirmed that any known impacts have been reflected in the financial statements.

**Note 24: Transactions with related parties**

**24(a) Related entities**

Aurukun Shire Council has no associates or joint ventures.

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

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

	<u>Note</u>	<u>2020</u>	<u>2019</u>
		\$	\$
The compensation paid to KMP comprises:			
Short-term employee benefits		1,297,756	1,093,815
Post-employment benefits		112,587	98,167
Long-term benefits		43,806	19,948
Termination benefits		23,966	11,231
<b>Total</b>		<b><u>1,478,115</u></b>	<b><u>1,223,161</u></b>

Detailed remuneration disclosures are provided in the annual report.

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

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

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

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

**Details of transaction**

Fees and charges charged to close family members of key management personnel	24(c)(i)	7,153	-
Employee expenses for close family members of key management personnel	24(c)(ii)	497,250	1,041,531
Purchase of materials and services from close family members of key management personnel	24(c)(iii)	51,789	89,916

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

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

<u>Note</u>	<u>2020</u>	<u>2019</u>
	\$	\$

**Note 24: Transactions with related parties (continued)**

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

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

In 2019-20, Council employed a total of 106 (2019: 190). During the period 30 were close family members of key management personnel (2019: 40).

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

**24(d) Outstanding balances**

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

<b>Receivables</b>	<b>Commercial rent</b>	
Current	-	-
Past due 31-60 days	-	417
Past due 61-90 days	-	1,015
More than 90 days overdue	805	2,418
	<u>805</u>	<u>3,850</u>

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

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

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

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

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

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

Council has not disclosed related party transactions that occur on the same basis as ordinary local citizen transactions. Some examples include dog registration and borrowing books from the council library.

**AURUKUN SHIRE COUNCIL**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2020**

**Note 25: Tied grants by project**

The following note is prepared on a cash basis.

Source of funds and/or projects	Balance 1/07/2019	Revenue	Expense	Balance 30/06/2020
	\$	\$	\$	\$
<b>General purpose grants</b>				
Grants for the whole of Council:				
Financial assistance grant	-	2,215,327	2,215,327	-
State government financial aid	-	1,336,150	1,336,150	-
Revenue replacement grant	-	667,700	667,700	-
Indigenous economic development	-	80,000	80,000	-
	-	<b>4,299,177</b>	<b>4,299,177</b>	-
<b>Specific purpose grants</b>				
Indigenous visual arts industry support	29,905	235,000	190,850	74,056
Indigenous regional arts development fund	2,479	-	-	2,479
Backing indigenous arts (Arts Qld)	-	70,000	40,268	29,732
Works for Queensland round 2	(805,571)	1,150,878	345,308	-
Business precinct refurbishment	(18,862)	27,825	8,963	-
Supermarket building renovation	1,627	-	1,627	-
Community centre fitout	29,463	-	29,463	-
Refurbishment of park & basketball courts	72,727	-	-	72,727
Football oval upgrade	-	-	72,012	(72,012)
Community facilities	-	28,800	68,035	(39,235)
Christmas hampers	-	105,388	105,388	-
Community events	-	18,182	18,182	-
Indigenous knowledge centre	19,939	18,500	38,439	-
STEM.I.AM robotics	4,767	-	4,767	-
First 5 forever family literacy initiative	2,396	2,631	5,026	-
State library of Queensland strategic priorities	-	60,000	15,639	44,361
Deadly digital communities	-	3,840	1,080	2,760
Tech savvy seniors Queensland	-	10,000	1,260	8,740
Koolkan Woyan Min child and family hub program	-	111,403	120,137	(8,734)
Aurukun playgroup and early childhood learning	-	89,128	90,585	(1,457)
Koolkan Woyan Min child care centre - long day care	-	335,325	267,172	68,153
Community child care foundation	-	522,133	522,133	-
Community transport	-	7,437	7,437	-
Commonwealth home support program	-	457,034	457,034	-
Cape York jobs packages	-	101,397	101,397	-
Queensland community support scheme	-	79,096	79,096	-
Emergency support for COVID-19 meals activity	-	18,202	18,202	-
ATSI public health	33,466	171,935	184,007	21,394
Rio Tinto - road user agreement	2,670,192	-	2,308,844	361,349
Natural disaster relief & recovery 2017	(18,911)	7,648	(11,262)	-
Natural disaster relief & recovery 2018	(198,801)	156,942	42,517	(84,375)
Disaster recovery funding arrangements 2019	(25,848)	22,488	(3,360)	-
Disaster recovery funding arrangements 2019	-	775,509	115,978	659,531
TIDS 2018-19	(51,816)	51,665	(151)	-
TIDS 2019-20	(4,940)	336,665	334,912	(3,187)
Roads to recovery 2019-20	-	201,559	4,450	197,109
Natural disaster resilience program 2018	(39,950)	39,950	-	-
Strategic planning for the airport	(1,830)	70,305	198,170	(129,695)
Airport disability lift unit purchase	(11,000)	13,182	2,182	-
Works for Queensland round 3	1,080,000	-	89,721	990,279
Solid waste facility refurbishment	961,081	-	126,383	834,698
Waste water infrastructure improvements	272,095	138,600	12,983	397,712
Water infrastructure improvements	306,720	29,700	7,468	328,952
Get ready Queensland	(678)	6,102	1,221	4,203
State emergency services support grant	-	20,000	20,000	-
Family income management	65,350	-	-	65,350
	<b>4,374,000</b>	<b>9,793,627</b>	<b>10,342,737</b>	<b>3,824,890</b>
<b>Add back negative grants</b>	<b>1,178,207</b>			<b>338,695</b>
<b>Unspent grant revenue</b>	<b>5,552,207</b>			<b>4,163,585</b>

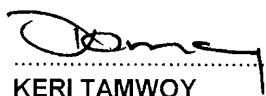
**AURUKUN SHIRE COUNCIL**  
**Financial Statements**  
**For the year ended 30 June 2020**

**Management Certificate**  
**For the year ended 30 June 2020**

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

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

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 2 to 32, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



.....

**KERI TAMWOY**  
Mayor

Date: 13/10/2020



.....

**BERNIE MCCARTHY**  
Chief Executive Officer

Date: 13/10/2020

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Aurukun Shire Council

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Aurukun Shire Council (the council).

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2020, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificate given by the Mayor and the Chief Executive Officer.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Aurukun Shire Council's annual report for the year ended 30 June 2020 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

### **Responsibilities of the councillors for the financial report**

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

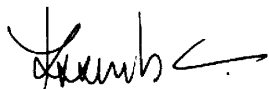
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on other legal and regulatory requirements**

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2020:

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



Sri Narasimhan  
as delegate of the Auditor-General

13 October 2020

Queensland Audit Office  
Brisbane

**AURUKUN SHIRE COUNCIL**  
**FINANCIAL SUSTAINABILITY STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2020**

**AURUKUN SHIRE COUNCIL**  
**Financial Statements**  
**For the year ended 30 June 2020**

<b>Current year financial sustainability statement</b>	<b>36</b>
<b>Certificate of Accuracy for the current year financial sustainability statement</b>	<b>37</b>
<b>Independent Auditor's Report on the current year financial sustainability statement</b>	
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## AURUKUN SHIRE COUNCIL

### Current-year Financial Sustainability Statement

#### For the year ended 30 June 2020

#### Measures of Financial Sustainability

	How the measure is calculated	Actual - Council	Target
Council's performance at 30 June 2020 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	6%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	29%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-50%	not greater than 60%

#### Note 1 - Basis of Preparation

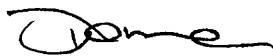
The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2013. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2020.

**AURUKUN SHIRE COUNCIL**  
**Current-year Financial Sustainability Statement**  
**For the year ended 30 June 2020**

**AURUKUN SHIRE COUNCIL**  
**Certificate of Accuracy for the current year financial sustainability statement**  
**For the year ended 30 June 2020**

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

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



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

Date: 13/10/2020



.....  
**BERNIE MCCARTHY**  
Chief Executive Officer

Date: 13/10/2020

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of Aurukun Shire Council

### Report on the current year financial sustainability statement

#### Opinion

I have audited the accompanying current year financial sustainability statement of Aurukun Shire Council (the council) for the year ended 30 June 2020 comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with section 212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Aurukun Shire Council for the year ended 30 June 2020 has been accurately calculated.

#### Basis of opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the current year financial sustainability statement* section of my report.

I am independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the statement in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

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

#### Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

#### Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Aurukun Shire Council's annual report for the year ended 30 June 2020 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

### **Responsibilities of the councillors for the current year financial sustainability statement**

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

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

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

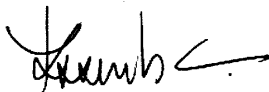
My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the council's future sustainability.

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

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

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

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



13 October 2020

Sri Narasimhan  
as delegate of the Auditor-General

Queensland Audit Office  
Brisbane

**AURUKUN SHIRE COUNCIL**  
**Long-Term Financial Sustainability Statement (Unaudited)**  
**Prepared as at 30 June 2020**

Measures of Financial Sustainability	Measure	Target	Actuals at 30 June 2020	Projected for the years ended								
				30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029
<b>Council</b>												
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 15%	6%	-25.38%	-27.15%	-27.28%	-26.72%	-27.80%	-27.60%	-27.49%	-27.76%	-34.02%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	29%	218.15%	142.14%	138.21%	133.31%	125.06%	123.41%	121.35%	117.56%	92.20%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-50%	-83.74%	-79.07%	-74.29%	-69.80%	-65.87%	-61.97%	-58.09%	-54.22%	-50.38%

**Aurukun Shire Council's Financial Management**

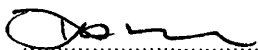
Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial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

**AURUKUN SHIRE COUNCIL**  
**Long-term Financial Sustainability Statement**  
**For the year ended 30 June 2020**

**AURUKUN SHIRE COUNCIL**  
**Certificate of Accuracy for the long-term financial sustainability statement**  
**as at 30 June 2020**

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

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



**KERI TAMWOY**  
Mayor

Date: 13/10/2020



**BERNIE MCCARTHY**  
Chief Executive Officer

Date: 13/10/2020

## Annual Report Feedback

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

## Acknowledgment of Photographs

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

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