

AURUKUN SHIRE COUNCIL
ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

AURUKUN SHIRE COUNCIL
Financial statements
For the year ended 30 June 2024

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AURUKUN SHIRE COUNCIL
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Income			
Revenue			
Recurrent revenue			
Utility charges	3(a)	1,079,514	977,193
Fees and charges	3(b)	1,096,346	723,574
Other recurrent income	3(c)	4,887,407	5,898,735
Grants, subsidies, contributions and donations	3(d)	9,003,278	12,261,266
Total recurrent revenue		16,066,546	19,860,768
Capital revenue			
Grants, subsidies, contributions and donations	3(d)	3,736,550	3,168,579
Total capital revenue		3,736,550	3,168,579
Rental income		2,111,393	2,193,743
Interest received		884,632	475,482
Other capital income	6, 15	90,726	-
Gain on revaluation of finance leases	10(b)(i)	-	138,244
Initial recognition of new finance leases	10(b)(i)	127,999	-
Total income		23,017,846	25,836,816
Expenses			
Recurrent expenses			
Employee benefits	4	(6,987,236)	(7,320,722)
Materials and services	5	(12,298,942)	(12,342,421)
Finance cost		(11,984)	(100,794)
Depreciation	11	(5,872,716)	(5,527,817)
Total recurrent expenses		(25,170,879)	(25,291,753)
Capital expenses			
Loss on disposal of assets	6	(249,879)	(210,299)
Other capital expenses	6, 15	(880,942)	(62,109)
Total capital expenses		(1,130,821)	(272,407)
Total expenses		(26,301,699)	(25,564,160)
Net result		(3,283,854)	272,656
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	16	3,754,970	7,169,660
Total other comprehensive income for the year		3,754,970	7,169,660
Total comprehensive income for the year		471,116	7,442,316

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

AURUKUN SHIRE COUNCIL
Statement of Financial Position
as at 30 June 2024

	Note	2024	2023
		\$	\$
Current assets			
Cash and cash equivalents	7	20,633,147	22,297,420
Trade and other receivables	8	1,084,452	640,445
Inventories	9	525,786	398,075
Lease receivables	10(b)(i)	1,174,124	1,190,723
Contract assets	12(a)	1,689,852	1,297,340
Total current assets		<u>25,107,361</u>	<u>25,824,004</u>
Non-current assets			
Property, plant and equipment	11	124,623,461	122,250,126
Lease receivables	10(b)(i)	27,146,718	29,019,634
Total non-current assets		<u>151,770,179</u>	<u>151,269,760</u>
Total assets		<u>176,877,540</u>	<u>177,093,764</u>
Current liabilities			
Trade and other payables	13	1,588,402	1,695,299
Contract liabilities	12(b)	2,971,486	3,403,536
Provisions	15	131,260	140,964
Borrowings	14	35,938	34,601
Total current liabilities		<u>4,727,086</u>	<u>5,274,400</u>
Non-current liabilities			
Provisions	15	1,210,335	1,315,214
Borrowings	14	442,032	477,180
Total non-current liabilities		<u>1,652,368</u>	<u>1,792,394</u>
Total liabilities		<u>6,379,454</u>	<u>7,066,794</u>
Net community assets		<u>170,498,086</u>	<u>170,026,970</u>
Community equity			
Asset revaluation surplus	16	137,037,241	133,282,271
Retained surplus		33,460,845	36,744,699
Total community equity		<u>170,498,086</u>	<u>170,026,970</u>

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

AURUKUN SHIRE COUNCIL
Statement of Changes in Equity
For the year ended 30 June 2024

	Note	Asset revaluation surplus	Retained surplus	Total
		\$	\$	\$
Balance as at 1 July 2023		133,282,271	36,744,699	170,026,970
Net result		-	(3,283,854)	(3,283,854)
Other comprehensive income for the year				
Increase/(decrease) in asset revaluation surplus	16	3,754,970	-	3,754,970
Total comprehensive income for the year		3,754,970	(3,283,854)	471,116
Balance as at 30 June 2024		137,037,241	33,460,845	170,498,086
Balance as at 1 July 2022		126,112,611	36,472,044	162,584,654
Net result		-	272,656	272,656
Other comprehensive income for the year				
Increase/(decrease) in asset revaluation surplus	16	7,169,660	-	7,169,660
Total comprehensive income for the year		7,169,660	272,656	7,442,316
Balance as at 30 June 2023		133,282,271	36,744,699	170,026,970

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

AURUKUN SHIRE COUNCIL
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024	2023
		\$	\$
Cash flows from operating activities:			
Receipts from customers		7,784,404	9,084,789
Payments to suppliers and employees		<u>(20,142,526)</u>	<u>(20,674,465)</u>
		(12,358,120)	(11,589,676)
Interest received		884,632	475,482
Rental income		2,082,274	2,360,255
Non-capital grants and contributions		<u>9,003,278</u>	<u>12,261,266</u>
Net cash inflow (outflow) from operating activities	19	<u>(387,936)</u>	<u>3,507,327</u>
Cash flows from investing activities:			
Payments for property, plant and equipment		(4,111,866)	(3,778,636)
Proceeds from sale of property, plant and equipment	6	15,750	46,654
Finance lease receipts	10	1,194,887	994,483
Grants, subsidies, contributions and donations		<u>1,670,687</u>	<u>4,487,811</u>
Net cash inflow (outflow) from investing activities		<u>(1,230,543)</u>	<u>1,750,312</u>
Cash flows from financing activities:			
Repayment of borrowings	14	(33,810)	(32,470)
Finance costs		<u>(11,984)</u>	<u>(100,794)</u>
Net cash inflow (outflow) from financing activities		<u>(45,794)</u>	<u>(133,263)</u>
Net increase (decrease) in cash and cash equivalent held		(1,664,272)	5,124,376
Cash and cash equivalents at beginning of the financial year		<u>22,297,420</u>	<u>17,173,044</u>
Cash and cash equivalents at end of the financial year	7	<u>20,633,147</u>	<u>22,297,420</u>

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

AURUKUN SHIRE COUNCIL

Notes to the Financial Statements

For the year ended 30 June 2024

Note 1: Information about these financial statements

1(a) Basis of preparation

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

These general purpose financial statements are for the period 1 July 2023 to 30 June 2024 and have been prepared in compliance with the requirements of the Local Government Act 2009 and the Local Government Regulation 2012.

Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

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

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

Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023, none of the standards had a material impact on reported position, performance and cash flows. The adoption of the revisions to AASB 101 Presentation of Financial Statements resulted in disclosure of material accounting policy information only rather than significant accounting policies. This means that accounting policy information is disclosed only if it relates to material transactions, other events or conditions and:

- a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
- b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standards.
- c) the accounting policy was developed in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors in the absence of an Australian Accounting Standard that specifically applies.
- d) the accounting policy relate to an area for which a Council is required to make significant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
- e) the accounting required for them is complex and users of the entity's financial statements would otherwise not understand those material transactions, other events or conditions.

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 2024, these standards have not been adopted by Council and where material will be included in the financial statements on their effective date. None of the standards are expected to have a significant impact for Council.

1(d) Estimates and judgements

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

Revenue recognition - Note 3

Valuation of finance leases - Note 10

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

Contract assets and liabilities - Note 12

Provisions - Note 15

Contingent liabilities - Note 17

1(e) Rounding and comparatives

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

Comparative information is prepared on the same basis as prior year.

1(f) Taxation

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 2: Analysis of results by function

2(a) Components of Council functions

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

Corporate governance

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

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

Corporate services

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

This function includes:

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

Community services

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

This function includes:

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 2: Analysis of results by function (continued)

2(a) Components of Council functions (continued)

Technical services

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

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

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

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 2024

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

Year ended 30 June 2023

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							
	2023	2023	2023	2023							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Corporate governance	6,991,565	2,239	-	-	6,993,804	781,358	-	781,358	6,212,446	6,212,446	-
Corporate services	265,405	3,456,863	-	138,244	3,860,512	8,011,309	272,407	8,283,716	(4,289,041)	(4,423,205)	84,245,102
Community services	3,844,963	207,609	-	-	4,052,572	5,898,275	-	5,898,275	(1,845,703)	(1,845,703)	19,125,716
Technical services	1,159,333	6,602,016	3,168,579	-	10,929,929	10,600,811	-	10,600,811	(2,839,462)	329,118	73,719,542
Total	12,261,266	10,268,727	3,168,579	138,244	25,836,816	25,291,753	272,407	25,564,160	(2,761,760)	272,656	177,090,359

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$

Note 3: Revenue

3(a) Utility charges

Utility charges are recognised as revenue at the beginning of the charging period to which they relate. Prepaid utility charges are recognised as a financial liability until the beginning of the charging period.

Water	212,826	198,662
Sewerage	551,412	485,426
Garbage charges	315,276	293,105
	<u>1,079,514</u>	<u>977,193</u>

3(b) Fees and charges

Revenue arising from fees and charges are recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

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

Accommodation fees	537,452	159,251
Airport landing fees	136,497	124,995
Aerodrome baggage handling fees	175,765	174,901
Aerodrome fuel handling fees	56,160	56,160
Other fees and charges	190,472	208,267
	<u>1,096,346</u>	<u>723,574</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 at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

Private works	4,045,306	5,217,778
Recoverable costs	151,522	91,830
Art work sales	593,816	379,977
Agency commissions	88,642	95,107
Other income	8,121	114,042
	<u>4,887,407</u>	<u>5,898,735</u>

3(d) Grants, subsidies, contributions and donations

Grant income under AASB 15

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

Performance obligations vary in each agreement but include Home Care Packages. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, revenue is recognised using either costs or time incurred.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note	2024	2023
	\$	\$

Note 3: Revenue (continued)

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

Grant income under AASB 1058

Where Council receives an asset for significantly below fair value, the asset is recognised at fair value, related liability (or equity items) are recorded and income then is recognised for any remaining asset value at the time that the asset is received.

Capital grants

Where council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

Donations and contributions are generally recognised on receipt of the asset since there are no enforceable performance obligations.

Physical assets contributed to council are recognised as revenue when Council obtains control of the asset and there is sufficient data in the form of drawings and plans to determine the approximate specifications and values of such assets. Non-cash contributions with a value in excess of the recognition thresholds are recognised as non-current assets. Those below the thresholds are recorded as expenses.

3(d)(i) Recurrent

General purpose grants (state and commonwealth governments)	3,820,212	6,991,565
State government subsidies and grants	2,389,856	2,558,261
Commonwealth government subsidies and grants	979,704	1,452,892
Contributions, donations and other grants	1,813,506	1,258,548
	<u>9,003,278</u>	<u>12,261,266</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	2,484,738	3,063,564
Commonwealth government capital grants	1,244,185	103,724
Other capital contributions and grants	7,627	1,292
	<u>3,736,550</u>	<u>3,168,579</u>

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

	2024		2023	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Grants and subsidies	7,729,106	3,189,590	10,558,317	3,655,098
Contributions and donations	757,305	1,063,827	273,929	942,502
	<u>8,486,411</u>	<u>4,253,417</u>	<u>10,832,246</u>	<u>4,597,599</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Note 4: Employee benefits			
Employee benefit expenses are recorded when the service has been provided by the employee.			
Staff wages and salaries		5,106,445	5,139,178
Councillors' remuneration		348,004	334,230
Annual, sick and long service leave entitlements		683,601	905,269
Termination benefits		26,564	102,742
Superannuation	18	636,032	648,525
		<u>6,800,646</u>	<u>7,129,944</u>
Other employee related expenses		267,198	256,215
		<u>7,067,844</u>	<u>7,386,160</u>
Less: capitalised employee expenses		(80,608)	(65,438)
		<u>6,987,236</u>	<u>7,320,722</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	46	44
Depot and outdoors staff	39	29
Total full time equivalent employees	<u>91</u>	<u>79</u>

Note 5: Materials and services

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

Administration expenses	1,531,745	1,474,113
Aged care	1,076,191	719,624
Arts centre	766,312	590,193
Audit of annual financial statements by the Auditor-General of Queensland*	91,817	81,000
Child care	159,965	168,064
Information technology and communication	460,800	448,828
Insurance	960,322	780,695
Legal	221,467	189,803
Other materials and services	2,399,426	2,443,237
Plant operations	408,415	414,529
Private works	2,420,797	3,391,838
Property, building and housing	1,617,907	1,519,496
Technical services	183,779	121,001
	<u>12,298,942</u>	<u>12,342,421</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements are \$91,817 (2023: \$81,000)

Note 6: Capital income / expenses

Provision for landfill restoration

Discount rate/(change in estimate) adjustment to landfill restoration provision	15	90,726	(62,109)
		<u>90,726</u>	<u>(62,109)</u>

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

Proceeds from the sale of property, plant and equipment		15,750	46,654
Less: book value of property, plant and equipment disposed		(265,629)	(256,953)
		<u>(249,879)</u>	<u>(210,299)</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Note 7: Cash and cash equivalents			
Cash and cash equivalents in the statement of cash flows include cash on hand, all cash and cheques received but not banked at the year end and deposits held at call with financial institutions.			
Cash at bank and on hand		20,583,147	22,247,335
Term deposits - 3 months or less		50,000	50,085
Balance per Statement of Cash Flows		<u>20,633,147</u>	<u>22,297,420</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		2,852,993	3,265,636
Future recurrent expenditure		1,146,684	1,185,658
Total externally imposed restrictions on cash assets	23	<u>3,999,676</u>	<u>4,451,295</u>

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

Trust funds held for outside parties

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

Security deposits		100,000	116,138
Mission account		-	44,428
		-	641
		<u>100,000</u>	<u>161,207</u>

Note 8: Trade and other receivables

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

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

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

Service charge debtors		1,312	43,030
Lease receivables		67,619	38,500
Other debtors and accruals		893,247	503,749
GST receivable		-	50,439
Prepayments		126,342	33,472
		<u>1,088,520</u>	<u>669,191</u>
Less: Loss allowance		(4,068)	(28,745)
		<u>1,084,452</u>	<u>640,445</u>

Council's impairment of receivables is not material.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$

Note 9: Inventories

Plant and equipment stores and miscellaneous saleable items are held for resale and distribution and are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories for sale:

Miscellaneous saleable items	1,550	6,225
Total inventories for sale	<u>1,550</u>	<u>6,225</u>

Inventories for consumption:

Plant and equipment stores	524,236	391,850
Total inventories for consumption	<u>524,236</u>	<u>391,850</u>

Total inventories	<u>525,786</u>	<u>398,075</u>
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Note 10: Leases

Council as a lessor

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

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

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

(a) Finance leases

Council has leased 289 dwellings (2023: 288) as lessor to the Queensland Government for a total lease term of 40 years. The total lease payment per dwelling in the current year was \$3,658 (2023: ranged between \$2,986 and \$3,512). These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are measured at the present value of the expected future lease payments receivable (fair value). Gains or loss on revaluation of finance lease assets are recognised as other recurrent income.

Current other financial assets

Finance leases on social housing receivable	1,174,124	1,190,723
	<u>1,174,124</u>	<u>1,190,723</u>

Non-current other financial assets

Finance leases on social housing receivable	27,146,718	29,019,634
	<u>27,146,718</u>	<u>29,019,634</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Note 10: Leases (continued)			
Council as a lessor (continued)			
(a) Finance leases (continued)			
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:			
Gross minimum lease payments receivable:			
Not later than one year		1,174,124	1,190,723
Later than one year but not later than five years		4,696,495	4,526,348
Later than five years		27,512,684	27,615,163
		<u>33,383,302</u>	<u>33,332,234</u>
Add: Estimated contingent rent		16,251,469	20,149,733
Less: Present value adjustment		(21,313,930)	(23,271,610)
Fair value of lease payments		<u>28,320,841</u>	<u>30,210,357</u>
The fair value of lease payments are receivable as follows:			
Not later than one year		1,174,124	1,190,723
Later than one year but not later than five years		4,554,617	4,447,579
Later than five years		22,592,101	24,572,055
		<u>28,320,841</u>	<u>30,210,357</u>
Movements in finance leases were as follows:			
Opening balance		30,210,357	31,066,596
Add: Initial recognition of new leases		127,999	-
Less: Lease receipts		(1,194,887)	(994,483)
Plus: Gain/(Loss) on revaluation		(822,628)	138,244
Closing balance		<u>28,320,841</u>	<u>30,210,357</u>
The calculation of fair value has included an estimate of average annual CPI increases of 2.73% per annum (2023: 3.125%) and a discount rate of 4.002% per annum (2023: 3.085%).			
(b) Operating leases			
Where Council retains the risks and rewards relating to a lease, the lease is classified as an operating lease.			
The assets are included in the statement of financial position as property, plant and equipment as the assets are held to meet Council's service delivery objectives (refer note 11).			
The minimum lease receipts arising from operating leases are as follows:			
Not later than one year		1,461,735	1,405,866
One to five years		1,278,054	2,278,249
Later than five years		498,064	627,337
		<u>3,237,852</u>	<u>4,311,453</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 11: Property, plant and equipment

11(a) For the year ended 30 June 2024

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 11: Property, plant and equipment

11(a) For the year ended 30 June 2023

	Note	Office equipment	Plant and equipment	Buildings and other structures	Land	Road, footpath, drainage and bridge network	Aerodrome	Sewerage	Landfill	Water	Capital works in progress	TOTAL
Basis of measurement		Cost	Cost	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Cost	
Fair value category				Levels 2 & 3	Level 2	Level 3	Level 3	Level 3	Level 3	Level 3		
Asset values		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening gross value as at 1 July 2022		448,290	4,658,619	94,779,577	551,200	40,556,988	5,190,566	16,188,597	-	10,525,383	3,878,434	176,777,655
Additions at cost		-	55,319	-	-	-	-	-	-	-	3,723,317	3,778,636
Disposals	6	(305,906)	(500,438)	(334,051)	-	-	(23,314)	(202,547)	-	(194,065)	-	(1,560,321)
Revaluation adjustment to asset revaluation surplus	16	-	-	4,937,897	33,072	2,920,103	373,663	1,715,991	-	1,115,691	-	11,096,417
Internal transfers		-	194,427	1,735,818	-	1,454,096	22,514	1,061,894	527,202	624,948	(5,620,898)	-
Closing gross value as at 30 June 2023		142,385	4,407,927	101,119,241	584,272	44,931,187	5,563,429	18,763,934	527,202	12,071,957	1,980,853	190,092,387
Accumulated depreciation												
Opening balance as at 1 July 2022		410,115	2,864,570	39,380,892	-	6,067,708	447,986	8,211,002	-	2,308,784	-	59,691,056
Depreciation expense		18,830	375,476	3,544,303	-	839,811	120,084	412,040	13,389	203,884	-	5,527,817
Disposals	6	(305,906)	(452,007)	(223,985)	-	-	(23,314)	(172,339)	-	(125,817)	-	(1,303,368)
Revaluation adjustment to asset revaluation surplus	16	-	-	2,222,520	-	493,622	39,222	906,188	-	265,205	-	3,926,757
Accumulated depreciation as at 30 June 2023		123,039	2,788,040	44,923,729	-	7,401,141	583,977	9,356,890	13,389	2,652,056	-	67,842,262
Book value as at 30 June 2023		19,345	1,619,887	56,195,512	584,272	37,530,046	4,979,452	9,407,044	513,813	9,419,901	1,980,853	122,250,126
Range of estimated useful life in years		4-10	2-25	5-80	Indefinite	25-indefinite	2-indefinite	7-100	10-80	10-80	-	

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 11: Property, plant and equipment (continued)

11(c) Recognition

The asset capitalisation threshold for Council is:

Land: \$1

Land Improvements: \$10,000

Plant and Equipment: \$5,000

Office Equipment: \$5,000

Buildings: \$10,000

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

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of the water infrastructure network.

Land under roads and reserve land under the Land Act 1994 or Land Title Act 1994 is controlled by Queensland State Government and not recognised in the Council financial statements.

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a lease over the asset. Aurukun Shire Council currently does not have any such land holdings.

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 286.1425 hectares described in Title References 40066957 and 4066958.

The land is administered by the Department of Natural Resources and Mines and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

11(d) Measurement

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

Cost is determined as the fair value of consideration plus costs incidental to the acquisition. Direct labour, materials and an appropriate portion of overheads incurred in the acquisition or construction of assets are also included as capital costs.

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

When Council raises a provision for the restoration of a Council-controlled site, such as a landfill site, the provision is initially recognised against property, plant and equipment. Subsequent changes in the provision relating to the discount rate or the estimated amount or timing of restoration costs are recognised through the statement of income.

11(e) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land and work in progress are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

The useful life of leasehold improvements is the shorter of the useful life of the asset or the remaining life of the lease.

Where assets have separately identifiable components, these components have separately assigned useful lives.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 11: Property, plant and equipment (continued)

11(e) Depreciation (continued)

Depreciation methods, estimated useful lives and residual values 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.

Key judgements and estimates:

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

11(f) Impairment

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

11(g) Valuation

Key judgements and estimates:

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

11(g)(i) Valuation processes

Council considers the carrying amount of its property, plant and equipment on an annual basis compared to fair value and makes adjustment where these are materially different. Every 3 years, council performs a full comprehensive revaluation by engaging an external professionally qualified valuer.

In the intervening years, Council undertakes a desktop valuation for land and improvements, buildings and infrastructure asset classes which involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Revaluation increases are recognised in the asset revaluation surplus unless they are reversing a previous decrease which was taken through the income statement, in that case the increase is taken to the income statement to the extent of the previous decrease.

Revaluation decreases are recognised in the asset revaluation surplus, where there is sufficient amount available in the asset revaluation surplus relating to that asset class. Where there isn't sufficient amount available in the surplus, the decrease is recognised in the statement of comprehensive income.

Where the class of asset has previously decreased in value and this reduction was recognised as an expense, an increase in the value of the class is recognised in the statement of comprehensive income.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Fair values are classified into three levels as follows:

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

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

There were no transfers between levels during the year.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 11: Property, plant and equipment

11(g) Valuation (continued)

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

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Indexation applied at 30 June 2024	Valuer engaged	Key assumptions and estimates (related data sources)
Land (level 2)	Market value	30/06/2024	N/A	JLL	The values have been determined based on sales of land in the locality, and take into consideration zoning, size, shape, location topography and exposure characteristics for each lot; as well as overall market conditions as at the date of valuation.
Buildings and other structures (level 2)	Market value	30/06/2024	N/A	JLL	Sales price per square metre of comparable properties, adjusted for differences in key attributes such as condition.
Buildings and other structures (level 3) 2024: \$57,380,024 2023: \$55,370,769	Current replacement cost	30/06/2024	N/A	JLL	Current gross replacement cost Unit rates for construction as at the comprehensive valuation date (recent construction data, Rawlinson's cost data and cost indices for different regions in Queensland, taking into account site specifics and consideration on size, material, type and structure). Accumulated depreciation The valuer assessed the remaining useful life and hence accumulated depreciation by analysing factors that contribute to the three forms of obsolescence: physical, functional and economic obsolescence.
Road, footpath, drainage and bridge network (level 3)	Current replacement cost	30/06/2021	6.11%	JLL	Current gross replacement cost The unit rates applied include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, direct quotations from suppliers, unit rate databases, indices and industry standard sources such as Rawlinsons' Construction Handbook. Accumulated depreciation The valuer assessed the remaining useful life and hence accumulated depreciation by analysing factors that contribute to the three forms of obsolescence: physical, functional and economic obsolescence.
Aerodrome (level 3)			6.11%		
Sewerage (level 3)	Current replacement cost	30/06/2024	N/A		
Landfill (level 3)					
Water (level 3)					

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$
Note 12: Contract balances		
Contract assets represents the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.		
12(a) Contract assets	<u>1,689,852</u>	<u>1,297,340</u>
12(b) Contract liabilities		
Funds received upfront to construct Council controlled assets	2,869,123	3,265,636
Non-capital performance obligations not yet satisfied	102,363	137,900
	<u>2,971,486</u>	<u>3,403,536</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	1,078,961	1,267,891
Non-capital performance obligations (including deposits received in advance)	137,900	67,900
	<u>1,216,861</u>	<u>1,335,791</u>

Satisfaction of contract liabilities

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

12(c) Significant changes in contract balances

Performance obligations of certain disaster recovery funding arrangements programs have increased contract liabilities while completed projects have increased contract assets.

Note 13: Trade and other payables

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

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	1,285,080	1,325,658
Annual leave payable	279,527	311,470
Sick leave payable	23,796	58,172
	<u>1,588,402</u>	<u>1,695,299</u>

Note 14: Borrowings

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 date is 15 June 2035.

Council adopts an annual debt policy that sets out council's planned borrowings for the next nine years. Council's current policy is to only borrow for capital projects and for a term no longer than the expected life of the asset. Council also aims to comply with the Queensland Treasury Corporation's borrowing guidelines and ensure that sustainability indicators remain within acceptable levels at all times.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$
Note 14: Borrowings (continued)		
Current		
Loans - Queensland Treasury Corporation	35,938	34,601
Non-current		
Loans - Queensland Treasury Corporation	442,032	477,180
	<u>477,971</u>	<u>511,781</u>
Loans - Queensland Treasury Corporation		
Opening balance at beginning of financial year	511,781	544,250
Principal repayments	<u>(33,810)</u>	<u>(32,470)</u>
Book value at end of financial year	<u>477,971</u>	<u>511,781</u>

Note 15: Provisions

Long service leave

The provision for long service leave represents the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The provision is discounted using the Commonwealth Bond yield rates published on the Department of State Development, Infrastructure, Local Government and Planning website.

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 in 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 \$1,458,232 is expected to be incurred between 2030 and 2060. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note	2024	2023
	\$	\$
Note 15: Provisions (continued)		
Current		
Long service leave	131,260	140,964
	131,260	140,964
Non-current		
Landfill restoration	1,103,420	1,194,146
Long service leave	106,916	121,069
	1,210,335	1,315,214
Landfill restoration		
Balance at beginning of financial year	1,194,145	1,132,037
Increase (decrease) due to unwinding of discount	(90,726)	62,109
Balance at end of financial year	1,103,419	1,194,145

Note 16: Asset revaluation surplus

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

Land	295,000	109,272
Buildings and other structures	95,009,023	90,784,879
Road, footpath, drainage and bridge network	28,404,111	27,877,983
Aerodrome	4,539,435	4,400,054
Sewerage	4,004,242	4,484,645
Landfill	264,338	-
Water	4,521,092	5,625,437
	137,037,241	133,282,271

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 2023 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 \$336,185

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$

Note 18: Superannuation

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

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the council level.

Any amount by which the scheme is over or under funded may affect future contribution rate obligations, but has not been recognised as an asset or liability of the council.

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

The last completed triennial actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2024. The actuary indicated that "At the valuation date of 1 July 2024, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date. The measure of vested benefits represents the value of benefit entitlements should all participating employees voluntarily exit the scheme. The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

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

The next triennial actuarial review is not due until 1 July 2027.

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

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

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

Total superannuation contributions paid by Council for employees	<u>636,032</u>	<u>648,525</u>
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Note 19: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities

Net result		(3,283,854)	272,656
Non-cash operating items:			
Depreciation and amortisation		<u>5,872,716</u>	<u>5,527,817</u>
Investing and development activities (non-cash):			
Net (profit) loss on disposal of non-current assets	6	249,879	210,299
(Gain) loss on revaluation of plant and equipment expensed	11(a)	58,314	-
(Gain) loss on revaluation of finance leases	10	822,628	(138,244)
Gain on initial recognition of finance leases	10	(127,999)	-
Capital grants and contributions	3(d)	(3,736,550)	(3,168,579)
Finance costs		<u>11,984</u>	<u>100,794</u>
		<u>(2,721,744)</u>	<u>(2,995,731)</u>

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

<u>Note</u>	<u>2024</u>	<u>2023</u>
	\$	\$
Note 19: Reconciliation of net result for the year to net cash inflow (outflow) from operating activities (continued)		
Changes in operating assets and liabilities:		
(Increase)/decrease in receivables	(444,006)	385,314
(Increase)/decrease in inventories	(127,711)	328,501
(Increase)/decrease in contract assets	39,888	(39,888)
Increase/(decrease) in payables	378,613	(206,760)
Increase/(decrease) in contract liabilities	(35,537)	70,000
Increase/(decrease) in provisions	(66,302)	165,420
	<u>(255,054)</u>	<u>702,587</u>
Net cash inflow/(outflow) from operating activities	<u><u>(387,936)</u></u>	<u><u>3,507,327</u></u>

Note 20: Reconciliation of liabilities arising from finance activities

Loans		
Balance as at 1 July	511,780	544,250
Cash flows	(33,810)	(32,470)
Balance as at 30 June	<u><u>477,970</u></u>	<u><u>511,780</u></u>

Note 21: Events after the reporting date

There were no material adjusting events after the balance date.

Note 22: Transactions with related parties

22(a) Related entities

Aurukun Shire Council has no associates or joint ventures.

22(b) Transactions with key management personnel (KMP)

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

The compensation paid to KMP comprises:

Short-term employee benefits	1,259,783	1,190,427
Post-employment benefits	108,716	115,258
Long-term benefits	7,241	26,830
Termination benefits	12,308	33,077
Total	<u><u>1,388,048</u></u>	<u><u>1,365,592</u></u>

Detailed remuneration disclosures are provided in the annual report.

22(c) Transactions with other related parties

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

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

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$

Note 22: Transactions with related parties (continued)

22(c) Transactions with other related parties (continued)

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

Details of transaction

Fees and charges charged to close family members of key management personnel	22(c)(i)	11,132	602
Employee expenses for close family members of key management personnel	22(c)(ii)	153,114	280,751
Purchase of materials and services from close family members of key management personnel	22(c)(iii)	36,408	32,474

22(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.

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

The council employed 161 staff of which 4 (2023: 5) are close family members of key management personnel.

22(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.

22(d) Outstanding balances

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

Receivables

Current	6,798	-
Past due 31-60 days	201	-
Past due 61-90 days	1,108	-
More than 90 days overdue	65	602
	<u>8,173</u>	<u>602</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.

22(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.

22(f) Commitments to/from other related parties

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

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

Most of the entities and people that are related parties of council live and operate within Aurukun Council. Therefore, on a regular basis ordinary citizen transactions occur between council and its related parties. Some examples include dog registration and borrowing books from the council library.

AURUKUN SHIRE COUNCIL
Notes to the Financial Statements
For the year ended 30 June 2024

Note 23: Tied grants by project

The following note is prepared on a cash basis.

Source of funds and/or projects

	Balance 1/07/2023	Revenue	Expense	Balance 30/06/2024
	\$	\$	\$	\$
General purpose grants				
Grants for the whole of Council:				
Financial assistance grant	-	129,042	129,042	-
Indigenous Councils Funding Program	-	3,691,170	3,691,170	-
	-	3,820,212	3,820,212	-
Specific purpose grants				
First start program	120,000	-	120,000	-
Rapid low earth orbit deployment program	-	22,500	19,260	3,240
Indigenous visual arts industry support	125,489	190,000	253,264	62,225
Indigenous regional arts development fund	31,061	42,750	12,259	61,552
Backing indigenous arts (Arts Qld)	43,290	57,600	100,890	-
Indigenous languages and arts program	10,277	-	2,700	7,577
Strategic development fund	-	60,000	-	60,000
Emergency relief	-	10,000	10,000	-
Splash park	168,403	266,250	244,194	190,459
Deadly active sport and recreation program	34,090	117,325	85,096	66,319
Christmas community celebration hampers	-	204,509	204,509	-
Local thriving communities	40,118	-	10,873	29,245
Indigenous knowledge centre	4,124	19,925	24,049	-
First five forever program	-	3,000	3,000	-
Indigenous languages and arts program (IKC)	16,575	-	40	16,535
Indigenous knowledge centre upgrade	894	-	894	-
Koolkan Woyan Min child and family hub program	-	146,187	119,444	26,743
Aurukun playgroup and early childhood learning	-	127,398	127,398	-
Community child care foundation	-	535,735	535,735	-
Community transport	-	38,846	38,846	-
Indigenous employment initiative	27,597	166,460	106,293	87,764
Queensland community support scheme	-	67,830	67,830	-
Community safety plan round 2	45,355	25,000	40,861	29,494
Service enhancement	27,420	135,000	18,343	144,078
Sly grog prevention	-	280,000	15,546	264,454
DSDSATSIP CCTV 2021-23	77,873	132,000	231,604	(21,731)
ATSI public health	33,091	198,284	231,375	-
Sporting oval upgrade	-	97,273	-	97,273
Forward remote capital program	1,928,407	-	30,450	1,897,957
Disaster recovery funding arrangements 2019-20	(34,263)	34,263	-	-
Disaster recovery funding arrangements 2020-21	(123,277)	64,021	(59,257)	-
Disaster recovery funding arrangements 2021-22	786,486	1,353,423	2,401,355	(261,447)
Disaster recovery funding arrangements 2022-23	-	830,302	101,843	728,459
Local roads and community infrastructure phase 2	(20,976)	-	956	(21,932)
Local roads and community infrastructure phase 3	501	-	27,385	(26,884)
Old cemetery refurbishment	79,899	-	24,826	55,073
Works for Queensland round 4	510,413	-	587,914	(77,501)
Local government illegal dumping	123,624	-	8,935	114,689
Qlds fishing infrastructure grant	27,440	-	27,440	-
Metal and vehicle clean up	-	106,260	65,148	41,112
Remote airstrip upgrade round 9	188,866	224,491	413,357	-
Airport solar gate and community centre aircon	-	35,000	20,041	14,959

Note 23: Tied grants by project (continued)

Aurukun housing design concepts	-	22,756	22,756	-
Solid waste facility refurbishment	(417,164)	-	-	(417,164)
Waste water infrastructure improvements	(473,004)	-	-	(473,004)
Water infrastructure improvements	(342,970)	-	-	(342,970)
Get ready Queensland	(628)	6,102	5,003	471
	3,039,011	5,620,487	6,302,455	2,357,043
Add back negative (i.e. overspent) grants	1,412,284			1,642,633
Unspent grant revenue	4,451,295	9,440,699	10,122,667	3,999,676

Negative grant balances occur where at 30 June Council has used its own funds to pay for the grant's expenditure and the overspent balance is expected to be received in future periods.

AURUKUN SHIRE COUNCIL
Financial Statements
For the year ended 30 June 2024

Management Certificate
For the year ended 30 June 2024

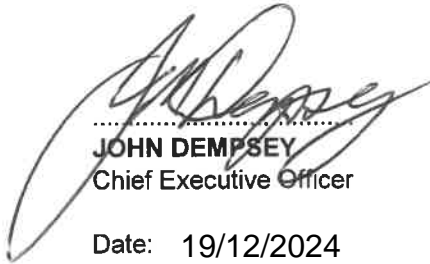
These general purpose financial statements have been prepared pursuant to sections 176 and 177 of the Local Government Regulation 2012 (the Regulation) and other prescribed requirements.

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

- (i) the prescribed requirements of the Local Government Act 2009 and Local Government Regulation 2012 for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, as set out on pages 3 to 29, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.


.....
BARBARA BANDICOOTCHA
Mayor

Date: 19/12/2024


.....
JOHN DEMPSEY
Chief Executive Officer

Date: 19/12/2024

INDEPENDENT AUDITOR'S REPORT

To the councillors of Aurukun Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Aurukun Shire Council.

The financial report comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2024, and of its financial performance for the year then ended; and
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Aurukun Shire Council's annual report for the year ended 30 June 2024 was the current year financial sustainability statement (audited ratios), current year financial sustainability statement - contextual ratios (unaudited ratios) and unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2024:

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

Prescribed requirements scope

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



William Cunningham
as delegate of the Auditor-General

19 December 2024

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL
SUSTAINABILITY STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

AURUKUN SHIRE COUNCIL
For the year ended 30 June 2024

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AURUKUN SHIRE COUNCIL
Current Year Financial Sustainability Statement (audited ratios)
For the year ended 30 June 2024

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Council Narrative
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	10.3 months	N/A	Council's cash position is healthy and will support borrowings for planned infrastructure and housing upgrades especially when supported with grant funding.
Operating Performance	Operating Surplus Ratio	Contextual	-31.2%	-12.8%	The isolation of Aurukun limits its ability to attract skilled workers, as a result expensive contractors and consultants need to be employed. The costs of materials and services is high due to freight costs and the annual wet season that isolates the shire for months at a time.
	Operating Cash Ratio	Greater than 0%	-0.5%	12.5%	Council has limited opportunity to increase own source funding relying upon grant income to provide services to the community. There are plans in place to upscale its plant and upskill staff to generate additional income streams.
Asset Management	Asset Sustainability Ratio	Greater than 90%	10.2%	11.6%	Council's current high reliance upon grant funding does not allow for an adequate budget for asset renewals. Over the past two years a significant improvement in asset management processes has allowed council to identify key infrastructure and with government support asset upgrades and renewals will be undertaken.
	Asset Consumption Ratio	Greater than 60%	60.5%	64.4%	This ratio shows that council is meeting the requirement set, however a high number of councils assets do not meet modern standard and may require upgrades.
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-5 times	1.9 times	Council has a small debt and this is easily being covered by its annual cash surplus.

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

AURUKUN SHIRE COUNCIL
Current Year Financial Sustainability Statement (audited ratios)
For the year ended 30 June 2024

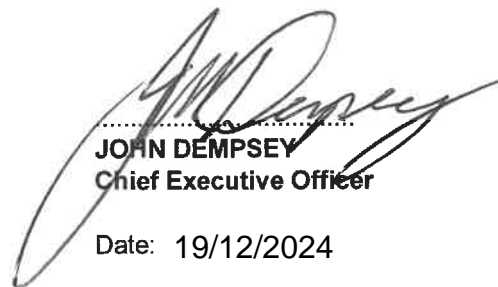
Certificate of Accuracy
for the current year financial sustainability statement (audited ratios)
For the year ended 30 June 2024

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

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


.....
BARBARA BANDICOOTCHA
Mayor

Date: 19/12/2024


.....
JOHN DEMPSEY
Chief Executive Officer

Date: 19/12/2024

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Aurukun Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Aurukun Shire Council for the year ended 30 June 2024, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Aurukun Shire Council for the year ended 30 June 2024 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

I draw attention to the note which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2024 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Aurukun Shire Council's annual report for the year ended 30 June 2024 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios (unaudited ratios), and unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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



William Cunningham
as delegate of the Auditor-General

19 December 2024

Queensland Audit Office
Brisbane

AURUKUN SHIRE COUNCIL**Current Year Financial Sustainability Statement - Contextual Ratios (unaudited ratios)****For the year ended 30 June 2024**

Type	Measure	Target (Tier 8)	Actual Current Year	5-Year Average	Council Narrative
Financial Capacity	Council-Controlled Revenue*	N/A	11.3%	7.0%	Council's ratios are low reflecting the limited amount of own source revenue that council is able to generate, it continues to rely upon State and Federal funding with which to provide basic services to the community. Council is working toward increasing its roadworks capability through the purchase of new plant this will enable council to significantly increase its private works revenue earning capacity. To enable council to address a minor level of unexpected financial shocks council manages its cash flow to ensure that an adequate balance of unrestricted cash is available.
	Population Growth*	N/A	-0.5%	-2.8%	Council goals include provision of more community housing, better sport and recreation facilities, support for the Aurukun Youth Strategy, improvement of education about health within the community, advocate for local drivers and boat licencing capability and reviewing the alcohol management plan are all geared toward increasing community growth.

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

AURUKUN SHIRE COUNCIL

**Current Year Financial Sustainability Statement - Contextual Ratios (unaudited ratios)
For the year ended 30 June 2024**

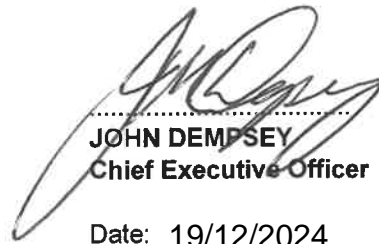
**Certificate of Accuracy
for the current year financial sustainability statement - contextual ratios (unaudited ratios)
For the year ended 30 June 2024**

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

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


.....
BARBARA BANDICOOTCHA
Mayor

Date: 19/12/2024


.....
JOHN DEMPSEY
Chief Executive Officer

Date: 19/12/2024

AURUKUN SHIRE COUNCIL
Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2024

Type	Measure	Target (Tier 8)	Actuals at 30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Financial Capacity	Council-Controlled Revenue	N/A	11.3%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
	Population Growth	N/A	-0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Performance	Operating Surplus Ratio	Contextual	-31.2%	-23.1%	-23.6%	-24.0%	-23.7%	-23.1%	-23.5%	-23.8%	-24.2%	-24.5%
	Operating Cash Ratio	Greater than 0%	-0.5%	2.9%	2.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.6%	2.6%
Liquidity	Unrestricted Cash Expense Cover Ratio	Greater than 4 months	10.3 months									
Asset Management	Asset Sustainability Ratio	Greater than 90%	10.2%	89.2%	85.4%	82.0%	80.6%	80.1%	76.7%	73.6%	70.7%	67.9%
	Asset Consumption Ratio	Greater than 60%	60.5%	58.0%	57.9%	57.7%	57.5%	57.2%	56.8%	56.4%	55.9%	55.3%
Debt Servicing Capacity	Leverage Ratio	0 to 3 times	-5 times	1.6 times	0.6 times	0.5 times	0.4 times	0.4 times	0.3 times	0.2 times	0.1 times	0.04 times

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

AURUKUN SHIRE COUNCIL
Unaudited Long Term Financial Sustainability Statement
Prepared as at 30 June 2024

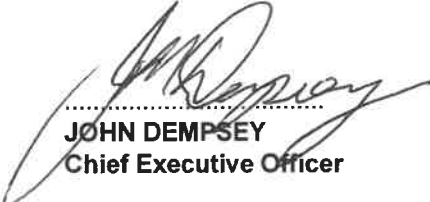
Certificate of Accuracy
for the unaudited long term financial sustainability statement
prepared as at 30 June 2024

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

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


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BARBARA BANDICOOTCHA
Mayor

Date: 19/12/2024


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JOHN DEMPSEY
Chief Executive Officer

Date: 19/12/2024