

Lockhart River Aboriginal Shire Council



Annual Report 2012 - 2013

TABLE OF CONTENTS

WELCOME.....	3
MAP OF LOCKHART RIVER	4
MAP OF LOCKHART RIVER TOWNSHIP	5
COUNCIL VISION, MISSION STATEMENT AND GUIDING VALUES	6
MAYOR’S REPORT.....	7
CHIEF EXECUTIVE OFFICER’S REPORT	8
LOCKHART RIVER HISTORY	9
FACILITIES AND SERVICES.....	13
OUR COUNCIL	18
ELECTED MEMBERS	20
OUR ORGANISATION	21
Corporate Structure.....	21
Senior Management Team Member	22
Separation of Powers.....	23
Council Structure.....	24
Governance and Leadership.....	28
Agenda and Minutes	30
Portfolios	31
Meetings with outside agency	31
Mayor’s Employee Excellence Awards	31
Statutory Requirements	32
Councillors Remuneration	32
Executive Remuneration.....	33
Complaints Management Process – Administration Action Complaints.....	34
Equal Employment Opportunity (EEO)	34
Overseas Travel.....	35
Expenditure on grants to Community Organisations	35
Registers.....	35
Corporate and Operational Plan	36
Internal Audit Report	36
External Audit.....	36
Engineering Services	37
Civil Works	37
Council Workshop.....	51
Housing.....	52
Environmental Management.....	53
Working on Country	58
Lockhart River Planning Scheme	64
Disaster Management.....	65
Lockhart River Community Safety Plan	66
Lockhart River Aerodrome.....	67
Community Development Services.....	70
Corporate Services	95

Human Resources Management	96
Post Office and Banking Services	100
Centrelink.....	100
Housing.....	101
Indigenous Knowledge Centre (Library)	101
Radio Station	102
COMMUNITY FINANCIAL REPORT.....	103
FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2013.....	114

Lockhart River Aboriginal Shire Council

ANNUAL REPORT 2012 - 2013

WELCOME

Lockhart River Aboriginal Shire Council 2012 Annual Report provides a comprehensive account of Council's performance from 01 July 2012 – 30 June 2013.

Council's 2012 – 2013 Annual Report details our achievements over the last 12 months, addresses some of the setbacks experienced and also identifies the future challenges that lie ahead for our community.

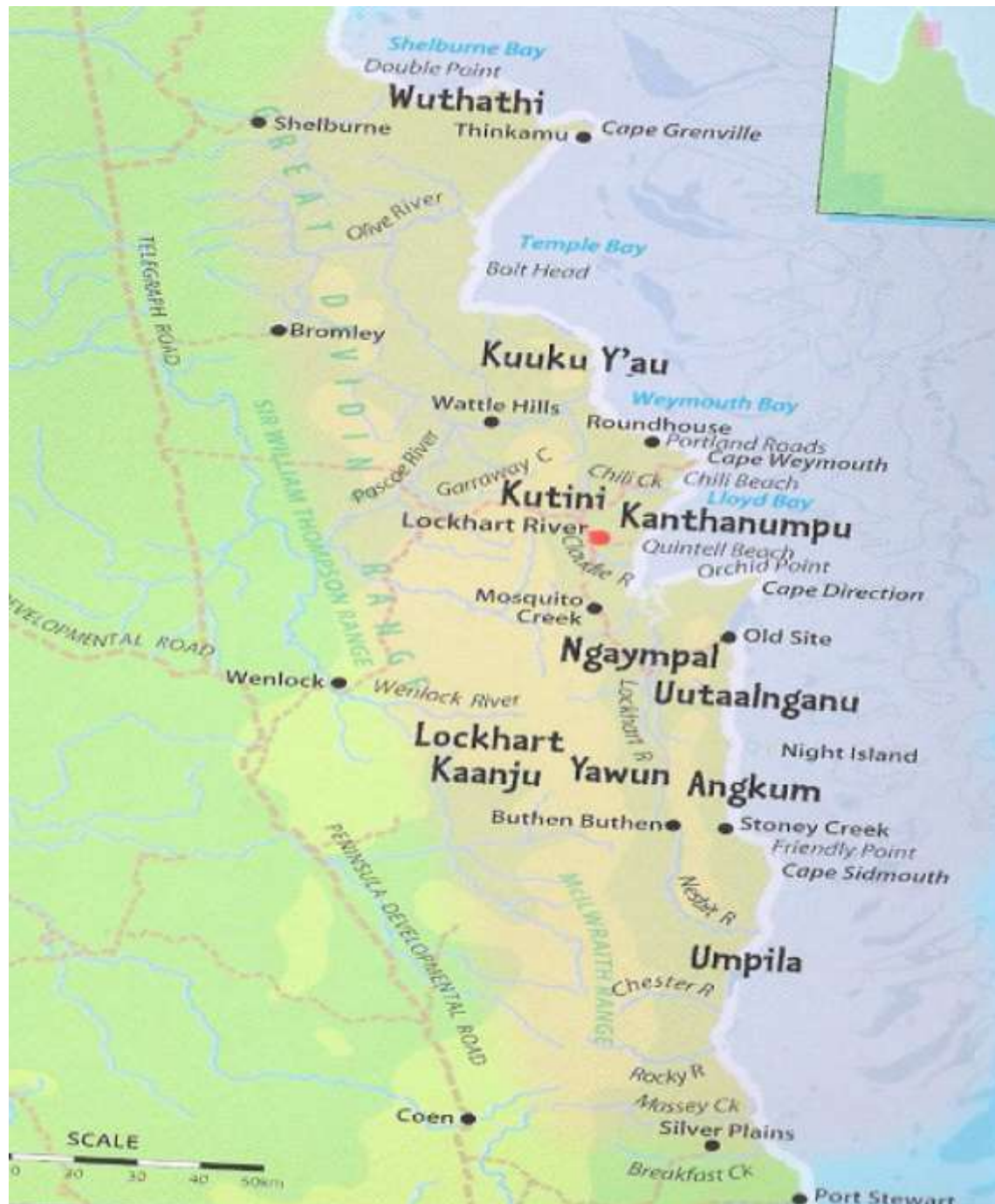
The information in this report demonstrates accountability to various stakeholders, who include our community residents, staff, Councillors, Government Departments and other interested groups.

Copies of the 2012 – 2013 Corporate Plan, this Annual Report and the Council's Financial Statements are available free of charge electronically on Council website www.lockhart.qld.gov.au

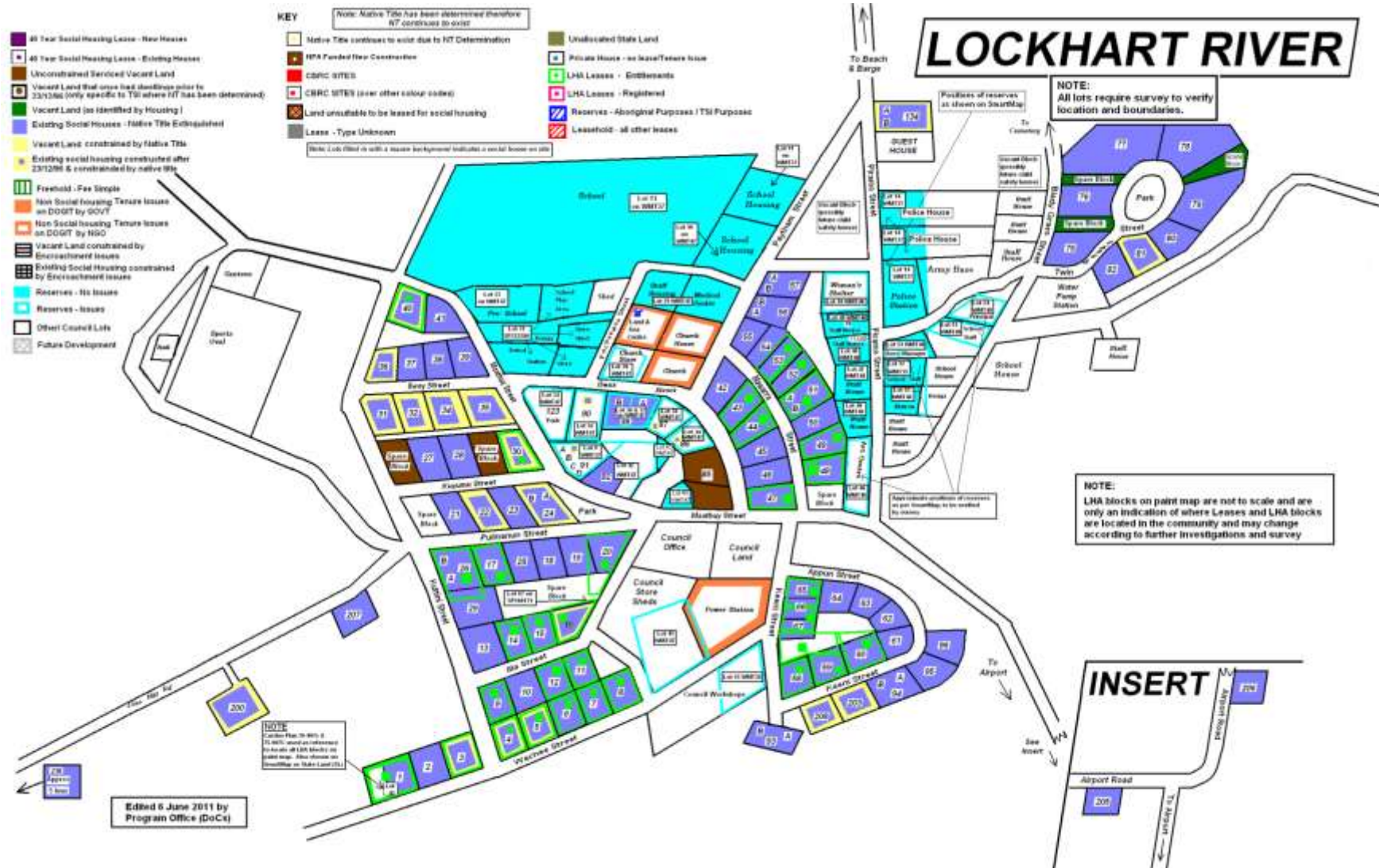
We aim to make this Annual Report transparent and user friendly. Council welcomes your feedback and suggestions for improvement. If you have comments you wish to share, please direct them to Chief Executive Officer by phoning 07 4060 7144 or email ceo@lockhart.qld.gov.au.

Happy Reading!

MAP OF LOCKHART RIVER



MAP OF LOCKHART RIVER TOWNSHIP



COUNCIL VISION, MISSION STATEMENT AND GUIDING VALUES

Our Vision

- Strong Puuya
- Strong Culture
- Strong Future

Our Mission Statement

To lead, strengthen and serve the community by providing high quality level of services as well as providing opportunities for you and me.

Our Guiding Principles and Values

The commitment of the elected representatives and officers of the Lockhart River Aboriginal Shire Council to its residents is underpinned by the following principles:-

- Respect
- Honesty
- Integrity
- Working and Learning together
- Fairness
- Being positive
- Respect of Culture
- Accountability

MAYOR'S REPORT



The 2012 – 2013 Financial Year has been one of intense planning, productivity and change. In May 2012, I was sworn in as the Mayor together with four other Councillors. We began immediately to work on the preparation of the 2012 – 2013 operational plan and Council budget and at the same time started to review the organization structure.

Intense Planning

Work on the review of the organisational structure gained prominence at the start of the year. A new organization structure was adopted which created a new unit called the Building Services section of the Council.

This unit was established to position the Council take advantages of the major building boom and upgrade program that are in the pipeline. Work on the identification of a new site where the new social houses will be built was undertaken. A new site was identified and following community consultation, approved. Council approached the Department for assistance with the development of the new sub-division. Likewise, following discussions with the Community members and Traditional Owners, a new site for the Quintell beach was identified, agreed to and preliminary work commenced on the Quintell camp site project. Other areas where intense planning occurred included negotiations with the Department of Transport and Main Roads to fund the link slabs at the Pascoe Crossing, securing additional funds for the road signage project.

Productivity

A number of activities were undertaken during the reporting period. I am pleased to note the range of work undertaken by the Council on a number of fronts; Civil Works, Building Services, Environmental Management, Working on Country, Community Development and Corporate Services of the Council. It is my opinion that the residents of the Shire can be pleased with the work of Councillors and dedicated staff both from a quantitative and qualitative view points

Changes

There were changes to the composition of the elected members of the Council, first Cr. Josiah Omeenyo for a brief period and then Cr. Rebecca Elu who was elected after a by-election in March 2013. There were also changes in the composition of the Staff levels.

During the year, Council adopted a new organisational structure, introduced new policies and started to place increasing emphasis on value for money concept on all Council operations.

Another significant change was the change in the model of service delivery. IN 2012 – 2013 Council introduced sub-contracting arrangements in a number of service delivery areas: under NDRRA Sub-contracting arrangement was introduced, likewise Council used the services of Cairns Regional Council Laboratory unit for testing water samples from the Community.

This is a new direction towards creating a new strategic co-operative alliance with other stakeholders to assist Council with its service delivery as well as capacity building programs.

Conclusion

I am proud of what has been achieved in our first year of our term and of the projects that are being delivered that will make a real difference to the people of Lockhart River. I thank my fellow Councillors, Staff and all agencies that made all to happen. In particular, I would like to thank the Community members for its ongoing support as Lockhart River continues to lay the Strong Foundation for a vibrant and prosperous future.

Wayne Butcher - Mayor

CHIEF EXECUTIVE OFFICER'S REPORT

This year has been notable for a range of initiatives and actions, dealing with both emergent and long term community issues. Details of these initiatives and actions are reported in various parts of this report.

Major Achievements

Business has been maintained as usual despite the unforeseen additional state government requirements. In particular, it is worth mentioning such achievements as:

- Securing funding for a number of new projects such as new subdivision development; new Council Store upgrade; Pascoe River Crossing; TIDS Signage Project Lockhart River Drainage Master plan.
- Appointments of consultants to finalise work on the Lockhart River Planning Scheme as well as Lockhart River Disaster Management plan.
- Work undertaken by Council in relation to NDRRA projects to deal with emergent and restoration road works.
- Council financial statements signed by the Queensland Audit Office; unmodified opinion (5th successive year).

Challenges

Lockhart River continues to operate under the ever changing rules and regulations that underpin good rule and governance. Due to its isolation, services costs, general lack of resources (Financial, Human and Technological) these rules and regulations, place at times unwanted and unworkable strains and pressures on both the staff and service providers.

Some of these rules and regulations need to be reviewed. I do note the grey clouds on the horizon and the Council may need to be prudent in how it manages its operations as it goes forward.

Moving Forward

Our focus will continue to be on providing best value services that are responsive to Community needs, meet set performance standards and provide value for money. They must also balance affordability and accessibility and support opportunities for local employment growth.

Through community engagement, Council will ensure that the community residents are well informed about matters that impact on their lives and that they have an opportunity to contribute to decision making. In the coming year, there will be many changes, new water and waste management rates will be introduced, local laws will be developed and adopted, desire to increase the Council's ability to raise more revenue from its operations will be critically assessed, training of staff to improve their operational effectiveness will be undertaken.

Conclusion

This will be my fifth and final report as the Chief Executive Officer of Lockhart River Aboriginal Shire Council. During my tenure, I watched, learned and questioned things. The years that I have worked for Lockhart River provided me with the opportunity to meet and serve a remote indigenous Council. It was a job that was challenging and demanding, but also rewarding and satisfying.

I would like to thank the Mayor and Councillors, the Staff, all Stakeholders and members of the Lockhart River community who made significant inputs into the Council Operations and made all to happen.

Peter Opio-Otim - Chief Executive Officer

LOCKHART RIVER HISTORY

The Lockhart River Township is part of the traditional lands of the 'Kanthanumpu' Southern Kuuku Ya'u. The community is extremely remote, being some 850 kilometers north of Cairns. The 800 strong population consists mainly of people originating from the six main territories in the surrounding districts, viz.

1. The southern Wuthathi from Shelburn Bay to Olive River
2. The Kuuku Ya'u and Kanthanumpu (Northern and Southern Kuuku Ya'u) from Bolt Head
3. to the Lockhart River mouth
4. The Uutaalnganu (Night Island) from south of Lockhart River to north of Friendly Point
5. The Umpila from Friendly Point to Massy Creek *and*
6. The northern and southern Kaanju from the inland mountain country behind the coastal territories

The first recorded European contact with the area was from William Bligh in 1789 who, after being cast adrift following the famous mutiny on the Bounty, close to where the Lockhart River Mission would one day be built. In 1848 the explorer Edmund Kennedy entered the Lockhart River valley, swinging westwards across the hills until reaching upper Pascoe River. After Kennedy there was no further land exploration in the area until William Hann came across from the Holroyd River in 1872 passing just south of the present town of Coen.

contact with the area was from being cast adrift following the He spent one night ashore, River Mission would one day Edmund Kennedy entered the westwards across the hills until After Kennedy there was no area until William Hann came in 1872 passing just south of

From the 1880's, sailors formed working relationships with Aboriginal family groups to gain labour to dive for beche-de-mer and pearl shells. But some of the lugger captains paid them as little as \$1.50 a month. Aboriginal labour on luggers was later prohibited. The period is known as 'lugger time'.

In 1906 Chief Protector R B Howard recommended that an Aboriginal settlement be established at Lloyd Bay. He visited the region and wrote glowingly of the 'fine stamp of people-strong, healthy, active fellows' who seemed delighted at the idea of a settlement being formed in their own country'. In the early part of last century, Orchid Point on Lloyd Bay was center for the sandalwood trade, and Hugh Giblet set up a base camp here for gathering sandalwood.

Giblet reputedly recruited Aboriginal workers to gather sandalwood, protected them from unscrupulous lugger captains and rewarded them well with food, clothing and cases of liquor for a Christmas party. Giblet is remembered for his capacity to trust the Aborigines, including allowing them to operate his

boats in his absence during the First World War, his tolerance of their ways, knowledge of their language and personal loyalty. He was remembered, however by missionary John Done as being 'of bad character' and for using grog for himself and the Aborigines and also for having 'kept a harem'. Gilbert died in 1923. According to Aboriginal oral accounts it was from infection (which he refused to have treated) from a woomera blow which broke his jaw during a drinking party. Numbers were failing and the Aborigines of the region would 'keenly feel the hardship' when employment from the industry ceased. In his report for 1912 he pointed to problems relating to the supply of intoxicating liquor to the Lockhart Aborigines and referred to the 'urgent necessity of at once placing an office of this department at the Pascoe or Claudie River to see the provisions of the Aboriginals Protection Act are not evaded'.

However it was not until 1921 that Bishop Newton asked the government to help set up a mission on the Pascoe River reserve. A typical mission station approach was envisaged, with superintendent and priest to supervise the settling of people in villages and the provision of a school, store, medical facility, sailing vessel, fencing and a few dairy cattle. Because mission was on a mineral belt, Bishop Davies (who had replaced Bishop Newton) requested a change of site and the government agreed to transfer the reserve to the Lockhart River region where there were no leases. Harry Rowan was appointed lay missionary and superintendent and arrived at the water hole (Orchid Point in Lloyd Bay, next to Gilbert's old camp in July 1924.

By January 1925, Rowan reported that over eighty Aborigines had arrived at the mission, although the number of children arriving was small because of high infant mortality over the previous decade. A school had been started by the end of 1925. In 1928, a church was under construction and the mission began cutting sandalwood for an income. During the early 1930's Rowan tried cultivating cotton, bananas, pawpaws, cassava, sweet potatoes, coconuts and taro.

A new mission launch was obtained and the mission supported itself from its gardens and from fish, dugong and turtle.

A new act passed in 1934, giving the Queensland government wide powers over Aborigines, allowing them to be legally moved at will. People of the flinders island area of princess Charlotte Bay were brought to Lockhart. In 1936 only a few Aborigines in the north eastern area of the Cape were in traditional areas. In this year 80 aged Aborigines were removed from Coen and Batavia districts to the mission. In 1937 the mission had a population of 388 but in 1938 whooping cough claimed 35 lives.

With the outlet break of the Second World War all Europeans left Lockhart. The Aboriginal people were advised to 'go bush' to escape air raids.

The mission was re-established in 1947 with H Johnson as Superintendent. To try to establish community spirit, Johnson changed the structure from a series of sub-villages (representing tribal

groupings) to a single settlement. He saw this as a necessary step in the 'breaking down of old tribal enmity and establishment of community spirit'. Trochus fishing and other commercial activities were established. Johnson encouraged traditional skills such as language, bush craft and hunting. His successor, Briggs noted the complete absence of vindictiveness or arrogance in the Lockhart Aborigines, whose spiritual qualities were 'outstanding'. Briggs resigned in 1950 and was succeeded by John Warby whose name is commemorated in an era of Lockhart history as Warby time.

By the time that Warby took over as mission superintendent, Lockhart was in a desperate situation.

The author Kylie Tennant described it as an insanitary and poverty-stricken little pesthole and the worst mission of them all. Warby reorganized the housing to bring people under closer medical and hygiene supervision, and in a couple of years the number of deaths was for the first time for some years less than the number of births. In 1953 Warby reported that all people living at Lockhart had embraced Christianity.

With the encouragement of Reverend A Cling, Director of Cooperatives for the Anglican Board of Missions, Warby established the Lockhart River Christian Cooperative, which aimed among other things, to teach the people to run their own cooperative, businesses and to provide employment to create a voluntary night school, to improve living conditions and to foster activities based on the church. The major economic enterprise was to be trochus fishing. By 1956 the cooperative was on a sound basis, and Warby reported that it was building up initiative, self-respect and self-reliance backed by a dramatically improved health situation. But the trochus market collapsed, and the evening classes closed through lack of attendance. Staff shortages were critical, Warby left in 1959 and in 1961 his successor J T Currie found it necessary to close the Lockhart River Christian Cooperative.

Sometime in the early 1960's the Anglican Bishop of Carpentaria secretly negotiated with the director of native affairs to transfer control of Lockhart River to the state. Financial difficulties and the failure to find permanent church workers led to the church relinquishing control of Lockhart.

By 1970 the population had been relocated to Iron Range. This move was not a good one as it took the settlement from one reasonably neutral locality to one owned by a major group in the community and from a traditional beach location to one further inland. Friction resulted and has continued.

In the 1970's there was a revival of cultural life with a number of dance festivals. Dancers from Lockhart festivals still perform at festivals in other centres. There has recently been a move by some Lockhart people to reoccupy the old mission site. The Lockhart people have also been involved in debate about the development of a spaceport on Cape York.

In 1987 the Lockhart River Aboriginal Council was established to administer community management of the Lockhart River Deed of Grant in Trust (DOGIT) of the Lockhart River Aboriginal Reserve. The Lockhart DOGIT extends from the Pascoe River in the north to Cape Sidmouth in the south, the coastline on the east, and the Sir William Thompson Range, Wenlock River and Mcllwraith Range. A number of land claim processes have been pursued as a means of reasserting traditional land and sea ownership including:

The transfer of all the Lockhart DOGIT lands into language and estate group areas:

- The Iron Range National Park (Kuuku Ya'u sub-groups)
- The Mcllwraith Range Timber Reserve, former Silver Plains pastoral lease and adjoining
- vacant crown land (Umpila and Southern Kaanju)
- Cape Grenville and Shelburne pastoral holdings (Southern Wuthathi)
- Batavia Downs pastoral holding (Kaaajnu)
- Bromley pastoral holding (Kuuku Ya'u and Wuthathi)
- The Geike pastoral holding (Kaanju)

Sea claims were lodged in 1997 – 1998 from Bathrust Head in Princess Charlotte Bay to Olive River north of Temple Bay by the Lamlama (Port Stewart Region) Umpila, Uutaalnganu and Kuku Ya'u sub groups. These claims extend from the mainland to the Great Barrier Reef. The DOGIT was transferred to traditional owners in September 2001. Today, Lockhart River Aboriginal Shire Council is one of the 73 local government Councils in Queensland. It is administered by an elected Council.



Quintell Beach blue sealine

FACILITIES AND SERVICES

Health

The Shire has got a health care Centre which provides health care services, with emphasis on prevention, early detection and improved management of health issues in the Community. Services accessible at the Centre include those of professional visiting teams such as dentists, mental health specialist, Royal Flying Doctor Services, pediatrician, physiotherapists, ophthalmologists and ATODS. More serious cases are referred to Cairns. The Centre provides 24 hour service and can be contacted on 07 4060 7155

Education

Lockhart River has got a child care, prep and primary school up to grade 7. Secondary school students leave the community and attend boarding schools and other alternative school programs. Culture and the maintenance of traditional language is an important part of the school curriculum. The Community boasts of the Umpila and Kuku Ya'u language project as a means of keeping the culture alive. Pre-School and Primary School can be contacted on 07 4083 3888.

Radio

Lockhart River has a 24 hour local radio station broadcasting at 107.7FM. The Radio Station can be contacted on 07 4060 7050.

Library

The Lockhart River Library or Indigenous Knowledge Centre (IKC) now provides access to a range of good books and other useful services to the Community. The Library Staff can be contacted on 07 4060 7166.



*The Queensland Governor's
visit to Lockhart River*

Puuya Centre

The Puuya Centre has been built to become focal point of community development, culture and capacity building activities training, counseling meetings, therapy, group work and story sharing. Puuya means Life Force in Kuku Ya'u language.

Art and Cultural Centre

Lockhart River boasts of having one of the finest artists and painters in Australia. Some of the paintings from the Community have found their way to big capital cities in the World. Telephone Contact: 07 4060 7341.

Air Transport

Lockhart River Airport (also known as Iron Range Airport) is located approximately 800 km north of Cairns on the eastern coast of Cape York Peninsula. Being so remote with the road to Lockhart River being impassable during the tropical wet season, the airport is a vital link for the community.

There is a regular air service between Cairns and Lockhart River. Skytrans provides a return service between Cairns and Lockhart River on some day via Coen and Aurukun, 5 days a week Monday to Friday. There are also regular charters.

Airport Telephone Number: 07 4060 7121



Road Transport

Internal roads within the community are bitumen sealed. Other access roads in the shire are unsealed and pose considerable challenge during the wet season. Tuxworth provides road service to the area during the dry period.

Sea Transport

The community is serviced by a regular barge service. Seaswift operates regular weekly service to Lockhart River.

Accommodation

Accommodation is available at the following places.

- Airport Cabins Tel: 07 4060 7147
- Puchiwu Tel: 07 4060 7134
- Contractors' Donga Tel: 07 4060 7144
- Puuya Centre Tel: 07 4060 7144

It is strongly recommended that visitors who intend to stay in Lockhart River make reservation at least one month to the date of arrival as there is fierce competition for accommodation.

Airport Cabins

Shopping

There is a retail store run by the Department of Communities that sells food, limited household goods and a few clothes. Good fresh food and vegetables are always available; the store also runs a fuel station. There is also a small privately owned convenience store in the community.

Lockhart River Retail Store Tel: 07 4060 7192

Banking and Post Office Services

There is a Commonwealth Bank outlet in Lockhart River; however it is not a full bank. Everyday transactions are available. The Bank opens between 9:00 am and 12:00 noon each day. There are two ATMs in the Community. One located at the Council Administration office and the other in the Retail Store Complex.

Post office is open each afternoon from 1:00 pm to 3:00 pm.

Alcohol Management Plan

Lockhart River is what is considered under the Queensland Government liquor licensing as a restricted area with zero carriage limit. This means that the community including the airport is totally dry and no alcohol is allowed. No local brew is allowed as well. For more information please see <http://www.atsip.qld.gov.au/communities/alchol-limits/alchol-reforms/fag.html>

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

Other Facilities

There is a football oval and community hall. Other facilities include the kids club, Cape York Digital Network (CYDN), Women's centre, land and sea centre, Justice Group office, health & aged care services and the Men's Healing Centre. The Saint James Anglican church has a big hall which is used for most community functions. The church was built by Lockhart River people in 1971-73.



*YARI – example of tackling
Graffiti issues*

Private Enterprises

Lockhart River car hire is a private business owned and run by an indigenous person from the community. Business specializes in providing vehicle hire services to visitors to the area. There is also a small corner store that sells convenient goods.

Lockhart River Car Hire

Tel: 0427 607 035

Weather

The climate of Cape York Peninsula is tropical and at times hot and humid. The tropical wet season runs from November to April and the tropical dry season from May to October.

Temperatures averages 29°C



OUR COUNCIL

Lockhart River Aboriginal Shire Council has five elected representatives who are responsible for formulating Council policies, Corporate Plan, Operational Plan, adopting Council budget and providing strategic direction to the Community.

The Shire is undivided for electoral purposes. Each Councillor therefore represents the overall public interest of the whole area. The Council has adopted a portfolio system and each Councillor is assigned a specific portfolio(s) to look after. This allows for the principle of accountability and collective responsibility to operate.

Councillors are elected every four years in line with the Local Government Act. The last election was held in April 2012; the next election will be held in 2016.

Acceptance of the duties and responsibilities of the Mayor and Councillors are signified by their declaration of office.

This declaration requires the elected members to fulfill the duties of office by acting faithfully and impartially to the

CEO swears in new Councillor Cr. Rebecca Elu

best of their judgment and ability and to uphold the Council Code of Conduct. In addition, Councillors are required to complete a set of forms on Councillor interests, as a further check to dealing with the issues of conflict of interest and material personal interest.

To represent the community effectively, Councillors are required to attend ordinary meetings at the Council and any special meetings that may be called. Councillors are required to vote on all matters that require a decision or to abstain from taking part in the discussions and voting issues where they have conflict of interests and material personal interests. The role of the Mayor and Councillors is well spelt out in the Local Government Act 2009. Training has been provided to Councillors to help them understand their roles and responsibilities.

Council authority is exercised as a whole, with decisions being made by the Council in the best interest of the community. In this regard, the Local Government Act together with Council Policies provides

guidance to the Mayor and Councillors on what the roles and responsibilities are and the Code of Conduct expected of the elected representatives to observe.

The Code of Conduct provides for penalties ranging from reprimand to disqualification from office. All these measures are intended to safeguard against the misuse, abuse and miscarriage of power and authority by the elected members.

Ordinary meetings of the Council take place on the third Wednesday of the month. Prior to May 2012, meetings were held on the second Thursday of the month. Meetings are generally held in the Local River Council Chambers in Lockhart but there are occasions when the meetings are held in the Cairns Office. The Council meeting is open to the public.

Reminder notice of meetings is sent 10 days to the meeting date. Agenda and Council meeting documents is provided to Councillors at least two days to the meeting date.

Council meeting minutes are available to all persons once the minutes have been adopted by the Council. Minutes are posted on the Council website as soon as practically possible. One hard copy of the adopted minutes is deposited in the Library. Council has adopted a policy on deputations and individuals or groups willing to make formal deputations are required to complete deputation form this is a part of the overall strategy of Government 2U.

In relation to the strategy of Government 2U, Community Members are encouraged to play active role in the overall management of the community.

This is achieved through some of the following ways:-

- Participating at Council elections
- Participating on various Council community committees
- Taking part at public / community meetings
- Getting involved in the Community engagement process or all issues of interest
- Through deputation at Council meetings
- Informally and formally alerting Council of areas of need or crisis.

ELECTED MEMBERS



MAYOR – CR. WAYNE BUTCHER

Elected: 24 April 2012 Election
Represent: Overall representative, Governance,
Employment Training and Leadership & Culture
Ph: 07 4060 7144
Email: mayor@lockhart.qld.gov.au



DEPUTY MAYOR – CR. NORMAN BALLY

Elected: 24 April 2012 Election
Represent: Overall representative, Housing,
Infrastructure, Parks and Gardens
Phone: 07 4060 7144
Email: dmayor@lockhart.qld.gov.au



COUNCILLOR – CR. PAUL PIVA

Elected: 24 April 2012 Election
Represent: Overall representative, Education,
Economic Development Enterprise
Phone: 07 4060 7144
Email: paulpiva@lockhart.qld.gov.au



COUNCILLOR – CR. VERONICA PIVA

Elected: 24 April 2012 Election
Represent: Overall representative, Health, Law
Justice and Order
Phone: 07 4060 7144
Email: veronica@lockhart.qld.gov.au



COUNCILLOR – CR. JOSIAH OMEENYO

Elected: 01 July 2013 – December 2013
Represent: Overall representative, Elders, Art and
Culture, Language



COUNCILLOR – CR. REBECCA ELU

Elected: March 2013
Represent: Overall representative, Youth, Sports
& Recreation
Phone: 07 4060 7144
Email: rebecca@lockhart.qld.gov.au

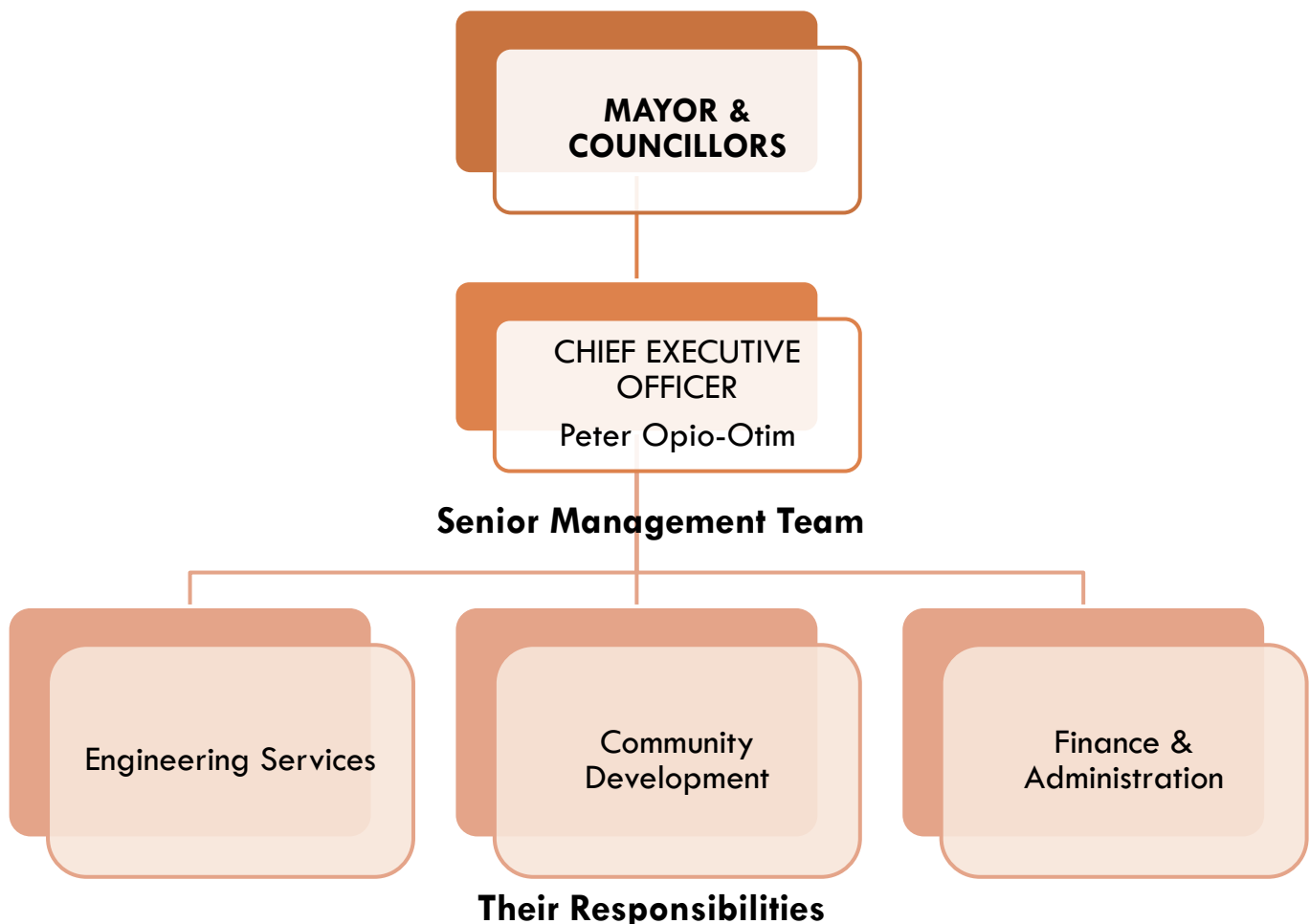
OUR ORGANISATION

Lockhart River Aboriginal Shire Council has adopted a high level organisation management structure. The structure consists of four sections, namely **Leadership and Governance**, **Engineering Services**, **Community Development Services**, **Finance and Administration (Corporate Services)** led by Directors and all reporting to the Chief Executive Officer. The Chief Executive Officer heads the Senior Council team in addition; the office is responsible for three other functions:

- Consultancy services.
- Audit.
- Legal services.

The senior management team of the Council is responsible for the implementation of the Council Policies and operational plans as well as the implementation of Council resolutions. The team plays a very pivotal role in providing advice to Council on its many operation areas.

Corporate Structure



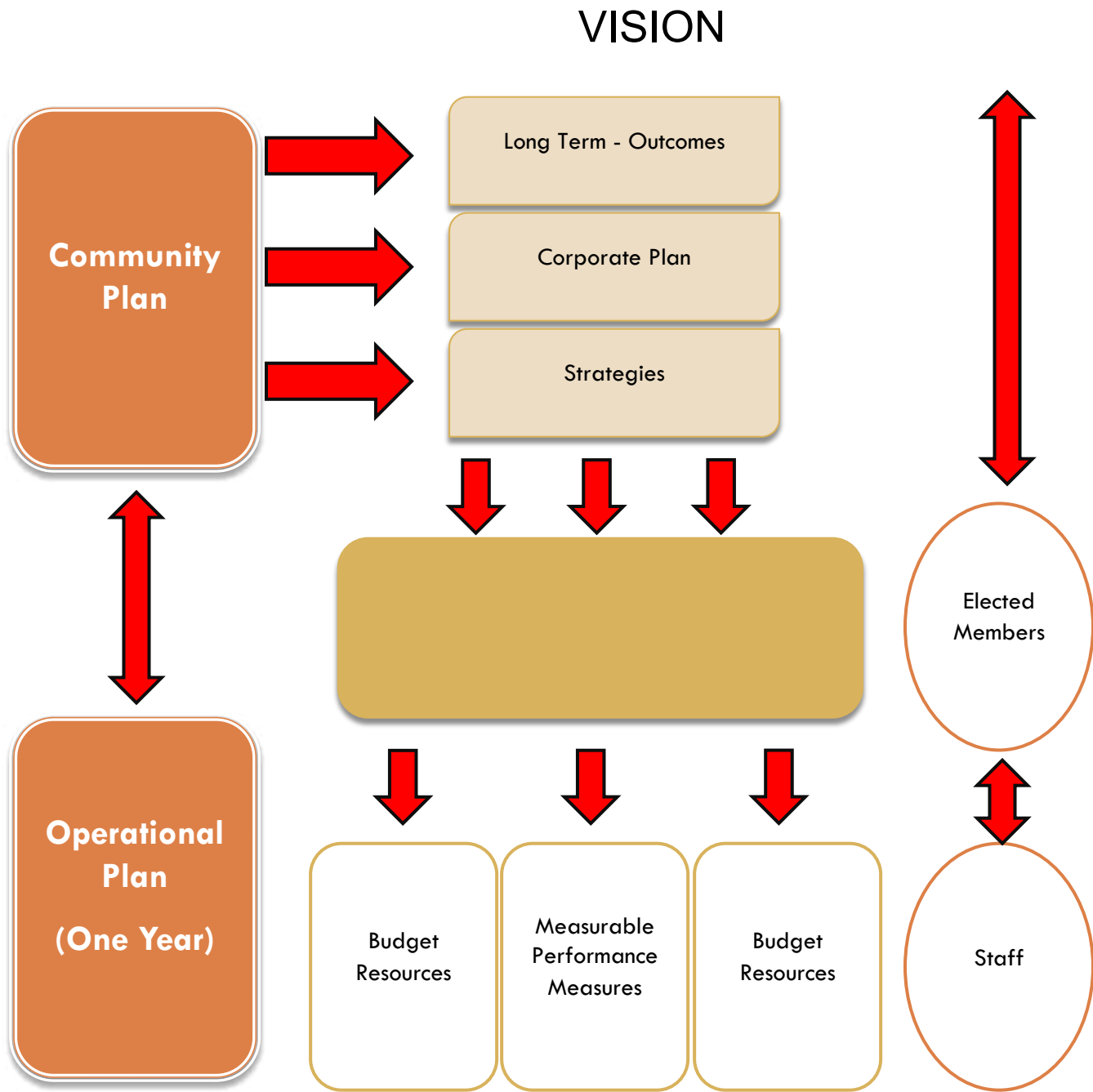
Senior Management Team Member

Chief Executive Officer:	Mr. Peter Opio-Otim
Director; Engineering Services:	Vacant as at March 2012
Director; Community Development:	Ms. Dottie Hobson
Director; Finance & Administration:	Mr. Stanley Mugwiria

The Council Organisation Structure shows how Council delivers its services. Councillors are responsible for setting Strategic direction in accordance with the wishes of the community and under authority from state government. Council discharges its responsibility for the delivery of services to the Community through the CEO and the Directors.

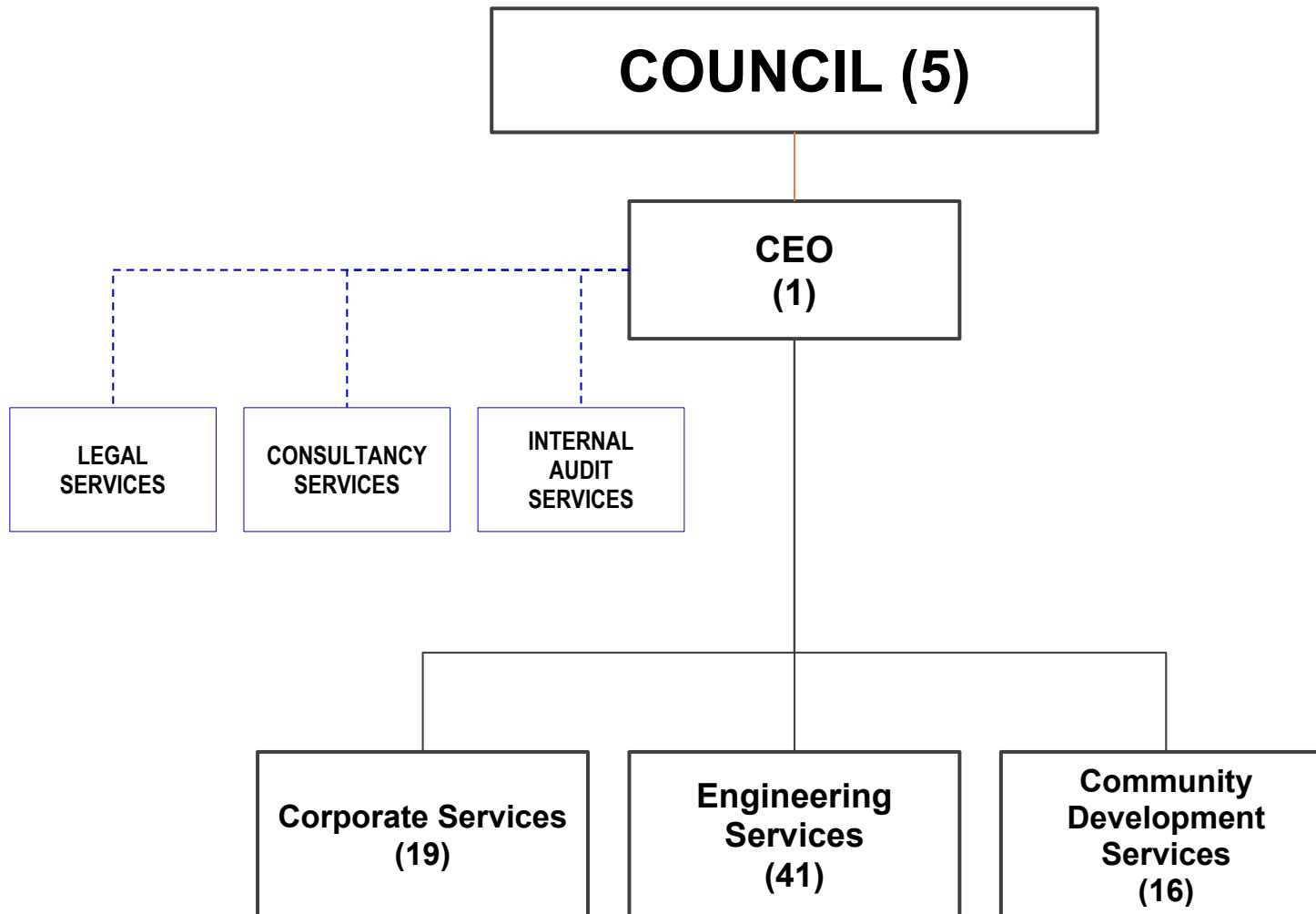
Council has adopted a policy on the separation of powers between the elected arm and the administration arm of the Council. However under the new Local Government Act 2009, Mayors have been given special powers to direct senior staff of the Council. Senior Staff refer to CEO and all Staff that directly report to the CEO. The Mayor and CEO meet regularly to ensure that all activities and operations are well aligned.

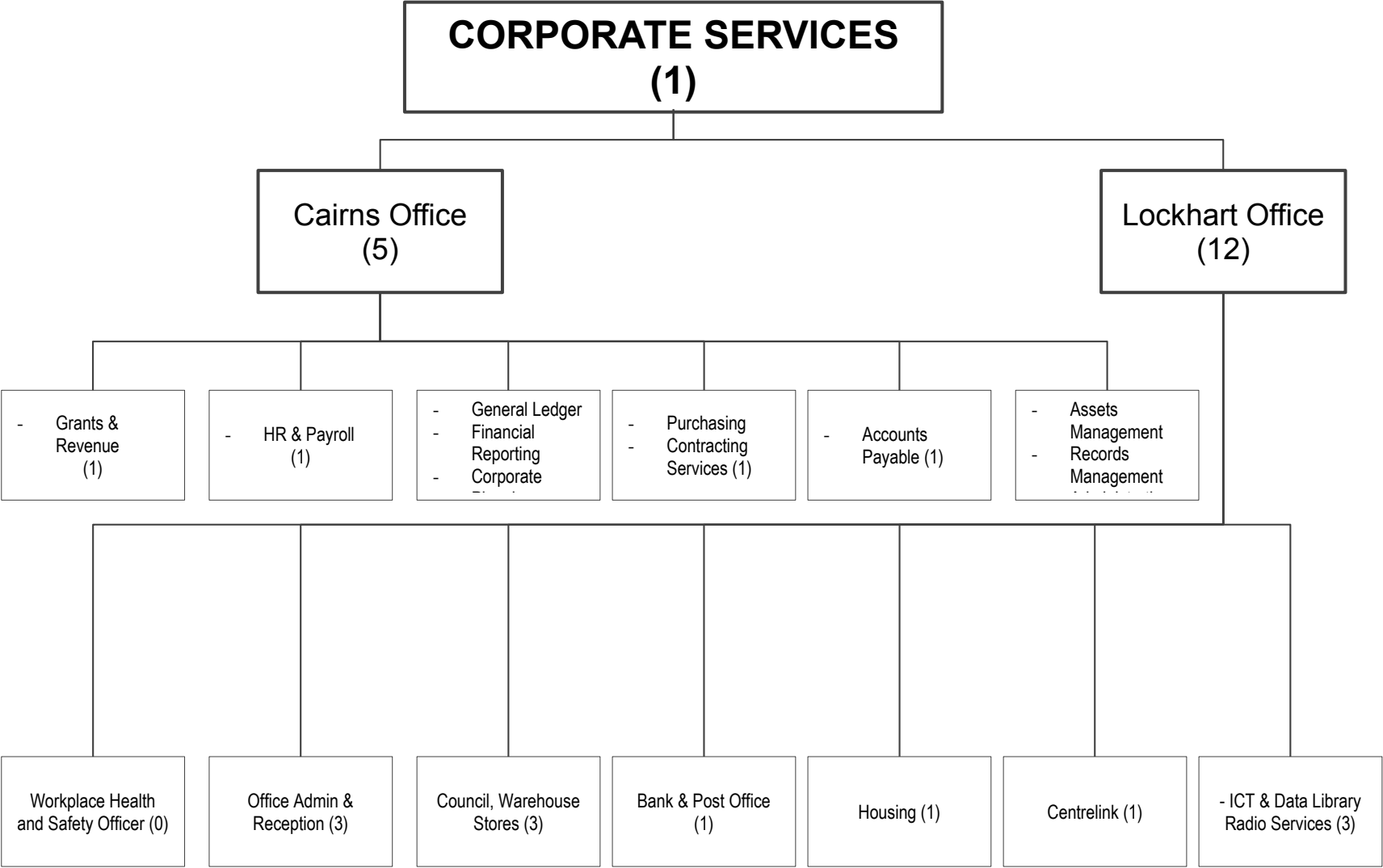
Separation of Powers

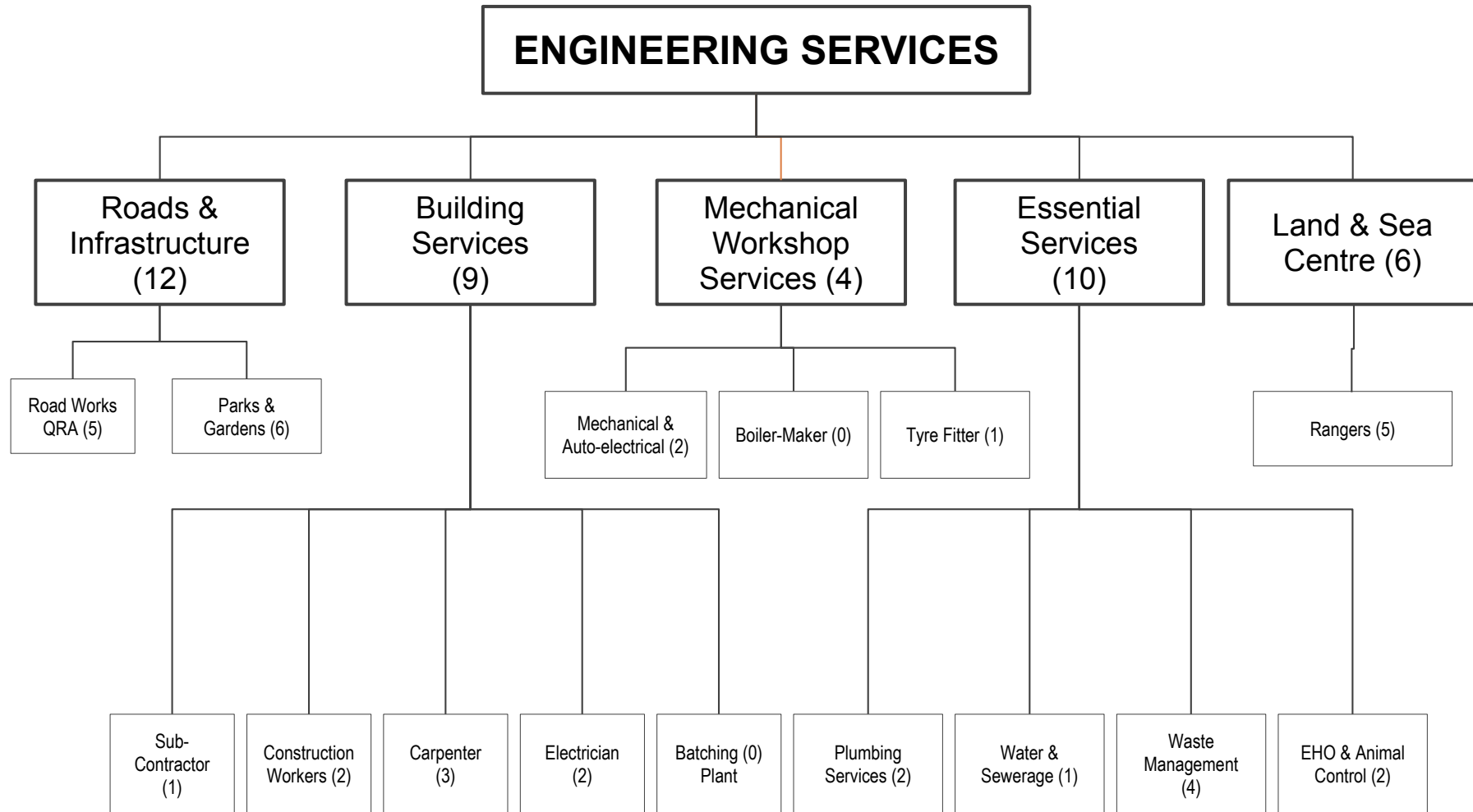


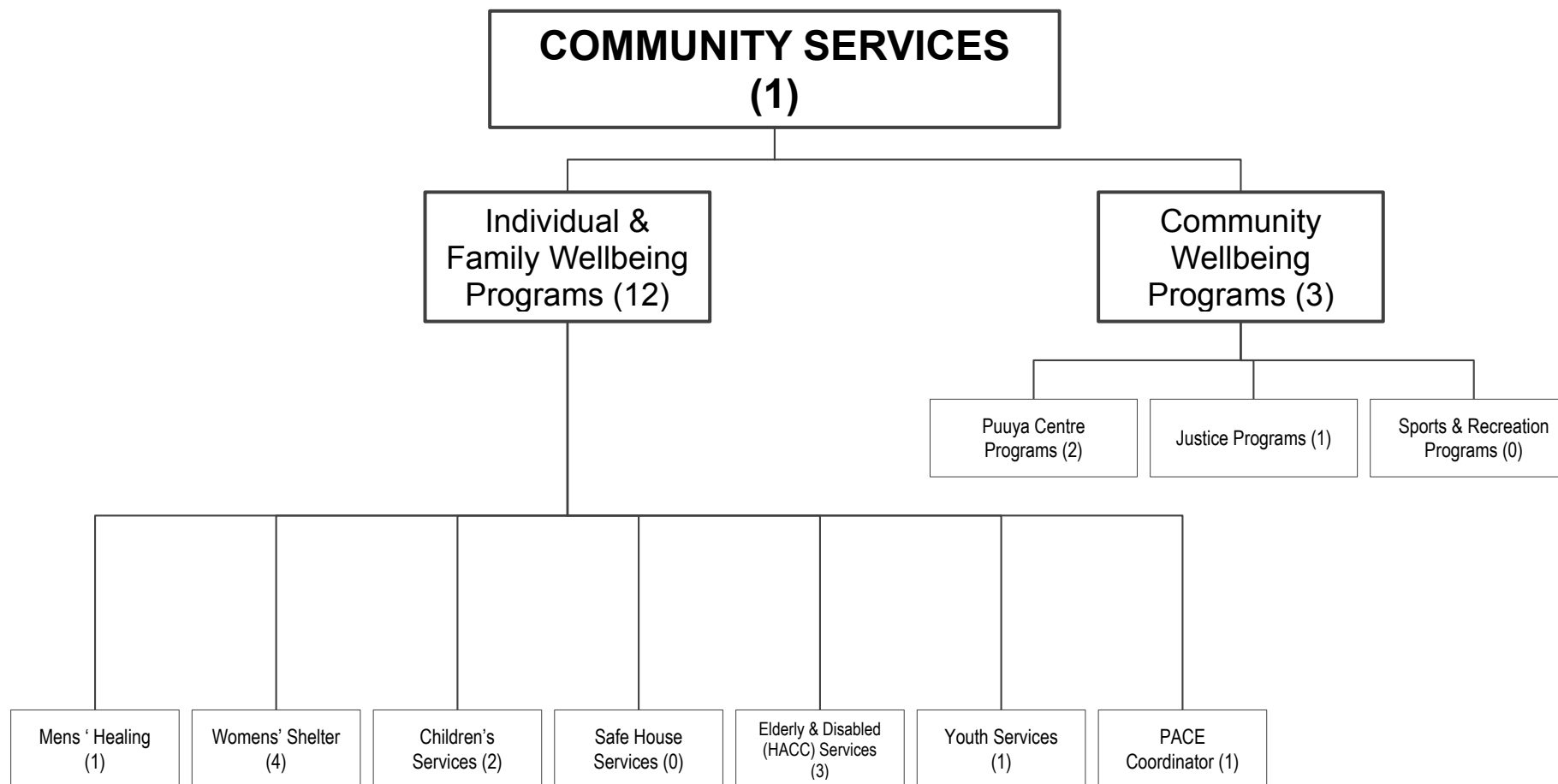
Council Structure

Lockhart River Aboriginal Shire Council









Governance and Leadership

Goal

To deliver strong leadership by supporting the needs of the community and setting clear directions through transparent practices and working together.

Strategy 1

Hold regular Council meetings and at times special Council meetings to discuss and make important decisions that affect the well-being of the people of Lockhart River community.

Outcomes

Council held 12 ordinary Council meetings and one special Council meeting in the 2012 – 2013. A total of six absences were recorded by Councillors in 2012 – 2013 period. One Councillor was disqualified from holding the office after a breach in the Local Government Act – attendance of meetings. Two by-elections were held on in August 2013 that resulted in the election of Cr. Josiah Omeenyo and the second was in March 2013 and this resulted in the election of Cr. Rebecca Elu.

Strategy 2

Ensure that the community is well informed and has got the opportunity to be involved in issues that affect them.

Outcomes

Council adopted the Community Engagement Policy.

Council held four public / community meetings during the year and good attendance was recorded at all these meetings. These meetings provided the Council with the opportunity to get Community views on important issues; for example, the site for new sub-division; the new site for Quintell Beach; how to deal with poor attendance at school etc. In many ways this was part of the governance 2U Strategy, discussions on local laws.

Also where possible and appropriate Council used focus group to discuss specific issues. For example Council used the Justice group to discuss matters relating to Community Safety. Council used the Retail Store Committee to get feedback on community perception on the store management and Council used PaCE to discuss with parents to discuss school attendance issues.

Council kept the community informed through:

- Putting up important messages on the public notice boards for example,
 - All vacant positions were advertised on local noticeboards
 - All public meeting dates and venues were placed in public noticeboards
 - Visits by specialist doctors etc.
- The publication of the local newsletter (The Waanta). Four editions of the newsletter were produced and distributed widely through the Community. Each household was given a copy of the newsletter.
- The use of the local radio station and the council website.
- Door to door knocking, this strategy was quite effective when the community faced with threats from Cyclone Zane.

Strategy 3

Administer council through open and transparent decision making and co-ordinated management reporting practices

- Council continuously reviewed and updated its policies. A total of 10 new policies were adopted and / or amended.
- Council ordinary meetings remained open to the general public however the general public did not take advantage of this opportunity.
- One bound copy of every adopted council minutes was deposited at the Indigenous Knowledge Centre for public use.
- Council adopted the 2012 – 2013 budget and this formed the basis for monitoring council performance / operations throughout the year.
- Council reaffirmed its position on recruitment, namely that all vacant positions were to be advertised and appointment made following interviews.
- Council adopted a complaints management policy and community members / staff / general public were free to report any complaints to the office of the CEO.

Strategy 4

Represent the overall interest of the Community to outside agents.

- Lockhart River Aboriginal Shire Council is undivided for electoral purposes. This means that each and every Councillors has got an overall representative role to play.
- Council adopted the portfolio management system and this enabled Councillors to bring to the table more specific community issues from their respective portfolio. It also allowed portfolio owners to represent the Community at Technical and Functional meetings. These meetings with external organisations, with regional organisations etc. and attendance at various workshops promoted the shire as well as helped to foster cooperation on issues that affect the development of the shire. For example following a meeting into the Federal Minister for Environment, Council was able to receive money for its Working on Country project. Meetings with the state departments for example enabled the Council to receive money to undertake the Lockhart River Planning Scheme, the review of the Local Disaster Management Plan.
- The Mayor, Councillors and Management met regularly with other Local Authorities and Government Agencies to foster regional co-operation on issues that affect Cape York Communities and Indigenous people. During the year under review some of the relationships included:
 - Local Government of Queensland (LGAQ)
 - Cape Indigenous Mayors Alliance (CIMA)
 - Regional Organisation of Cape York (ROCY)
 - Cook Shire Council
 - Local Government Managers of Australia (LGMA)
 - CEO Regional Collaboration Group
 - Queensland Department of Local Government
 - Queensland Department of Aboriginal and Torres Strait Island and Multicultural Affairs (DATSIMA)
 - Queensland Department of Housing and Public Works

- Department of Emergency Management Queensland
 - Queensland Department of Transport and Main Roads
 - Department of Police
 - Queensland Health
 - Queensland Electoral Commission
 - Cairns Chamber of Commerce
 - Apunipima Health Service
- Most of these meetings were held in Lockhart River however some occurred in Cairns, Brisbane or at the Stakeholders' Offices.



*Council
meeting in
progress –
Cairns Office*

Agenda and Minutes

A list of minutes of all ordinary and special Council meetings is available on Council's website www.lockhart.qld.gov.au

In accordance with the Local Government Regulation 2012, minutes of Council meetings are open for inspection as soon as the minutes have been adopted. A hard bound copy of Council minutes is also deposited at the Indigenous Knowledge Centre (Library).

Portfolios

At the Council's post election meeting in May 2013, Council resolved to assign portfolios to each of the Councillors:

COUNCILLOR	PORTFOLIO
Cr Wayne Butcher	Overall representative, Governance, Employment Training and Leadership & Culture
Cr Norman Bally	Overall representative, Housing, Infrastructure, Parks and Gardens
Cr Paul Piva	Overall representative, Education, Economic Development Enterprise
Cr Veronica Piva	Overall representative, Health, Law Justice and Order
Cr Rebecca Elu	Overall representative, Youth, Sports and Recreation

Each of the Councillors is required to table a report on his / her portfolio at all Ordinary Council meetings. This process allow for more intensive sharing of information on matters that affect the community in general and some very specific issues in portfolio.

Meetings with outside agency

In 2012 – 2013 Council attended 145 meetings with various stakeholders and met with some 1026 public officers and discussed a wide range of issues that affect the people of Lockhart River over a variety of issues. Finally in some instances where council views were sought, Council prepared measured responses to issues for example, the future of the retail stores owned and operated by the Queensland in Indigenous Communities.

Mayor's Employee Excellence Awards

In 2012 Council introduced the employee excellence awards scheme. The Award recognizes individuals and teams who have excelled over the last twelve (12) months. The employee award categories for 2012 – 2013 were:

- Best overall employee – ***Mr. Alan Jones Warradoo***
- Best performing male employee – ***Mr. Paul Jensen***
- Best performing female employee – ***Ms. Deanka Omeenyo***

In future, Council will introduce an award system that recognizes the efforts and contributions of the staff who have given 10 years or more of services. These staff are valuable assets to the Council and have made significant contributions to the Community.

Statutory Requirements

In accordance with S186 of the Local Government Regulation 2012, please refer to the table below in relation for each Councillor, the total remuneration, including superannuation contributions paid to each Councillor during the financial year; as well as the number of local government meetings that each Councillor attended during the year.

Councillors Remuneration

Councillor	Ordinary Meetings	Special Meetings	Total Meetings	Remuneration from 1 Jul 2012 – 30 Jun 2013	Superannuation from 1 Jul 2012 – 30 Jun 2013
Cr. Wayne Butcher	12	1	13	\$90,800	\$10,724
Cr. Norman Bally	12	1	13	\$53,408	\$6,187
Cr. Paul Piva	8	1	9	\$45,155	\$5,362
Cr. Veronica Piva	10	1	11	\$45,345	\$5,362
Cr. Rebecca Elu	1	-	1	\$6,150	\$0
Cr. Josiah Omeenyo	3	1	5	\$23,566	\$2,605
Late: Cr. Abraham Omeenyo	2	-	2	\$5,256	\$566

- Cr. Rebecca Elu joined the Council in May 2013
- Cr. Josiah Omeenyo joined in August 2012 and left in February 2013.
- Cr. Blade Omeenyo left in July 2012.

Executive Remuneration

A senior officer is a Chief Executive Officer or any contracted position which reports directly to the Chief Executive Officer.

The Senior Executives of Lockhart River Aboriginal Shire Council during the 2012 – 2013 period were:

- Chief Executive Officer
- Director of Finance and Administration
- Director of Community Development Services
- Civil Works Manager
- Building Services Manager
- Environmental Management
- Working on Country Facilitator

As at 30 June 2013, there were:

- 2 Senior Contract Officers with a total remuneration package in the range of \$100,000 - \$149,999
- 1 Senior Contract Officer with a total remuneration package in the range of \$150,000 - \$174,999

Compliance with S186 of the Local Government Regulation 2012 under S186 (e) - (g) of the Local Government Regulation 2012 the Council performance against set standards:

Compliance Requirements	
Orders and recommendations made under S180 (2) or 4 of the Act	Nil
Orders made under S181 of the Act	Nil
Name of each Councillor for whom an order of recommendation was made	Nil
A description of the misconduct or inappropriate conduct engaged in by each Councillor	Nil
Complaints about the conduct or performance of Councillors for which no further action was taken under S176 (2)	Nil
Complaints referred to the Department Chief Executive Officer	Nil
Complaints referred to the Mayor under S176 (3) (a) (ii)	Nil
Complaints referred to the department Chief Executive Officer under S176 C (4) (a)	Nil
Complaints assessed by the Chief Executive Officer as being about official misconduct	Nil
Complaints heard by a regional conduct review panel	Nil
Complaints heard by the tribunal	Nil

In respect to S187 of the Local Government Regulation 2012, a statement about the Local Government's commitment to dealing fairly with administrative action complaints.

Complaints Management Process – Administration Action Complaints

Council has established a process for dealing with resolving administrative action complaints whilst promoting:

- A fair efficient and consistent treatment of complaints about the administrative actions of the Council.
- Detection and rectification of administrative errors.
- Identification of administrative practices which could be improved by the Council.
- A greater awareness of the complaint process by the Council Staff and the Community.
- Enhancing the Community confidence in the Council's complaints process and
- Building the capacity of Staff to effectively manage complaints and foster an attitude of continuous improvement.

The policy and complaints handling framework has been developed to provide consistency and fairness when dealing with and resolving complaints.

The policy framework is communicated to all staff at the commencement of their employment and reinforced at staff meetings.

Further information of Council's Complaints Policy and Process can be obtained at www.lockhart.qld.gov.au

A complaint register has been established providing details with regard to the outcomes of complaints.

No administrative action complaints were recorded during the reporting year.

Equal Employment Opportunity (EEO)

Council has developed and implemented on Equal Employment Opportunity Policy (EEOP) and Management Plan. The EEOP and Management plan has been adopted in all areas of Council operations and to ensure that the workforce is free of discrimination, that all vacant positions are advertised openly; that appointments are made on merit and that all forms of harassment are discouraged.

Our workforce comprises people of different ages, cultures, religions, values, beliefs, educations, languages, abilities and gender.

By creating a workplace in which every employee is valued for their diverse skills, knowledge and perspectives, Council is encouraging a more cohesive work environment and better team performance.

Overseas Travel

During the year under review, no Councillors or Council Officers undertook overseas trips.

Expenditure on grants to Community Organisations

The total expenditure on donations to Community organisations and individuals was **\$14,856** (Please refer to Community Financial Report)

Registers

The annual report for a financial year must contain a list of the register kept by the local government. The following registers are held by the Council:

- Register of interests of Councillors
- Conflict of interests of Councillors
- Conflict of interest / materials personal interest declaration register
- Register of Code of Conduct matters
- Register of Election Gifts and Benefits
- Register of Mayoral directives to Chief Executive Officer
- Register of Interest of Chief Executive Officer
- Register of Interest of Senior Contract Employees
- Register of Delegation (including financial)
- Register of Council Meeting Minutes
- Asset Register
- Road Register
- Housing Register
- Prequalified Suppliers
- Register of Regular and Performance Agreements
- Register of Consultants
- Council Local Laws register
- Register of dogs
- Keeping, control and impounding of animals
- Abandoned vehicle register
- Asbestos Register
- Cultural sites
- Register of High School Student
- Register of kids who receive Christmas gifts from Council
- Register of awards and recognition
- Community Engagement Register
- Register of Cemetery

Corporate and Operational Plan

Council is required under the Local Government Act 2009 to adopt a corporate plan to guide Council's decision making. The document establishes the framework and identifies goals, objectives and strategies to be pursued by Council to meet the aspirations and need of the community.

Council adopted a five year corporate plan for the period 2013 – 2018 in July 2013. The plan was developed in consultation with the community and can be revised at any time during the life of the plan to ensure Council is following its strategies directions.

To execute the Corporate Plan, Operational Plans must be developed each year. This enables Council to then establish the annual budget. The Council adopted the 2012 – 2013 Operation Plan in August 2012. The plan formed the basis for the 2012 – 2013 Council budget.

Internal Audit Report

The Local Government Regulation 2012 requires that the annual report for the financial year must contain a report on the internal audit for the year.

Council's internal audit function provides independent, objective assurance activities in accordance with an approved strategic risk based on internal audit plan. The role, scope and purpose of the internal Audit Function is understood and supported by the organisations. The Internal Audit Function works collaboratively with Management to implement recommended improvements to systems, processes, work practices, compliance and business effectiveness.

The Internal Audit activities are performed by an appropriately qualified internal audit consultant or a wholly outsourced based. For the year ended 30 June 2013, Council's outsourced internal audit consultant was Partners in Business. There were two internal audit reports provided to the Council during the year. The independence and objectivity of Consultant is continuously monitored by the Chief Executive Officer.

The Internal Audit Plan is reviewed annually by Management to ensure it remains relevant to the Organisation's needs. Council's 2012 – 2013 Internal Audit Plan covered all sections of the Council Operations.

External Audit

Each year, Council operations including its financial statements are subject to an external review by the Auditor General of Queensland. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. In making those risks assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial report. An audit also evaluates the appropriateness of the accounting policies used and reasonableness of estimates made by the management. In 2012-13 Council received an unqualified audit opinion. It is worth noting that this is the fifth consecutive unqualified audit opinion received by the Council ever since a new management team assumed responsibility for the management of the affairs of the Council.

Annual Report

Council is required to prepare and adopt its annual report within the required legislative timeframe. In 2012 – 2013, Council Annual report was prepared and adopted within the required legislative timeframe.

Engineering Services

Civil Works

Introduction

This report provides an overview of the status of engineering projects being undertaken in Lockhart River as at 30th June 2013.

General Overview and Background

Development in Lockhart River is continuing with a number of engineering projects currently underway. These projects are funded through a mixture of Federal, State and Council funding grants. Projects currently underway in Lockhart River include:

- **Lockhart River Council Store Upgrade**
- **Quintell Beach Camp Site Development**
- **R2R Projects (Blady Grass to Cemetery Road and Illa / Wachee Street Upgrade)**
- **Lockhart River TIDS Works**
- **Lockhart River Lighting Upgrade**
- **Lockhart River Landfill**
- **Lockhart River Subdivision**
- **Lockhart River NDRRA Works**

A detailed summary of the status of each of these projects as at 30 June 2013 is included in this report.



Lockhart River Council Store Upgrade – Overall Summary

Project Budget (Excl GST)	\$1,500,000 (includes Council contribution of \$500,000)
Value of Works carried out to date (Excl GST)	\$627,423
Forecast Completion Dates	New Shed completed September Site Works completed September 2013 Renovations completed Dec 2013
Overall percentage complete	50%

Budget

The total available budget for the project is \$1,500,000. This consists of a \$1,000,000 grant from the Queensland Government and a \$500,000 contribution from Council.

Project Status Summary1. Design and Construction of New Shed (External Contractor)

- The design and construct contract for the new shed was awarded to ESW Constructions on 7th February 2013.
- Construction commenced 11th March 2013 on site.
- Construction of the slab and foundations has been completed.
- The kit for the shed was delivered to site 6th May 2013.
- The framework of the shed has been erected (completed 23rd May 2013).
- The roof has been installed
- Framing of internal walls and internal fit out is currently underway on site
- As agreed with Council the works have been delayed to allow local trainees to transition from the MiHaven training program to this construction site thus enabling enable ESW to provide better training and employment opportunities for local workers.
- The construction of the shed is due for completion September 2013

2. Civil Works Shed (External Contractor)

- The amendments to the civil works drawings was made and forwarded to Council. The changes include:
 - Addition of block work wall along northern and southern sides of new shed.
 - Addition of retaining wall.
 - Addition of raised slab for the shipping container (Due to budget constraints this item has now been removed from the scope of works).
 - Additional drainage works with drains now day lighting in adjacent property.
 - Regrading of earthworks based on new design.
 - Regrading of slab to suit new earthworks of concrete.
- As advised by Council the concrete and earthworks are better suited to be carried out by ESW Constructions. As requested by Council Black & More have liaised with ESW to obtain a quote for these works.

- Council have verbally approved the removal of the civil works from the IHB and the award of these works to ESW Construction. Council have advised that written approval will be provided following the next Council meeting.
- The civil works have been verbally awarded to ESW who are in the process of commencing works so that the project does not get delayed.
- Council have previously carried out the water and sewerage reticulation works for this project under the IHB

3. Renovations to Existing Store (LRASC)

- The energy efficiency, structural design and building certification for the renovations to the existing have been finalised.
- The pricing schedule for these works has been completed by Council. A variation has been drafted and forwarded to Council and approved.
- Council also requested a variation for the supply of a racking / forklift system and camera and IT System. Variations for these items were been drafted and Council approved.
- Works will commence late early September and be completed by December 2013.

Program of Works

- The date for practical completion of the new shed is 12th September 2013.
- As requested by Council the renovations to the existing Council store will not commence until the new shed is fully constructed and the existing store/equipment is transferred to the new building.
- Based on the revised program, we anticipate that the renovations to the existing store will commence early September and are programed to be completed December 2013.



Quintell Beach Camp Ground – Overall Summary

Total Project Budget (Excl GST)	\$900,000 (includes Council works in kind contribution of \$380,000)
Value of Works carried out to date (Excl GST)	\$60,837
Forecast Completion Date	Site Works October 2013 Defects Period Feb 2014
Overall percentage complete	15%

Budget

The total available budget for the project is \$900,000. This consists of a \$520,000 grant from the Queensland Government and a \$380,000 contribution from Council.

Scope of Works and Project Delivery

The scope of works for this project involves:

- Construction of a new 10 site camping ground including access track and amenities block. Construction of the camp site will be undertaken by Lockhart River Aboriginal Shire Council under an In House Bid (IHB) contract.
- The location for the Camping ground has been moved from the beachfront to a new site near the airport.
- Repairs and Upgrade to the existing Toilet Block at the Northern side of Quintell Beach. These works are to be undertaken by Council as an IHB (subject to the necessary funds being available in the project budget).

Delivery Program

- Works on site are programed to commence on site at the end of the 2013/2014 wet season and be completed by 19th December 2014.
- A number of site investigations and approvals will also need to be obtained for the new site. These will be obtained as soon as the ILUA has been finalised.

Progress Report

1. Current Progress Achieved

- The design and documentation of the development has been completed for the site adjacent to Quintell Beach (South of the barge ramp)
- Council have advised that a new site near the airport has been now been approved.
- A concept design has been prepared for the new site
- Geotechnical investigations / septic design have been for the new site.
- The civil works design and tender documentation has been completed for the site to the South of the barge ramp.
- Soil Testing, septic design and survey has been undertaken for the site south of the barge ramp
- Quotes and recommendation of an onsite Amenities Block has been concluded.

- Council have written to Department of Local Government, Community Recovery and Resilience requesting an extension of the funding grant to allow for an ILUA to be developed for the site.
- Council are working with Cape York Land Council to develop an ILUA for the site.

2. Works under Construction

- There are no current works on site under construction. Works are programmed to following the 2013/2014 wet season and the finalisation of the ILUA for the site.



Quintell Beach layout

R2R Roadworks – Overall Summary

Total Project Budget (Excl GST)	\$412,787
Value of Works carried out to date (Excl GST)	\$37,800
Forecast Completion Date	20 December 2013
Overall percentage complete	15%

Budget

The total available budget for the project is \$412,787.

- Illa Wachee Street \$235,000
- Blady Grass Street \$100,000
- Cemetery Road \$77,787

Scope of Works and Project Delivery

The scope of works for this project involves:

- Construction of a Link Road between Wachee Street and Illa Street, Lockhart River. This road also intercepts and directs the surface flows heading toward the Council Store.
- Road and drainage upgrades - Blady Grass Street; Lockhart River - Between Twin Peaks Road centre and Cemetery Road centre.
- Road and drainage upgrades - Cemetery Road, Lockhart River - Between Blady Grass Street centre and the end of Cemetery Road.

These works will be carried out by Council with assistance from local contractors.

Delivery Program

- Designs for both Illa Street and Blady Grass Street / Cemetery Road will be finalized in July 2013.
- Construction works are likely to commence onsite in November 2013.

Progress Report

1. Current Progress Achieved

- Concept Designs have been prepared and approved by Council.
- The design for the Illa /Wachee Street has been finalised
- The Design for the Blady Grass / Cemetery Road is currently underway
- Black & More are working with Council to finalise delivery options for the construction of the works.

2. Works under Construction

- There are no current works on site under construction. Works are programmed to commence November 2013.

Lockhart River TIDS Works – Overall Summary

Total Project Budget (Excl GST)	\$200,000
Value of Works carried out to date (Excl GST)	To be confirmed
Forecast Completion Date	30 June 2013
Overall percentage complete	90%

Budget

Project budget of \$200,000 was advised by DTMR (TIDS) for the installation of road signage on Portland Road (The Lockhart River Access Road).

Scope of Works and Project Delivery

Lockhart River Aboriginal Shire Council have delivered these works as directed by DTMR.

Delivery Program

Works substantially completed.

Progress Report

DTMR have advised they have audited the signs installed, and are looking to extend signage works with 2013/2014 TIDS Funding.

2012/2013 works are substantially completed.

Lockhart River Street Lighting Upgrade – Overall Summary

Total Project Budget (Excl GST)	\$180,000
Value of Works carried out to date (Excl GST)	\$107,958
Forecast Completion Date	16 February 2014
Overall percentage complete	50%

Budget

The total available budget for the project is \$180,000. This consists of \$150,000 from the state government and \$30,000 contribution from Lockhart River Aboriginal Shire Council.

Scope of Works and Project Delivery

The scope of works for this project involves:

- Installation of new streetlights and replacement of non-functional streetlights in the Lockhart River Community area
- These works are to be carried out by Ergon Energy.

Delivery Program

- Designs and layouts for the street lighting project have been completed and approved by Council.
- Works are programed to commence onsite July 2013.

Progress Report

1. Current Progress Achieved

- Ergon have replaced and repaired all the broken street lighting in Lockhart River.
- Council have met with Ergon Energy and a scope of works for the lighting upgrade has been agreed.
- Ergon Offer to install an additional 47 x 80W Mercury Vapour streetlights on existing poles at Lockhart River, at a cost of \$61,392.00 has been accepted
- Ergon have completed the design for the lighting upgrade and are preparing to mobilise to site.
- Following the installation of lights on existing poles an assessment is to be undertaken with Council and the Community Police to identify any dark areas that will require installation of poles and lighting/solar lights. These works will need to be scoped to allow construction within the available budget.

2. Works Under Construction

- There are no current works on site under construction. Works are programmed to commence July 2013.

Lockhart River Landfill – Overall Summary

Total Project Budget (Excl GST)	\$1,841,615.00
Value of Works carried out to date (Excl GST)	\$1,810,701.00
Forecast Completion Date	11 June 2013
Overall percentage complete	100%

Budget

This project is funded by the Department of Infrastructure and Planning.

Scope of Works and Project Delivery

Lockhart River Aboriginal Shire Council was awarded Contract No 3600/83-C29 for the closure of existing Landfill and construction of new Landfill on 29 May 2009.

These works were substantially completed in 2009-2013.

The following outstanding tasks have been completed in 2013:

- As-constructed plans
- Seeding of old landfill site
- Asset Register

Delivery Program

Information on completion of these outstanding tasks was forwarded to the Superintendent in April 2013.

Discrepancies with the project accounting have been resolved.

Retention held has been released and claims have been submitted for the above items.

Progress Report

- Final payment has been made
- Certificate of Final Completion was issued on 5 June 2013

Lockhart River Subdivision – Overall Summary

Total Project Budget (Excl GST)	Approx. \$4.5m
Value of Works carried out to date (Excl GST)	N/A
Forecast Completion Date	June 2014
Overall percentage complete	15%

Budget

This project is funded by the State Government. The total project budget is unknown however the overall subdivision is expected to cost approximately \$4.5m.

Scope of Works and Project Delivery

The scope of works for this project involves:

- Construction of 28 Lot Subdivision including:
- Earthworks
- Road and Street Lighting
- Water
- Sewer
- Stormwater and drainage

These works will be carried out by an external contractor with significant input from the local Council workforce.

Delivery Program

- The detailed design for the subdivision has been completed.
- Tenders are due to close July 2013 with a contract awarded August 2013.
- Construction is expected to commence September or October 2013.

Progress Report

1. Current Progress Achieved

- Concept Layouts for the subdivision have been approved by Council and Traditional Owners.
- Detailed designs for the subdivision have been completed.
- Ergon have been engaged to design street lighting and electrical supply
- Telstra have been engaged to design the telecommunications layout for the subdivision.
- Tenders for the works were called 22nd June 2013
- Tender process is currently underway

2. Works under construction

- There are no current works on site under construction. Works on site are programmed to commence September 2013.

Lockhart River NDRRA Works – Overall Summary

Total Project Budget (Excl GST)	2010 NDRRA Works - TMR Costs awaiting finalisation 2011 NDRRA Works – Nil 2012 NDRRA Works – Emergent \$506,216.63. Claim Lodged 11/2/13 2012 NDRRA Works – REPA \$2,348,152.49 Approved, \$769,349.26 Works completed to 30 June 2013 2013 NDRRA Works – Emergent \$84,752.72 to be claimed 2013 NDRRA Works – REPA Submission for \$3,922,188.00
Value of Works carried out to date (Excl GST)	2012 – Emergent & REPA \$1,275,565.89 2013 – Emergent \$84,752.75
Forecast Completion Date	2012- 30 June 2013 2013 – 30 June 2015
Overall percentage complete	2012 – 95% 2013 – 5%

Budget

The total available budget for the projects are available.

Scope of Works and Project Delivery

Restoration works are paid for “at cost” by Queensland Reconstruction Authority (QRA).

Works delivered need to be shown to represent Value for Money (VfM) with only approved works paid for by QRA

Restoration works on the Lockhart River road network are being carried out by Council in partnership with local contractors. These partnerships are providing employment and training for members of the Lockhart River community.

Currently rectification works are being completed on Portland Road. These works were approved by the QRA after Cyclone Oswald.

Delivery Program

Generally to date works have focused on the Portland Road access into Lockhart River.

The approved works have generally allowed for pulling the road materials out of the table drains, and spreading them over the scoured pavement, scarifying this pavement and compacting and reshaping the road pavement. Resheeting has also been complete in select areas on this road. Other minor tasks are being completed as the works progress. Resheeting between the Pascoe and Three ways is expected to continue until Christmas.

With minimal supervision the work crew have undertaken these works and the road from the Wenlock to Quintell Beach is generally in good shape with the base rectification works on Portland Road completed. Resheeting has been completed in designated areas.

Progress Report

1. Current Progress Achieved

- Works under LRASC 3.12 (REPA) have been completed.
- Emergent Works from Tropical Cyclone Oswald and associated Rainfall and Flooding 21-29 January 2013 has been completed.
- Lockhart River Engineering Project State Reports – 30th July 2013 Page 14
- As of June 2013 Council are undertaking approved 2013 works on Portland Road (LRASC 5.13).
- Works are currently being carried out by Lockhart River Aboriginal Shire Council in partnership with local contractors. These partnerships are providing employment and training for members of the Lockhart River community.



Year and Type	QRA Reference	Approved Scope at QRA Rates		\$ Paid by QRA as 30% upfront	Council Costs to date (30 June 2013)	Remaining Works 30 June 2013	Completion Date	Comments
2010								
REPA								Completed
2011								
REPA								NIL
2012								
Emergent	LRASC 4.13	\$476,697.99			\$506,216.63	Nil		Completed. Lodged 11/2/13. QRA paid \$476,697.99
REPA	LRASC 3.12	\$2,348,152.49	\$2,348,152.49	\$704,445.75	\$769,349.26	Nil	30-Jun-13	Close out documentation required to acquit paid \$
2013								
Emergent Works					\$84,752.72	Nil		Council expenditure on Emergent Works. Not claimed by due date. Working with QRA regarding best course of claiming for Council.
REPA	LRASC 5.13	\$3,764,345.50		\$1,129,303.65		\$3,764,345.50	30-Jun-15	Monthly Reports requested by QRA to substantiate expenditure.
	VO 5.13 – Awaiting approval	\$157,842.50				\$157,842.50	30-Jun-15	VO from QRA pending. Working with QRA regarding having this included on LRASC 5.13
REPA (Balance)	Claim for balance of REPA works yet to be submitted							Claim for balance of REPA works yet to be submitted.
Betterment	LRASC 6.13 Portland Road Awaiting Approval	\$1,212,498.00	\$1,212,498.00			\$1,212,498.00		Initial Betterment Case put to QRA 12/4/2012. Await QRA requested for Betterment Submission
R2R								
	Illa Wachee Connection Road	\$235,000.00	\$235,000.00		\$14,850.00	\$220,150.00	Dec-13	Design completed and forwarded to Council 20 June 2013. Approved construction Aug-Dec 2013.
	Blady Grass / Cemetery Road	\$177,787.00	\$177,787.00		\$5,874.00	\$171,913.00	Dec-13	Concept agreed. Design to be completed by end July. Approved construction Aug-Dec 2013.
TIDS								
	Street Signs	\$200,000.00	\$200,000.00			\$200,000.00		Council delivering with assistance from TMR.
TMR								
	Culvert Crossings	\$117,000.00			Nil		May/June 2013	Pipes and delivery as purchased by TMR (TIDS) for LRASC installation \$ required from TMR
		\$200,000.00					Jun-14	Funds advised to Darryl Jones to enable \$117K of pipes purchased by TIDS to be installed. Awaiting approval
	Claudie River Boat Ramp	\$100,000.00					Jun-14	TMR require survey from LRASC for detailing river profile around the existing boat ramp. Awaiting redesign by TMR.
TOTAL						\$5,726,749.00		

ID	Task Name	Duration	Start	Finish	2013												2014												2015				
					Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1																																	
2	Lockhart River Current Works Program																																
3																																	
4	NDRRA Works																																
5	2012 Restoration Works	24 mons	Sat 1/09/12	Thu 3/07/14																													
6	2013 Emergent Works	60 days	Fri 25/01/13	Thu 18/04/13																													
7	2013 Restoration Works	24 mons	Sun 21/04/13	Thu 19/02/15																													
8																																	
9	Drainage Master Plan																																
10	Drainage Master Plan		TBA	Wed 28/08/13																													
11																																	
12	Quintell Beach (On Hold)																																
13	Survey	14 days	Mon 11/03/13	Thu 28/03/13																													
14	Design, Documentation & Tendering	45 days	Fri 29/03/13	Thu 30/05/13																													
15	Construction	70 days	Fri 31/05/13	Thu 5/09/13																													
16																																	
17	Council Store Upgrade																																
18	Council Store Shed Concrete Works (ESW)	101 days	Thu 7/02/13	Thu 27/06/13																													
19																																	
20	Council Store Shed Site Works (IHB)	120 days	Mon 25/03/13	Fri 6/09/13																													
21																																	
22	Council Store Renovations to Existing Store (IHB)	80 days	Mon 10/06/13	Fri 27/09/13																													
23																																	
24	Line Hill Road Subdivision																																
25	Survey	14 days	Mon 11/03/13	Thu 28/03/13																													
26	Design, Documentation & Tendering	18 wks	Mon 1/04/13	Fri 2/08/13																													
27	Construction	90 days	Mon 5/08/13	Fri 6/12/13																													
28																																	
29	Claudie River Boat Ramp (TBC)																																
30	Claudie River Boat Ramp (TBC)																																
31																																	
32	R2R Projects																																
33	Illa to Wachee Streets - Survey	2 wks	Thu 6/06/13	Wed 19/06/13																													
34	Illa to Wachee Streets - Design	6 wks	Thu 20/06/13	Wed 31/07/13																													
35	Illa to Wachee Streets - Construction	109 days	Thu 1/08/13	Tue 31/12/13																													
36																																	
37	Blady Grass Street & Cemetery Road - Survey	2 wks	Mon 1/07/13	Fri 12/07/13																													
38	Blady Grass Street & Cemetery Road - Design	6 wks	Mon 15/07/13	Fri 23/08/13																													
39	Blady Grass Street & Cemetery Road - Construction	88 days	Fri 30/08/13	Tue 31/12/13																													

Council Workshop

GOAL

Lockhart River Aboriginal Shire Council owns and operates a workshop. The Workshop has four staff (a diesel mechanic, two apprentices and a tyre fitter).

OUTCOME

The Council workshop provides for routine maintenance and servicing of Council fleet, Community member vehicles, agencies operating in Lockhart River and drop in tourists as well as local persons in the surrounds. During the year under review, Council purchased the following:

– A 4 door Truck for Parks and Gardens	\$27,282.00
– Mayor's Vehicle	\$41,500.00
– HACC – Commuter – Old People's Van	\$67,347.00
– Warehouse Vehicle	\$45,791.00
– Komatsu Forklift Warehouse upgrade	\$36,000.00

During the year, Council also disposed a number of old non-functional assets via inviting interests of expressions to purchase the assets "as is" condition.

The workshop continued to undertake its core responsibilities of servicing and maintaining council fleet, repairing of damaged vehicles; working in vehicles from Community members and drop in tourists as part of its revenue raising measures.

A trainee diesel mechanic completed his apprenticeship and is now a fully qualified diesel mechanic.

One of the trainee mechanic left the employment of the Council midway through the year.

LOOKING AHEAD

- Council intends to introduce a new vehicle replacement policy in the near future. This will ensure that the current practice of running vehicles until they have no real market value is abandoned and the vehicles are either traded in or sold once they have clocked a certain number of kilometers or have been in use for certain number of years.
- Training for all apprenticeships will be encouraged and supported by the organisation.
- The unit will be run on a business model. New assets will be acquired after careful cost-benefit analysis have been undertaken.

Housing

GOAL

- To provide adequate and quality houses that meets the needs of the community today and in the future as well as encourage community member movement towards home ownership.

OUTCOMES

- One of the first actions taken by the new council when it came to office was to restructure the organisation and create a new unit called; Building Services Section comprising of four units. A building services supervisor was recruited and support to help the unit get established and operational provided. The section has a team of tradespeople and four apprentices/trainees.
- As of 30 June 2013, there were 109 dwellings comprising of 352 bedrooms being used as a social housing in Lockhart River. Social house in Lockhart River
- Council has engaged the department to act as its agent for the delivery of tenancy and property management to all social housing in the community under the agency appointment. This arrangement was in place throughout 2012 – 2013 period. Staff from the Department visited the Community on a regular basis. About \$600,000 was collected as rent from tenants during the reporting period.
- As of 30 June 2013 a total of 31 refurbishments were completed in Lockhart River. These jobs were done by Council building team and outside contractors. A further 5 refurbishments are in various stages of progress and scheduled for completion by end of June 2014.
- As of 30 June 2013 there were 54 current applications for social housing on the Department Housing register. Out of this, 16 applicants were from overcrowded households and 50 of the applicants have been assessed as being in very high or high need of housing assistance. 19 applicants are for one bedroom, 12 for two bedroom, 11 for three bedroom and 12 for four bedroom houses.
- Construction of new houses has been constrained by lack of available service sites in township. Council has approached the Program Office to assist with the development of new sub-division in Lockhart River. Once the new sub-division is ready, more new houses will be constructed in the township.
- Council continued to support employees with their skills upgrade; Council electrician attended air conditioning installation course; 12 Community members attended a two week Cert II in Construction Course.

LOOKING AHEAD

- A new subdivision site has been identified and will be developed in 2013 – 2014.
- Council has approached the Department of Housing to be awarded a Principle Contractor Status.
- Six new houses will be constructed next year, Council will build two of the six houses
- Other building works will include fencing, painting, usual maintenance and repair jobs will be undertaken next year.
- New qualified trade's people will be recruited to cater for the increased work load in the next twelve months.

Environmental Management

GOAL

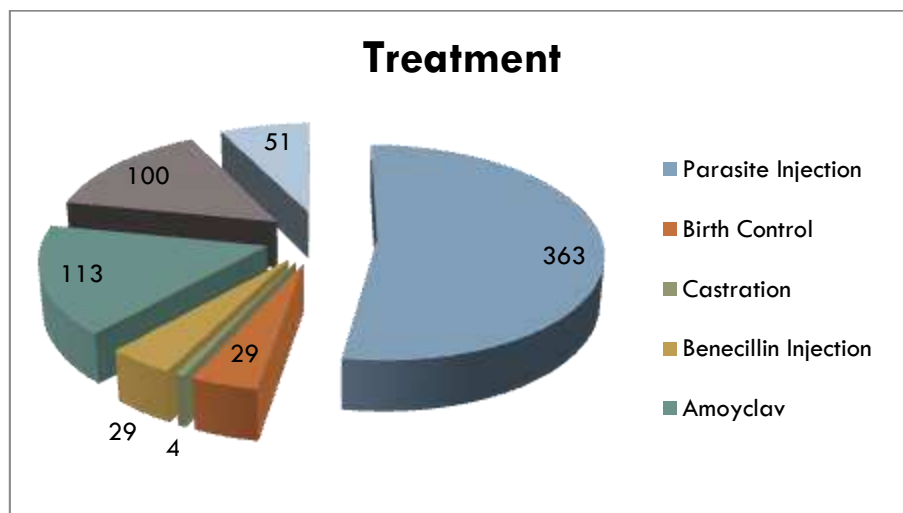
To enhance and protect the wellbeing of the residents of Lockhart River by providing an effective environmental management program and systems.

STRATEGY 1 – Animal Control

Effective control of animals in the shire as well as promote responsible animal ownership management.

OUTCOME

- Council continued to employ two animal control workers throughout the year
- Training was provided to the officers on the job as well as through attending various workshops in relation to the Animal Management Act. The officers attended three such workshops.
- A partial census of dogs was undertaken. Each household will have no more than two dogs under Council Local Laws.
- Four visits were made by the Veterinary office to Lockhart River in 2012 – 2013. Below is a list of treatments provided.



- A new dog pound was constructed and used to keep stray dogs and those that remained unclaimed were put down.

- A total of 127 dogs were put down during the year
- A number of complaints about dogs were verbally reported, however no serious dog attack incidents was recorded.
- There were problems of loitering animals – cattle, horses and dogs throughout the year. These animals caused problems such as knocking down wheelie bins and risks to road users (drivers).
- Three Community public meetings were held to discuss the introduction of the Local Laws in Lockhart River. At the time of writing the report, the Local Laws have not yet been adopted.
- There was one visit made by the Pest Control Officers to the Community and spraying of various facilities was undertaken to eradicate pests – cockroaches etc.

LOOKING AHEAD

- Find a suitable place where all Cattle will be kept
- Continue with the work on responsible dog management by enforcing the Council Local Laws once adopted.
- The adoption of the Council Local Laws to be undertaken next financial year.
- Deal more effectively with problems associated with loitering animals in the township.

STRATEGY 2 – Water Supply and Sewerage Management

The Council is responsible for the provision, operation and maintenance of infrastructure used to source, treat and transport portable water to the community residents for domestic and community purposes; as well as the management of the Community sewerage system.

The scheme sources water from three bores. The submersible bore pumps pump raw water to the older of the 2 ground level reservoirs which then flows into the new green reservoir. Disinfection is the only form of treatment and occurs via injection of sodium hypochlorite on the upstream side of the holding tanks.

Water is stored in 2 concrete tanks that supply the community through pressure pumps into the reticulation.

The unit has got three full time employees who are responsible as hazard identification and risk assessment team.

Every month Council sent water samples to Cairns Regional Council Laboratory unit to be checked in accordance with the Water Supply (Safety and Reliability) Act 2008. All samples sent to the laboratory met the NH2MRC (2011) guidelines for drinking water for the parameters tested.

Council continued with its water pressure and leakage program to help conserve the shire's drinking water. This program focuses on detections and repairing leaks in the network. Many households responded positively to this initiative.

Officers from the unit attended two workshops organized by the department. One in Cairns and the other in Weipa. Attendance at such workshops helps to improve the operational efficiencies of the team.

Staff from the Environmental Health Unit; Cairns Office assisted the water team with their operational duties i.e. daily plans weekly plans, monthly plans, six monthly reports and annual reports.

The Council sewerage scheme operated reasonably well throughout the year. However there was one report that raised some concern on the growth of green algae at the Sewage treatment ponds. The report was investigated but no further action has been taken. Council employee continued to clean the baskets at the pump station on a regular basis.



ESCHERICHIA COLI HEALTH COMPLIANCE**Drinking Water Scheme: Lockhart River**

YEAR 2012 – 2013												
MONTH	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Number of Samples Collected	3	3	3	3	3	3	3	3	3	3	3	3
Number of samples collected in which E-Coli is detected (i.e. a failure)	0	0	0	0	0	0	0	0	0	0	0	0
% of Sample that comply	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Compliance with 98% annual value	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

LOOKING AHEAD

As part of its strategy of raising more revenue, as well as to encourage responsible usage of water, Council will in the foreseeable future introduce water charges once the installation of water meters have been completed to all houses in Lockhart River.

As work on the new sub-division begins in mid-2013 - 2014 period, the plumbing unit of the Council will be busy connecting water and sewerage pipes to the new sub-division.

A major maintenance work on the water and sewerage in infrastructure of the Council will be undertaken in 2013

STRATEGY 3 – Parks & Gardens

Ensure that the public places and the Community is kept clean and tidy.

Council purchased a second hand truck for the Parks and Gardens team.

Parks and Gardens gang team slashed, cleared large areas around the town and road verges from the Barge Ramp to the Town, cleared storm debris and general rubbish on a regular basis.

Council garbage truck was operated on a regular basis to empty wheelie bins and take all the waste to the new landfill.

A new garbage truck service delivery program was prepared and approved by the Council. The new timetable addressed many of the problems relating to bins not being collected regularly.

Two days of Community cleanup was undertaken at the start of the wet season. More intensive community cleanup activities were undertaken at the beginning of May 2013 as the community faced the threat from Cyclone Zane. A campaign to remove some of the old dead vehicles lying on road sides and people's homes was undertaken and this proved to be partially successful.

Working on Country

The Lockhart River Aboriginal Shire Council (LRASC) Kawadji Kanidji Rangers (KKR) was funded by the Commonwealth Government of Australia Caring for Country program. This program aims to improve the biodiversity of Australian landscapes through the engagement of Aboriginal communities.

Recognising the advantages of maintaining and/or improving the landscape through collaborative land management, LRASC maintained a strong focus and commitment to working with other Natural Resource Management (NRM) groups within the region. Thus, encouraging a greater capacity of skill transfer amongst the community, larger projects to be planned and implemented, networks to be strengthened and overlaps in service delivery to be minimised.

Rangers had the opportunity to work with a number of organisations and individuals including but not limited to the Australian American Fullbright Commission, Australian Defence Force, Cook Shire, Department of Agriculture Fisheries and Forestry (DAFF), Evergreen Biofuels, JobFind, Kuu Ku Ya'u Rangers, Lockhart State School, Rural Fire Brigade (RFB) and Tangaroa Blue.

Through this panoply of interaction and ability to engage in varying delivery techniques, rangers increased their ability to understand and manage the unique natural features of the Mangkuma Land Trust (MLT).

Regular patrols around the township, Chilli Beach, Claudie River, Iron Range, Lion Hill, Old Site Road and Quintell Beach permitted rangers to monitor the environment for change, record pertinent data and implement actions such as weed, debris and/or track works to maintain or improve the surrounding environment.

Sites were photographed and locations referenced, normally by environmental markers as a Global Positioning System (GPS) coordinated location on many occasions was difficult to obtain; cloud cover and/or a closed canopy. Other data captured included climatic conditions, date, fauna and flora specifics, incidences of pest animal and plant intrusion, prevalence of waste and other debris, risks to infrastructure, persons and the environment and cultural heritage use. Data is held with LRASC and other agencies such as Tangaroa Blue, Clean Up Australia Day, DAFF and www.feralscan.org.au

Through this collation data, a range of resources were developed for both the community and visitors facilitating an avenue for the exchange of NRM information to sustain, maintain and/or improve the unique biological diversity of Lockhart River and surrounds.

Aboriginal Knowledge and Cultural Heritage Management

As an ongoing commitment in the facilitation of cultural development and exchange within the Lockhart River community, KKR had the opportunity to assist Lawrence Ommenyo and Ku Kuu Ya' u Rangers make grass skirts for the Laura Festival. They also collected seed and other materials with youth for propagation and other uses and digitally captured dreamtime stories told by elders.

The KKR also attended the World Indigenous Network (WIN) conference in Darwin enabling interaction and the exchange of ideas with land managers and from Australia, Africa, Americas, Philippines, Solomon Islands and many other far off distance countries. Whilst in the Northern Territory, rangers also had the opportunity to explore Kakadu National Park to evaluate joint management (Aboriginal/Government) of a World Heritage Area.

Biosecurity Management

Various initiatives with the DAFF permitted rangers to understand, monitor and record various biological risks posed to the Australian environment.

At times introduced agricultural species such as lemongrass, chilli, oranges, lemons, mangoes and alike can carry and spread detrimental diseases and pests. Rangers assisted DAFF collate details of the type, number and location of these species. Areas surveyed included the airport, community farm and the township.

The rangers also assisted DAFF complete a survey of debris washed ashore at Chilli Beach. Debris invariably escapes from the constant flow of international shipping, posing a risk through the possible introduction of a foreign organism. Debris sighted was of Asian or domestic origin. No major risks were identified. Additionally, as a precautionary action, due to the migration of rabies towards Australia along the Indonesian archipelago, rangers also assisted DAFF complete a community survey about the incident of dog bites and rabies like noted illness. Incidents of dog bite or illness by hospital staff, the Lockhart River police, LRASC Animal Control or the rangers were not reported.



Photograph 3 - Patrick and Abraham; debris sorted and weighed, Clean Up

Debris Management

To assist in the reduction and discharge of rubbish, debris, dissolved nutrients, chemicals and other pollutants into the MLT and the Great Barrier Reef Marine Park, the KKR undertook a range of activities.

Rangers assisted in the organisation and implementation of the annual Chilli Beach Clean Up with Tangaroa Blue. With the aid of sixty volunteers comprising kids from the Lockhart River State School, Cook Shire staff, locals and visitors to the area, 5.52 tonnes of debris including 4,696 thongs were collected and removed from the beach.

Rangers initiated Clean Up Australia “Lockhart” Day. Queenie and fifteen kids from the community collected over 55kg of debris from areas surrounding the general store. The rangers also took a lead role in a community cyclone clean up and education campaign, ensuring debris was removed or secured reducing the risk to persons, infrastructure and the environment during cyclone Yasi.

Whilst the development of Waste, a Commodity project brief provided strategies to reduce, re-use and recycle waste. Various materials collected or taken to dump are of value. Sorting items would allow re-use and possible re-sale. Thus, providing both economic and environmental benefits to community, through an ability to reduce landfill requirements and/or the provision of a cash income.

Green and paper wastes could be used as mulch in community parks and gardens. Metals such aluminium after transport by Tuxworth’s can be sold to Cairns Metal Recyclers for approximately \$ 0.03 a can. While plastics can be sold to a range of industries and building items, furniture, clothing and toys could be sold in a trash and treasure second-hand store.

Infrastructure Management

Key sites surrounding the Lockhart River Community were assessed for risks and the ability to reduce risks to the community, visitors and the environment. Waterways and roadways in the area can be hazardous; crocodile/marine-stinger human interactions, creeks and rivers can rise quickly, whilst roadways invariably have wildlife crossing and fire can escape from designed fireplaces.

Incidents of
concern
included a

small child admitted to the hospital after being stung on the leg at Quintell Beach by a marine stinger and fires lit on hot and hazardous high fire danger days.

To reduce these risks a number of new signs have been highlighted for development and erection. Recent crocodile and cassowary sightings, marine stinger season, water height

level indicators for major rivers and creeks and fire hazard signs, highlighting fire biodiversity and safe campfire practices.

Feral Animal Management

Eradication of feral animals within the MLT was chiefly executed by labour intensive dogging. To a large extent, this was due to many in the community including rangers, preferring more traditional hunting methodologies. Others have difficulty obtaining a gun license due literacy issues and/or prior criminal offences and the ability to provide a secure gun lock-up with the township by an individual or LRASC could prove difficult, ultimately jeopardising the well-being of the general community. This ultimately hinders the total number of animals destroyed.

In June, unspent labour funds enabled a casual hunting program to be implemented, thereby assisting in the reduction feral animal numbers before the wet. It also allowed various persons in the community to be evaluated as potential sources of casual labour and enabled vital information to be distributed i.e. where and number animals sighted, animals killed, safe hunting practices, diseases and other risks, dog health and animal cruelty and other evidence; tracks, wallows, broken trees etc. In just under two hundred (200) hours of paid labour including traveling time, eighteen (18)

pigs and one (1) cow were eradicated.

In June, Hopstop®, an Australian approved eradication spray for cane toads (*Bufo marinus*) was purchased and tested. It proved to be extremely effective and will be a useful tool to reduce toad numbers.

Details on the eradication of feral animals has been placed on www.feralscan.org.au (unfortunately pig data could not be uploaded on the database as at June 30 2013 as it was not listed).

Fire Management

Due to training deficiencies, fire operations undertaken by the KKR was limited during 2012/13, assisting the RFB on only one occasion, a wildfire near the township. Training (Level 1 Fire Management) is scheduled for September 2013, enabling rangers to assist Queensland Parks and Wildlife Service (QPWS), Main Roads, RFB and others NRM groups, plan and implement controlled burns, manage wild fires and develop mosaic burn regimes to manage the unique landscape of the MLT. It will also allow rangers to be employed in fire management roles across Australia.

Weed Management

The Lockhart River township is a significant transmission point of weeds into the surrounding environment. As an on-going commitment in the delivering strategies and actions outlines in the Pest Management Plan 2006 - 2010, the Feed not Weeds Communication Strategy was developed and adopted by LRASC. This document provides a number of approaches to intensify weed management within the township. Thus, limiting the spread of weeds. It also advocates replacing the weeds with edible plants such as bush tucker, pineapples, passion fruit, banana, paw-paw, sweet potato, tomatoes, chilli, lemongrass and alike improving community health, reduce food bill for residences and limit the on-going need for maintenance (herbicide application, monitoring, reporting etc.).

A number of areas were targeted. Singapore daisy (*Sphagneticola trilobata*) at Twin Peaks, Housing and Community Care (HACC) residence and staff housing, nearby.

It was also targeted at top crossing and other areas along Old Site Road. While sickle pod (*Senna obtusifolia*) was targeted at many sites, including but not limited, school fence lines, ranger base, old rubbish site, sewage ponds, gully lines and bumpy track. Giant sensitive weed (*Mimosa pigra*) and common sensitive (*Mimosa pudica*) were targeted within the ranger base and neighbouring boundaries.

Revegetation after weed control occurred at the old rubbish dump (grass seed) and the ranger base (herbaceous locally propagated native plants).

Various resources were developed including information leaflets (weed and good feed). The LSAP (Lot Spray and Approved desired plant Plan), distributed to a number of residents, enabled formal approval for LRASC approval to spray weeds within individual residential lots and sought guidance on the type of edible plants that would be desirable for re-vegetation along fence lines and within the lot.

Training and Development

Rangers had the opportunity to augment their skills, knowledge and abilities to Care for Country in a variety of areas. All rangers attained Australian accreditation in the safe mixture and application of herbicides. By working as a team to overcome mathematical and literacy hurdles, to correctly calculate ratios and interpret labels including safety information. Rangers also gained accreditation in the use of a chainsaw including servicing requirements. The rangers' proficiency in a range of monitoring techniques was enhanced with camera and filming work of palm cockatoo (*Probosciger aterrimus*) nesting sites with Australian American Fullbright Commission and debris analysis with DAFF and Tangaroa Blue.

The Coordinators also ensured time was allocated time to develop competence in a variety of other areas including but not limited to

- Building/construction: development of a nursery and irrigation lines. Regular use of small machines and equipment.
- Survey techniques: Photo and film journals. Quad and transect survey plots when undertaking weed management, seed collection and other activities. GPS co-ordinates and types. Grid co-ordinates, distances (nautical mile etc.). History of mapping techniques like Polynesian stick and shell maps. Capturing climatic conditions like temperature, wind speed and cloud cover and environmental factors such as tracks and irregularities (dead trees, washed up items etc.)
- Seed collection, propagation and plant maintenance such as pruning, disease and pests.
- Plant and animal identification for instance defining plant/animal parts; serrate or epileptic leaf, shrub verses tree, herb or epiphyte. Markings where are they and what is the colour? Is it native or introduced?
- IT and administrative tasks: E-mail, Internet, purchasing, developing templates and forms and WPHS; use of PPE, risk analysis person, property or the environment.
- Policy development and community consultation in the creation of project briefs and other materials. Attendance at the WIN conference and other community meetings like the Men's Group and Youth Group.

Planning and Communication

The ability to *Care for Country* was enhanced via a number of mechanisms. Networks previously built with DAFF, JobFind, Ku Kuu Ya'u Rangers, Lockhart State School, QPWS and Tangaroa Blue were strengthened through continued actions and engagement. Whilst, attendance at WIN, LRASC meetings and other meetings/training sessions, facilitated a greater capacity to share skills and knowledge. Thus, resourcing the KKR to continue meeting environmental objectives and outcomes in a remote north Australian location.

With the development of a weed information sheet, feral animal information sheet, draft bush tucker and other documents like project briefs, communication strategies, site risk assessments, remote first aid procedures, a safety manual and other Standard Operating Procedures (SOP's) for chainsaws, small machines and alike ensured strategies, objectives and key messages were communicated to rangers, LRASC, community members and others such as Cape York Weeds and Ferals.

Unfortunately, though many issues of concern are still occurring in the township; littering, illegal dumping, burning of plastics, unmanaged weeds and their transmission, roaming feral animals and poor pet health (ticks and fleas) which is increasing the risk of disease and illness to humans and the environment.

Some procedures also require development for the provision of a cohesive framework for the ongoing cultural and environmental management of the MLT including a Cultural Heritage Policy, Fire Management Plan and Environmental Management Plan. It is envisioned that they will be developed in the near future.

Nevertheless, plans can only provide a framework for ideas, not the culture, ethos and actions for a community to *Care for Country*, which will be a requirement to ensure the unique biological features of the Mangkuma Land Trust is maintained for future generations.

Lockhart River Planning Scheme

Draft terms of reference for the review of the Lockhart River Planning Scheme was finalized in February 2013. In March the Program Office assumed responsibility for managing the preparation of the Lockhart River Planning Scheme.

Tenders for the planning scheme were released in March and tenders closed in April 2013. Three expressions of interest were received.

In June 2013, the Queensland Government's Department of Aboriginal and Torres Strait Islander and Multicultural Affairs accepted the offer of Cardno HP and entered into a contract for the provision of planning services to finalise the Lockhart River Community Planning Scheme. The contract was for a price of \$154,570 inclusive of GST and the contract was to start on 8 July 2013.

The first meeting of the Planning Scheme was scheduled to be held in July 2013 and the project is expected to be completed by the end of the next financial year.

Disaster Management



Local Disaster Management team meeting in progress: Cyclone Zane

Planning, preparation, response and recovery activities for Community disaster events:

- Work on the review of the Lockhart River Aboriginal Shire Council Disaster Management plan gained prominence.
- A consultant was appointed in June 2013 to complete review work on the Council Local Disaster Management Plan. The report is expected to be ready in the first quarter of 2013 – 2014 Financial year.
- The need to review the Local Disaster Plan was identified early in the year and four meetings were held to discuss the review process.
- Council encouraged residents to get prepared ahead of the bush fire season and cyclone seasons. Controlled burning was undertaken in the and around the township.
- Forced with the real threats from Cyclone Zane, the team together with officers from the Emergency Management Queensland held regular meetings, observed and reported on the Cyclone Zane activity. No serious event occurred as a result of Cyclone Zane.
- Members of the Local Disaster Team held three meetings in 2012 – 2013.

Following the imminent threats from Cyclone Zane, a number of recommendations were made by the Local Disaster team including:-

- Purchase of a generator
- Establishing a new disaster coordinating centre
- A structural review of some of the shelters / buildings that may be used during the cyclone periods as centres of refuge.
- The need to upgrade the old canteen as a possible retail store outlet in the event that the store was rendered inoperable.
- More training for the Local Disaster Team members as well as the volunteers SES team.

Lockhart River Community Safety Plan

The Safety Plan was put together by a local committee in consultation with the local stakeholders who are:

- Local Government
- Community Justice Group
- Men's Group
- Women's Group
- Local Police
- School Staff

Issues that the committee felt needs to be addressed under the Community Safety Plan were:

- Integration of people back into the community after incarceration
- Violence in the community as a result of drug and alcohol related issues
- Children and young people on the streets late at night
- Provision of diversionary activities
- Elders of the Community involvement in transferring cultural knowledge to young people
- Poor attendance at school

Draft copy of the Safety Plan was tabled for discussion in December 2012 and after three meetings, the committee adopted the safety plan. In May, the Council endorsed the Lockhart River Community Safety Plan.

A plan of action has been drawn and approved by the Committee; however the project requires more resources to enable it more forward with its planned activities.

Lockhart River Aerodrome

The Lockhart River Aboriginal Shire Council is responsible for the overall management of the Aerodrome Company.

The Aerodrome is a significant transport access point facilitating a daily air passenger service, emergency and charter flights to the Community. The Aerodrome is situated about five kilometres west of the Lockhart community.

It has a basic terminal facility that offers passenger processing ticketing agency and toilet facilities. The 1500 metre sealed runway is suitable for all weather, 24 hour operations with pilot activated lights available at aeronautical frequency 126.7 MH z, coordinate 12.47.08 S 143.12.18 E radio channel UHF 12.

The Aerodrome Company is wholly owned by the Lockhart River Aboriginal Shire and operates as a Council entity. Principally the company is responsible for the operations of the Lockhart River Airport and nearby Iron Range Cabins as well as the sale of aviation fuel and diesel fuels. The Aerodrome is the only means of travel when the roads are flooded during the wet season.

The Lockhart River airstrip was established as a strategic point for defence of northern Australia in World War II. Today it continues to be a vital transport link.

The reception and retail outlet of the Iron Range Cabins is designed as an aircraft hangar to reflect the military significance of the aerodrome, particularly in the liberation of Papua New Guinea during World War II.

The Lockhart River Aerodrome is committed to the provision of good service to the public. It undertakes the following services:

- Passengers processing system
- Online reservation and remote booking ticket priority system
- Maintenance of the aerodrome runway to acceptable standards
- Provision of Information Communication Technology infrastructure
- Quality service on the ground to all aerodrome users
- Ensuring that there is motivated and well trained team

During the year under review, the following services were provided.

- Online reservation as well as remote booking ticket printing for passengers on Skytrans. The number of passengers on Skytrans using aerodrome continues to grow from year to year.
- Provision of on the ground service to aircrafts including sale of aviation fuel; sale of diesel fuel to the general public were undertaken throughout the year
- Maintenance of the aerodrome runway. Work undertaken included surface markings that guide pilots on the runway and taxiway. Clearance of obstacles as part of runway layout clearing of trees on approaches to both ends of the runway.
- A number of staff attended various training courses as part of the compliance requirements for their jobs
- Provision of accommodation facilities at the Iron Range Cabins
- Offering employment opportunities to local people and local trades' people

Apart from intensive runway maintenance the following activities also happened within this period

- The start of Cafeteria Services at the Iron Range accommodation cabins
- Installation of VAST Digital Boxes and new Flat Panel TV sets in every room at the accommodation cabins
- Purchase of a two-roomed accommodation donga

- Installation of Internet WIFI hot spots for passengers and guests
- Introduction of a subsidised airline fares by the government that were later withdrawn
- New Directors elected to the board of Lockhart River Aerodrome Company

Challenges

Engineering Services has a very diverse and complex role in the Shire. Most of the projects undertaken require good effective project management. Lack of Skills in project management has affected the quality of some projects.

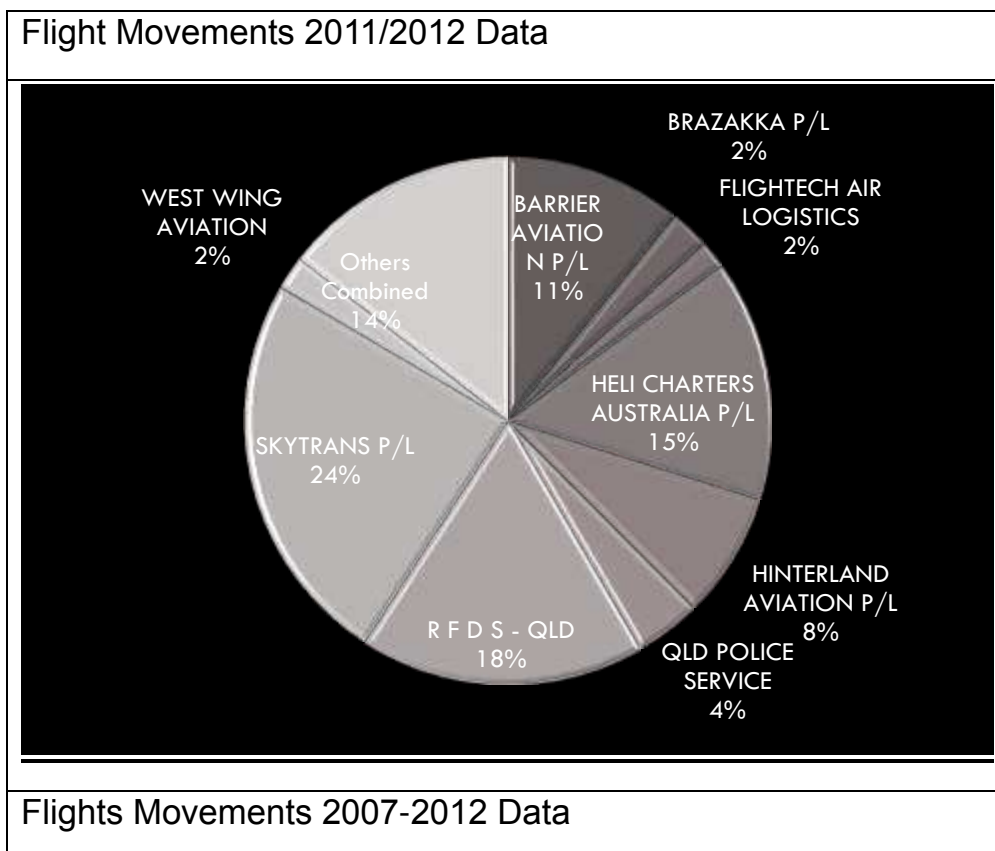
Also because of the numerous agencies that must give approval before projects can commence, delays in getting approval have led to significant delays with the project start-up resulting in cost overruns.

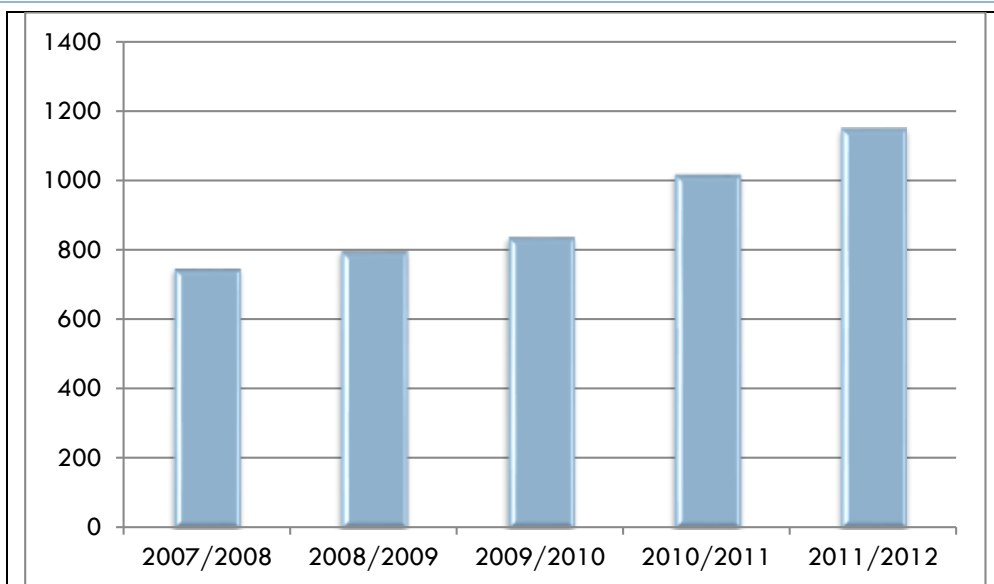
Also work on the three new projects that were funded in 2011-2012 will be undertaken. Finally, training will be provided to all company supervisors.

Finally, there was the Challenge of high staff turnover coupled with low productivity and poor work ethics in general. The company has started to address some of these issues

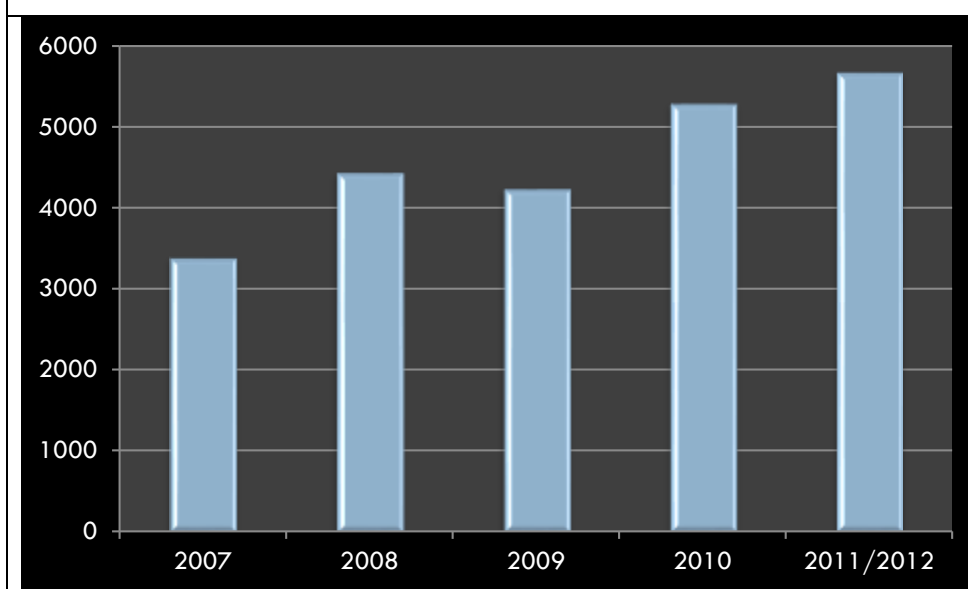
Looking Ahead

Next year will be an extremely busy year, as the company is looking towards seeking funding to carry major runway upgrade works.





Passengers Data 2007-2012



Community Development Services



1.0 Goal

You-me working together, not standing alone. You-me it's up to us. We have got to help one another. You-me I know we can do it.

2.0 Background information to inform actions

Corporate (Community) Plan priorities (2012-17)

Social wellbeing:

- Health and wellbeing are a priority
- All kids get a good education
- Recreation keeps people healthy, happy and active
- There is local leadership around law and order
- We look after our families, kids and old people
- Our traditions and culture are promoted and protected
- Council's capacity to provide and manage community services has increased.

Community Safety Plan priorities (2012-14)

- Emergency preparedness
- Animal management
- Reduction in domestic and family violence
- More family activities
- Camp out on country with Elders
- Fewer dealings relating to Child Safety
- Respect for Elders
- Active Community Justice Group.

Education Learning Circle priorities (2012-15)

- Early Years
- School attendance/ truancy
- Secondary schools
- Improving learning and education outcomes
- Staff cultural awareness.

Funding agreements

Name of funded service (program)	Funding body	Funding period	Purpose of service (program)
Community Justice Program	State Department of Justice & Attorney General	July 2012 – June 2013	<ul style="list-style-type: none"> • Support victims and offenders at all stages of the legal process in accordance with duties contained in the Penalties and Sentences Act, Bail Act and Youth Justice Act. • Develop networks with agencies to ensure that justice related issues impacting on Indigenous communities are addressed and have a particular focus on the development and support of prevention programs. • Encourage diversionary processes such as civil and criminal mediation, youth justice conferencing, community service orders and supervised orders. • Advise relevant (statutory) agencies on issues relating to the possession and consumption of alcohol in community.
Family Support Program (Family Together)	Commonwealth Department of Families and Community Services, Housing & Indigenous Affairs	July 2012-June 2013	<ul style="list-style-type: none"> • Assist parents to improve their parental and social relationship capacities • Mentor and build the capacity of Lockhart River residents to become more skilled and confident in determining their family's future • Enrich cultural and healthy lifestyle options.
Home & Community Care (HACC)	State Department of Communities, Child Safety & Disability Services	July 2012 – June 2015	HACC provides high quality support services to our aged, frail and younger people with a disability e.g. meal service, transport, social support, centre-based activities, personal and respite care, home maintenance, client care coordination.
Indigenous Outside School Hours Care	Commonwealth Department of Education, Employment & Workplace	July 2012-June 2013	That children in Lockhart River have access to quality, flexible early childhood education and child care that equips them for life and learning, and that these services are delivered in a way that encourages family

Name of funded service (program)	Funding body	Funding period	Purpose of service (program)
	Relations		and community engagement.
Parents and Community Engagement (PACE)	Commonwealth Department of Education, Employment & Workplace Relations	2012-13	<p>The PaCE program aims to enhance the capacity of families and communities to:</p> <ul style="list-style-type: none"> engage with schools and education providers in order to support improved educational outcomes for their children build strong leadership that supports high expectations of Indigenous students' educational outcomes support the establishment, implementation and/or ongoing progress of community-school partnerships support and reinforce children's learning at home.
Primary Health Care (Men's Healing Centre & Social Wellbeing programs)	Commonwealth Department of Health & Ageing	July 2012 - June 2014	<ul style="list-style-type: none"> Provide a whole of community 'social wellbeing' program through Council that is focused on improving individual health outcomes and the level of social connectedness. Target men in the community and increase their involvement in health and wellbeing activities and services (includes diversionary activities).
Pytham Women's Shelter	State Department of Communities, Child Safety & Disability Services	1/1/2013-31/12/2015	The Shelter will provide immediate supported (crisis) accommodation and Centre-based support to women and children at risk of family violence. A limited outside of home care (safe house) service will be offered as required and suited to the operation of the Shelter.
Youth at Risk Initiative (YARI)	State Department of Communities, Child Safety & Disability Services	July 2012 - June 2014	<p>The YARI Youth support service will provide targeted support to young people who demonstrate that they might be at risk of homelessness or involvement in the youth justice and child safety systems. This will mean that the worker is responsible for:</p> <ul style="list-style-type: none"> delivering client centered and evidence based service responses to young people; facilitating referral pathways and access to resources that are helpful for young people; participating in integrated networks and community partnerships to benefit young people.

3.0 Report of actions

Item 1 - Service Delivery

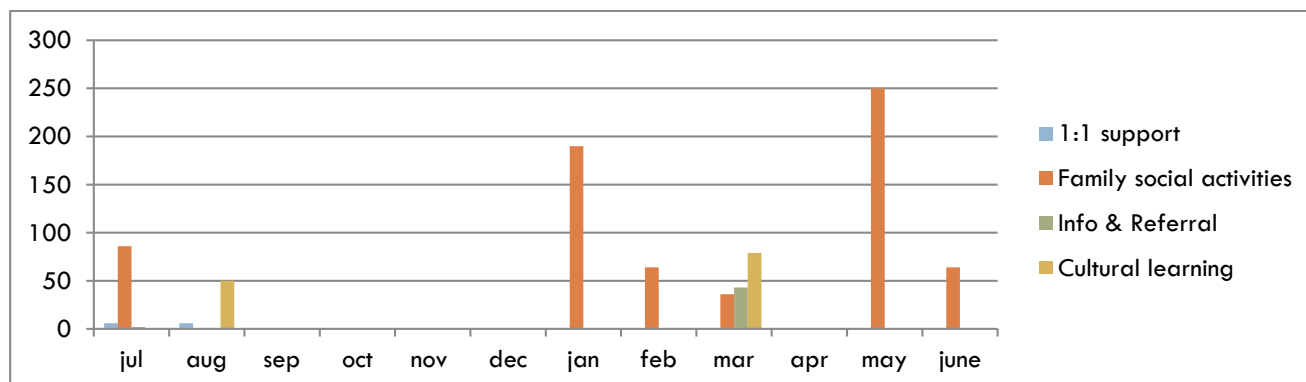
<u>Service – Community Justice Group</u>		
Activity	Output measure/s	Report (2012-13)
CJG will refer people at risk of involvement or involved in the criminal justice system for minor charges to the Men's Healing Centre and the Women's Group for immediate follow up and program support.	Number of referrals Number and type of supports	Need identified, no action taken that is clear.
CJG members provide advice to the QPS and the Magistrate and District Court judges in relation to matters involving Lockhart River residents	Number of court sessions attended Advice provided Number of residents involved	10 magistrate court sessions attended for the 12 months reported on.
CJG provides support to LR residents attending court, and who are on probation and parole, and links the people in with specialist advocacy and support services as required.	Number of supports provided	46 contacts with clients on probation and parole provided with direct assistance in the seven (7) months reported on. Involvement in 12 teleconferences
CJG intervene in gamble schools and problem drinking in order to do the best for children and young people's wellbeing	Fewer illegal and illicit social activities happening	Action taken on gambling schools but not effective. Involvement in a mediation session at the school involving 5 children.
People do their Community Service Orders in the community for broad community benefit	Number and type of community assistance provided through CSOs.	No report provided although some community service work was done.
Other – community events	Number and types of community events	Involvement in Deadly Thinking event (June) with 8 men. Involvement in Men's Health Pit stop in June (25 men) Involvement in NAIDOC day celebrations.
Other - meetings	Number and types of meetings	Involvement in weekly SES training Involvement in a Ministerial visit in June (HAT role) Involvement in 26 meetings with other agencies.

Limitation: This report includes figures from seven months of the year (only).

Service – Family Together

Activity	Output measure/s	Report (2012-13)
Provide one-on-one support and assistance to parents and care providers to address parenting and relationship issues and maximise family member's wellbeing and strength	Number and type of support	2 Families supported through the Circle of Learning program: <ul style="list-style-type: none"> 2 mothers + 4 children
Organise a range of social, recreational, cultural and educational whole-of-family activities which encourage positive parent/children interaction and participation	Number and type of activities	<ul style="list-style-type: none"> 30+ different activities reported (July, August, January, February, March, May, June) Activities include: Healthy family lunch, Fun day, FAFT and Playgroup sessions, library sessions, arts and craft days, PCYC school holiday programs, FAFT and Playgroup sessions, Cape York Super Sisters Education for Kids workshop Total contacts: 289 parents/carers; 301 kids
Refer individuals and/or families to relevant service providers	Number of referrals	<p>People provided with information about local and visiting services, and introduced to workers through group sessions and activities (e.g. FAFT, RFDS, Queensland Health, PACE, Playgroup).</p> <p>Some participation in a Health Expo at the clinic in June.</p>
Provide cultural learning opportunities for children and their parents by incorporating regular story-telling, play, language and other sessions through the weekly Library, Kids club and Playgroup sessions.	Number and type of activities Number of participants	<ul style="list-style-type: none"> 6 sessions held Sessions included: Kids books (in Creole), Language Literacy Project and Creole Literacy Project Total contacts: 54 parents/carers and 75 kids

Number of participants for each month



Comments:

The most regular activities were arts and craft that strengthen relationships between parents and children, and teach parents new ways of interacting and helping their kids learn. There were good linkages forged between the Family Together and Families and First Teacher (FAFT), Library, Playgroup and Kids Club programs during the second half of the reporting period.

Work to improve the Kids Club has started, which is important for all of the kids services in Lockhart.

Major limitations and challenges to the program include transport and staffing. Another limitation is the amount of funds available for running the program (e.g. activity costs), and also for supervision.



Family Together activities through the year

Snapshot of services July to December 2012

Number of individual parents/ carers involved in the program: 41

Total number of children: 178 kids aged 0 to 5 years old.

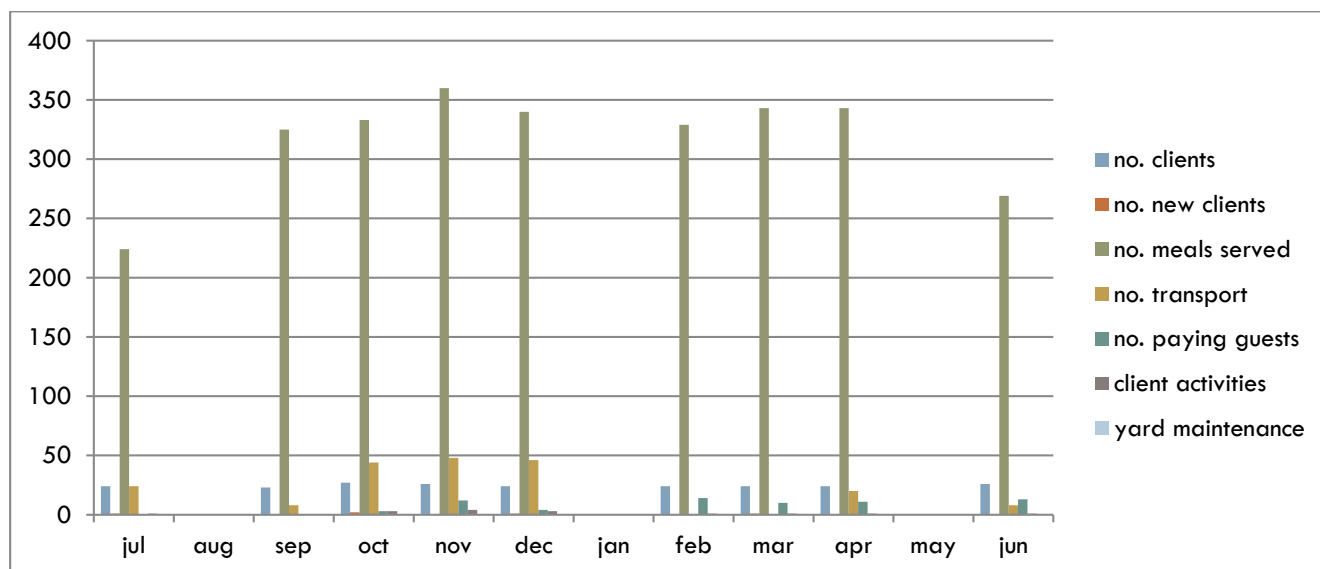
Of the 41 parents/carers involved:

- 35 were mothers of the children involved
- 5 were grandmothers of the children involved
- 1 was a father of child/children involved
- 4 parents were under 20 years of age
- 30 were aged 20-25
- 3 were in contact with Child Safety Services
- 40 were Centrelink income support recipients.



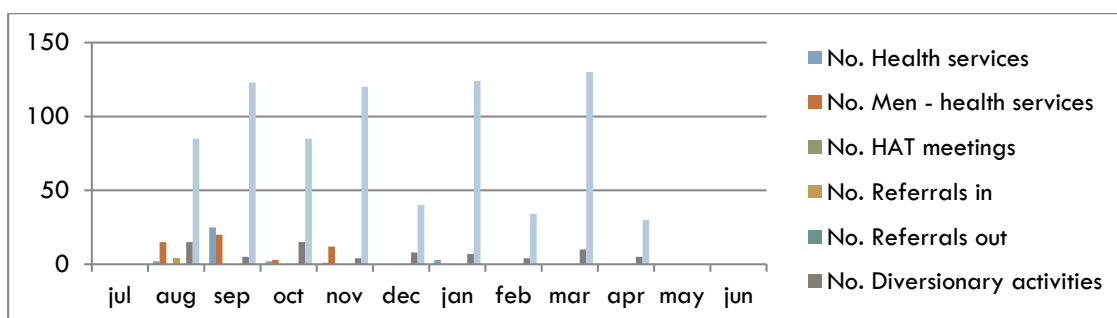
Service – HACC

Activity	Output measure/s	Report (2012-13)
Meal service	Number of clients. Number of client hours.	Av 25 / month
Run social programs for our old people like exercise classes, bingo, singing, stories and art, dance, community fun days, movie nights through the HACC program. Includes Social support and Centre-based day care.	Number of clients. Number of client hours.	Av 1 activity/ month
Organise home maintenance as required	Number of clients. Number of client hours.	3.75 hrs per month
Personal support. Includes personal care, respite care, transport, and client care coordination.	Number of clients. Number of client hours.	Transport – Av 22 trips / month
Guest accommodation	Number of guests	67
Comply with national service standards		Satisfactory

Service delivery figures (by activity) for each month

Service – Men's Healing Centre (DOHA)

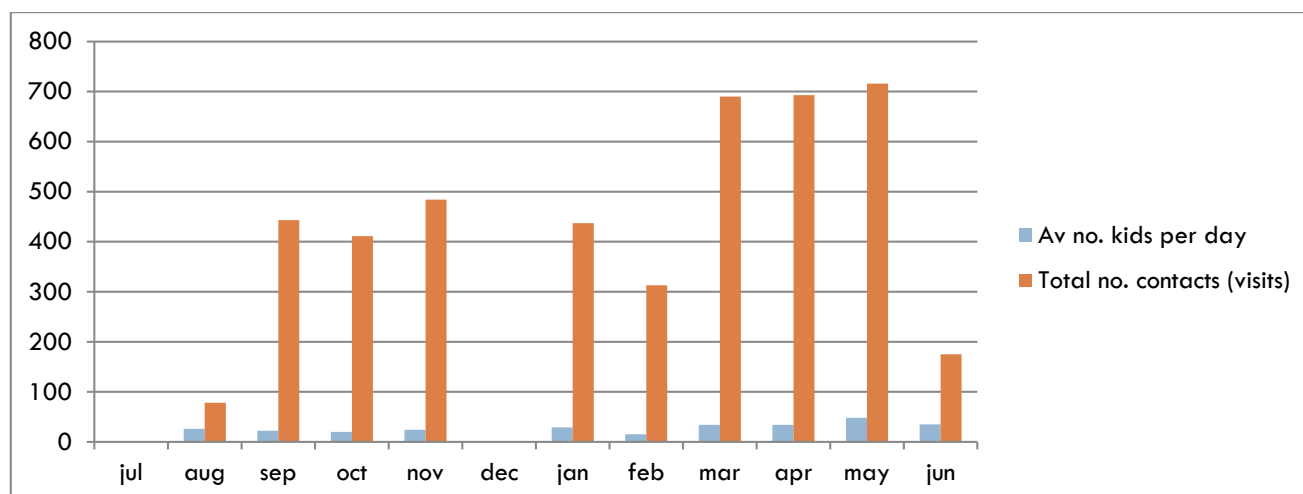
Activity	Output measure/s	Report 2012-13
Keep culture alive and build community through music, dance and performance (e.g. Laura festival), and language programs.	Number of activities Type of activities Number of people involved	Prepare for Laura festival, story-telling. Discussion held with Lockhart River language project consultants.
The Men's Healing Centre will run activities focused on preventing involvement in the criminal justice system.	Number of activities Type of activities Number of people	73 activities run for the nine (9) months reported on. 771 men involved, 50% aged 18-39 and 50% aged 40+ Activities included: men's health check, dance and music activities, dart nights, and men's group meetings
The Men's Healing Centre will run healthy lifestyle and health promotion programs (includes nutrition, cooking, sexual health and exercise).	Number of activities Type of activities Number of people Number and type of linkages with external agencies	33 different activities were reported in the nine (9) months, involving 50 contacts with men. The Apunipima nutritionist ran some cooking classes for men. <ul style="list-style-type: none"> • There was a Queensland Health-Apunipima men's health check. • ATODS provided support services to men. These three services were the main linkages.
The Men's Group will be active in providing alternatives and interventions when men get in trouble.	Programs are in place at the Men's Healing Centre The Men's Group is given a list of people in trouble each week and follows up with them.	The Men's Group met during the nine (9) months reported on. Members were active in the diversionary activities held.

Various men's activities through the year*Number of services and contacts for each month*

Service – Outside School Hours Care (Kids Club)

Activity	Output measure/s	Report 2012-13
A breakfast program is funded through the school (before school care).	Number of children	
A wide range of programs and activities are run after school for children and youth.	Number of children	For the 10 months where figures were reported there was a total of 3,636 contacts (visits)
A wide range of programs and activities are run during vacations for children and youth.	Number of children	For the 10 months where figures were reported there was a total of 1,161 contacts (visits)

Numbers of kids for each month

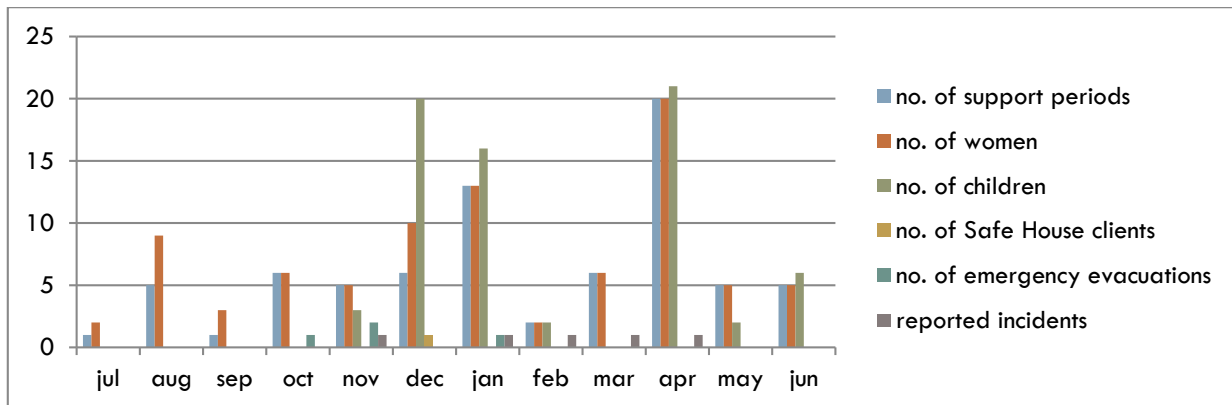


Various kids activities, including a concert and fun day

Service - Pytham Women's Shelter

Activity	Output measure/s	Target to be delivered	Report (2012-13)
Immediate temporary supported accommodation with case management support during a crisis and during a transition back home or to a new home based on choices made by the client. This includes provision of follow up support to clients.	Number of support periods Number of adults Number of children	1,095 per annum	70 support periods reported This included support for 79 women and 70 children (reported)
Centre based support in response to people where there is a risk of family violence. This includes case management support and practical assistance relating to housing and safety.	Number of hours Types of activities	None set	A number of additional activities and roles were routinely performed by Shelter staff (during most months reported) including: <ul style="list-style-type: none"> • Health Action Team • Community Justice Group • Child Safety committee and liaison • Bingo nights
'Safe house' for children who are in care of the Department of Child Safety, and are returning to community for holidays and/or special occasions.	Number of children	None set	1 child returned to community and was placed in the Shelter for Safe House purposes in December 2012

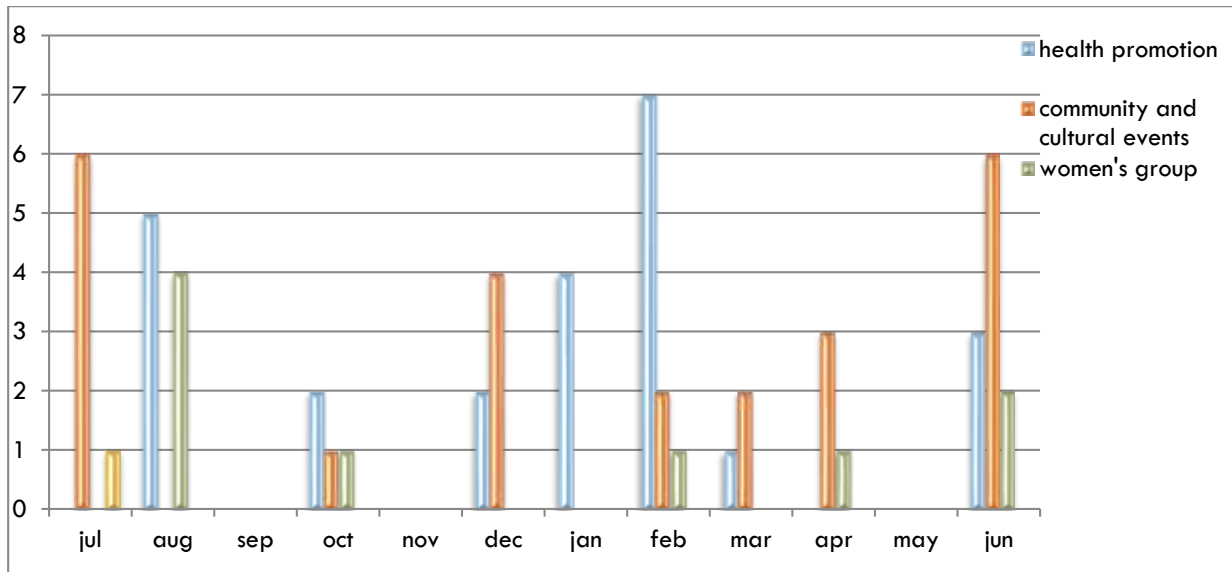
Figures relating to the Women's Shelter 2012-13



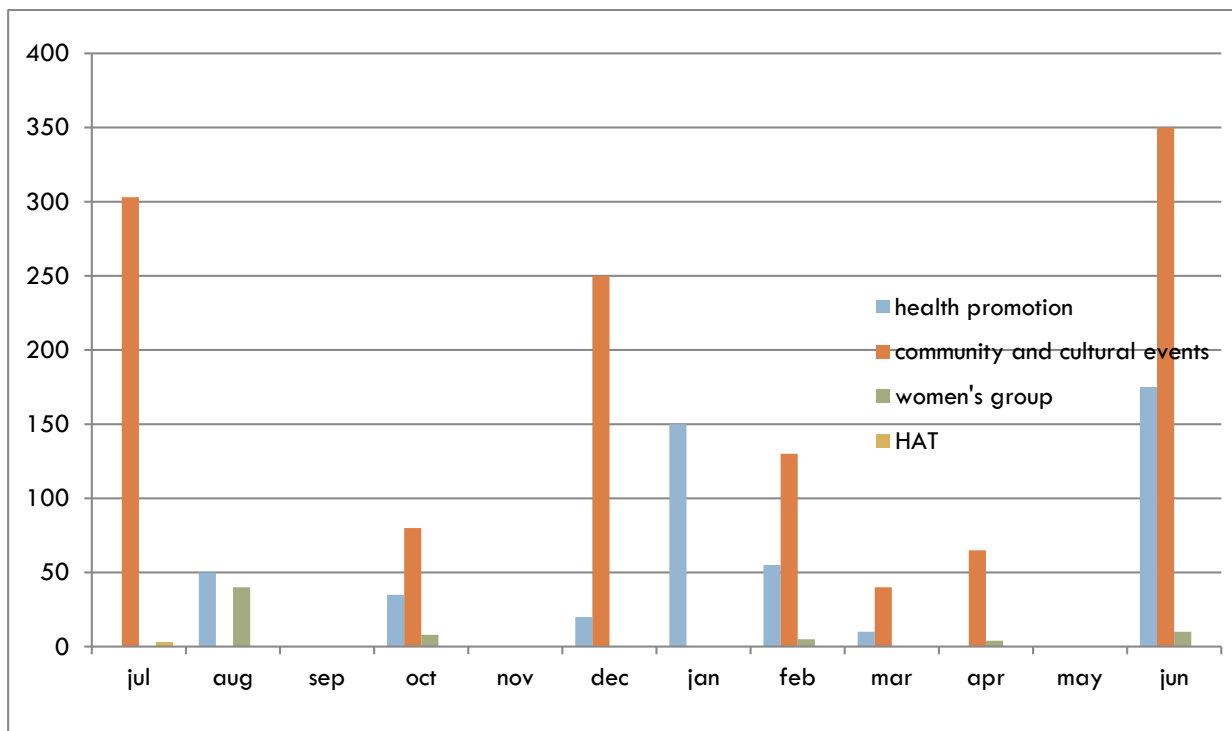
Domestic Violence march by the Community on 27 May 2013

Service – Social wellbeing (DOHA)		
Activity	Output measure/s	Report (2012-13)
Healthy lifestyle and health promotion programs are run in community each week (includes nutrition, cooking, sexual health and exercise).	Number of activities Type of activities Number of people	23 activities for the none (9) months reported , including 495 people Activities included: Ranger camp, Health Action Team, Community Clean up days, Zumba, Early childhood activities and meetings, Big Ear health meetings, Retail store meetings, community wellbeing, public meetings, and sports days.
Elders continue to teach kids their own language and culture, and encourage them to also learn English literacy and numeracy for work purposes.	Number of language/ culture related activities	10 activities, largely relating to dance and song (for Laura)
Organise a range of regular group activities at the community hall, and set up gym equipment for the whole community to use.	Number of activities at the community hall Number of people involved	See YARI report.
Improve the church hall and hold regular social activities like movie nights, bingo, Karaoke and music and dance events.	Number of social activities Number of people involved	24 activities, including 1,218 contacts with people
Keep culture alive and build community through music, dance and performance (e.g. Laura festival), and language programs.	Number of times traditional and original songs recorded and performed. Number of times traditional and original dances are practiced and performed. Number of times traditional language is shared and taught.	Laura dance festival – preparation and performance. Dances at main community event days Traditional language consultant visited Lockhart River and met with community members.
The women's and men's groups are supported to be actively involved in community wellbeing.	Number of Women's and men's groups meetings Number of Women's and men's group projects Number of people involved	The women's group met eight (8) times during the year, with 67 meeting attendants

Number of activities for each month



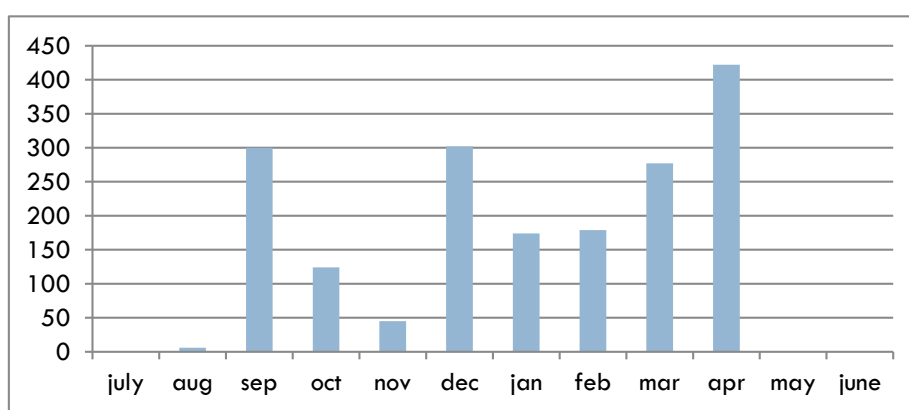
Number of people involved in activities for each month



Service - YARI

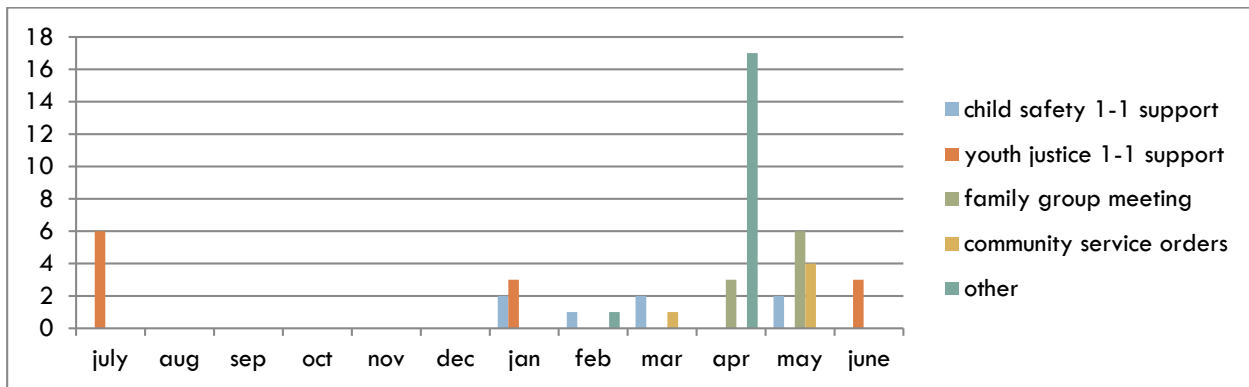
Activity	Output measure/s	Report (2012-13)
<i>Sport and recreation</i> - Provide a range of youth activities throughout the year that provide recreation, social and cultural opportunities for young people to participate in their community.	<ul style="list-style-type: none"> Number of contacts with young people Type of contacts with young people Number of activities organised Type of activities organised 	Total contacts: 1,250 Types of contacts: various sport /rec No. Activities: 70 + Type of activities: Deadly Fun Run, AFL, Community Hall opening, ATD dance workshop, School holiday (Morganics + D_MK-1; Wally Wall Work), School camps, Friday night discos, Movie Nights, Christmas party, Youth Committee, spontaneous activities.

Number of contacts for each month



<i>General information, advice and referral</i> – create a distinct 'Youth space' that is accessible as a drop-in during the working week and will provide proactive advice and referral where appropriate to specialist supports (e.g. community hall)	<ul style="list-style-type: none"> Number of young people Type of contacts with young people 	Number of school aged youth (14-17 years): 19 Type of contact: re-entry/engagement in school
<i>Needs assessment and planned support</i> – work with individual young people to continuously identify issues and put in place integrated and coordinated support plans with other agencies	<ul style="list-style-type: none"> Number of contacts with young people Type of contacts with young people Number of activities organised Type of activities organised 	Number of young people: 32 Type of contacts: Work with young people and family groups in contact with Child Safety Services. Work with young people and Youth Justice officers. Work with young people who are on Community Service Orders.

Number of contacts for each month by type of contact



<p><i>Living skills development</i> – coordinate a number of living skills programs and activities that reflect local need (e.g. healthy lifestyle and health promotion)</p>	<ul style="list-style-type: none"> Number of young people Type of activities organised 	<p>No. of young people: 25 referrals to programs</p> <p>Activities supported:</p> <p>RFDS sexual health and Circle of Support, and Queensland Health sexual health/ teenage pregnancy</p>
<p><i>Cultural group development</i> – support the ongoing enrichment of cultural identity and pride through connection with and mentoring of youth by respected Elders, and by youth involvement in events like the Laura Dance Festival.</p>	<ul style="list-style-type: none"> Number of contacts with young people Type of contacts with young people 	<p>Number of young people: 80</p> <p>Types of contact:</p> <p>Support for youth to be involved in Laura dance festival</p> <p>Support for elders to be involved in Morganics + D_MK-1 program (video / music track)</p>



ATD dance workshops



School camp

Service - PACE		
Activity	Output measure/s	Report (2012-13)
Local mentors and community tutors will help kids and parents get through school successfully.	Number of mentors and tutors that are active.	
Parents and care givers make sure their kids go to school.	Attendance rates	
Support young people in their transition from Lockhart State School to external secondary schools.	Number of young people (and families) supported	Support was recorded for 68 parents in the month of February 2013.

The PaCE Program Objective is to enhance the capacity of Aboriginal & Torres Strait Islander families in the Lockhart River community to:

- Engage with schools & education providers in order to support improved educational outcomes for their children (0-19 years)
- Build strong leadership that supports high expectations of indigenous students' educational outcomes
- Support the establishment, implementation and/ or ongoing progress of community- school partnerships and
- Support and reinforce children's learning at home.

PaCE is a really good program because it supports parents and community leaders to do what they know will work in the community. PaCE has been a key success factor in the community moving forward with education, building leaders and helping parents become more involved in their children's education. We have been building on our strengths and building the confidence and skills of our leaders, parents, families and workers – all of which helps our children learn and achieve. We are getting good feedback from participants in PaCE activities. We always work in partnerships to ensure sustainability, engagement and long term success.

Some of **PaCE achievements** for 2012-13 include:

- 72 events including workshops, meetings and activities building parent confidence and competence, attended by 948 participants
- improved participation of mums (and bubs) in early learning through PaCE working together with the school, Council, Community Development (Families Together), Families as First Teachers (FAFT) and Playgroup Queensland. Our early years programs are working better together. The Council provides bus transport, which has removed a barrier to parent participation.
- improved engagement of parents at the primary school, for example through PaCE/ School/ Families Together activity for parents to meet teachers and visit classrooms. Some fathers have even started sitting with their children and having lunch together. Attendance and behaviour at the School has improved through community and school partnerships and committed leaders, including Mayor Wayne Butcher, Principal John McSweeney, Councillors Paul and Veronica Piva & P&C Chair Dorothy Hobson.
- working to help parents communicate with their children away at Boarding Schools through Skype. A number of disengaged students have returned to Boarding Schools or attend the alternate secondary program in Lockhart.
- 3 Lockhart River Education Learning Circles - they continue to be an important way for our key stakeholders inside and outside the community to decide on priorities and work together to achieve them – both for now and for the future. Parents and leaders are involved, as well as

representatives from State and Australian governments. These are a partnership between Puuya Foundation, PaCE, Council and School.

As the auspice body, the Council has supported PaCE with financial reporting, office accommodation, transport and partnering with PaCE on a number of important initiatives, including the Lockhart River Education Learning Circles. The Council has also provided supervision and works hard to link Community Development activities with PaCE through Dottie Hobson, Community Development Director, Cate Adams and Councillor Veronica Piva. The PaCE Co-ordinator, Christina Butcher, is also supported by Councillor Paul Piva, who has the education portfolio and facilitator Denise Hagan.

PaCE is funded by DEEWR until December 2013. One of the challenges is to secure ongoing funding to continue this vital work. A lot has been achieved this year, and there is still a long way to go.



Some Lockhart River PaCE Steering Committee members, February 2013
L-R Chair Greg Pascoe; Facilitator Denise Hagan; Community Development Director Dottie Hobson; Councillor Veronica Piva.



PaCE Co-ordinator Christina Butcher



Another successful Education Learning Circle in Lockhart River, February 2013.
(PaCE, LRASC, Puuya Foundation, FAFT, QCOSS – IPSU, DEEWR, Playgroup Qld, DETE, LRSS)



PaCE Co-ordinator, PaCE Steering Committee & Families Together worked for the successful PACE/School event for Parents to meet the Teachers & visit classrooms & see their children's school work



The parents went to their kid's classrooms to see what teaching methods were used. Dads helped with BBQ.



Family Together mums making decorated photo albums with pictures of their kids at our Family / PaCE events – helping parent engagement as well as building confidence & pride.



PACE is working with Family Together at the Puuya Centre on Thursdays to do educational activities to build the competence, confidence and commitment of parents, carers and grandparents. This also strengthens relationships between generations.

Item 2 – Grant management**Existing grants**

Activity	Outcomes	Report (2012-13)
Performance reporting	Good quality reports for every program are produced each month, quarter (6 months) and year.	Monthly reports are provided to Council. Quarterly and 6 monthly reports are provided but are usually overdue. The annual report and action plans were provided but were overdue.
Financial management	All programs are on budget.	Budgets not set by and not provided to Community Development team until the end of the financial year. Finance reports always overdue.
Service assessments (annual)	Positive assessments, with minimal improvements required. Funding is continued.	Service assessments were carried out and were successful for: <ul style="list-style-type: none"> • Women's Shelter • YARI Minor improvements were suggested and related largely to policies and procedures.
Ensure industry standards are met	Good quality services for clients.	Little assessment of whether industry standards are being met.
Coordination/communication with funding body	Positive relationships. Funding is continued.	Overall positive relationships are maintained, primarily through the Director, with support from Anita. The relationships are strained at times by the consistently late nature of the reporting and break downs in communication between Corporate Services and Community Development.

Item 3 – Social enterprise (Facility hire)

Business - Puuya Centre				
Activity	Measure of performance - outputs	Target to be delivered	Measure of performance - quality	Report
Puuya Centre - accommodation and conference facilities	Level of use	X%	Type of use	
	Revenue generated	\$x per annum	Level of customer satisfaction	
	Costs incurred	\$x per annum		

Business – HACC guest accommodation				
Activity	Output measure/s	Report	Quality measure	Report
HACC Centre – guest accommodation	Level of use	Total of 67 paying guests for the nine (9) months reported.	Type of use	Accommodation for visiting service providers
	Revenue generated	\$x per annum	Level of customer satisfaction	
	Costs incurred	x per annum		

Item 4 – Staff development and support

Activity	Outcomes	Report (2012-13)
Training needs established	List of training needs of Community Development staff for the year	Training needs identified.
Training plan in place	Training plan for Community Development staff for year	Plan not yet completed
Professional support/ mentoring	Team achieving requirements of grants. Team members feel supported to do their jobs.	Coordinators are achieving different outcomes in relation to reporting and grant management. They are supported by the Corporate Services team (Denise and Stanley) and Anita. Anita visited four times during the year to assist people to understand and plan out how they needed to do their jobs. This was effective with some people (Catherine Adams, Tanya Koko, Noleen Clark, and Dorothy Dottie Hobson) and not with others (Patrick Butcher).

Item 5 – Networks & relationships

Key networks and relationships include the following.

Who with?	Report (2012-13)
Health Action Team	CJG members had some contact with Apunipima regarding the Health Action Team, but this was sporadic and any activities and outcomes were not communicated on to the Community Development team.
Apunipima	Men's Coordinator had contact with the Nutritionist in relation to men's cooking classes.
Clinic	Minimal contact with the clinic.
Men's Group	The Men's Coordinator helped to organise and run Men's group meetings and activities, including darts nights and music nights at the Men's Centre.
Women's Group	The Women's Shelter coordinator organised some Women's group meetings and activities through the year, including basket weaving and domestic violence campaigns.
St James Anglican Church	The main contact with the church is through Cr Veronica Piva, and through providing support for funerals. The church hall is a key facility for Community Development and the rest of Council, and it needs funds for improvement and maintenance.
P&C/ School	The team works with the school including involvement in the P& C.
Puuya Foundation	The Director continues to have a key role in the Puuya Foundation, and quite a lot of her time is taken up with communications, travel and meetings organised by Denise Hagan, the CEO. The Foundation has a strong focus on early childhood, and is working with the school and early childhood services to get good outcomes.
Police	The main contact is through the CJG and the Women's Shelter Coordinator, with additional contacts with the Youth Coordinator.
Magistrates Court	The main contact is through the CJG.
DATSIMA	The main contact is through the CEO.
Funding bodies	The Director of Community Development Services and the Director of Corporate Services are the main contact points for funding bodies, although each coordinator has individual contact with contract managers at different times. These communications are not always communicated to the Director.
Retail store	The Director is involved in the Retail Store committee.
RFDS	There is minimal involvement with RFDS, primarily through the Family Together program.
RAATSICC	There is some sporadic involvement with RAATSICC officers, primarily through the CJG (and Child Safety Committee), but also through the Women's Shelter Coordinator.
Child Safety & Youth Justice Services	There is some sporadic involvement with Child Safety and Youth Justice officers, primarily through the CJG (and Child Safety Committee) but also through the Youth program.

Item 6 - Lockhart River Language Learners Guide Project

1. Project overview

The project promoted the revival and maintenance of Umpila/Kuuku Ya'u at Lockhart River (Cape York Peninsula) through the production and widespread distribution of a series of language learning guides. Preceding the project, this speech community had very limited access to language material; there was an urgent need for user-friendly language resources due to the moribund status of the Umpila/Kuuku Ya'u/Uutaalnganu/Kaanju dialect group.

Over three years the project produced a ten module language-learners guide set. The first eight modules consist of 60+ pages each with accompanying CDs to guide the user through the book. Each of these is organised by the theme of an everyday setting and are structured around mock dialogues and/or conversational narratives relating to each of the everyday settings, e.g. dialogues about going to school, or how to undertake transactions at the shop, or how to talk together about making basket or a drum, or how to tell someone about the trip you took last month to Cairns.

The main aim of this was to root the set of resources in everyday conversational language as the key locus of human language. The interactional language material in each module is supplemented by descriptive grammatical information of a wide range: different aspects of word formation, phrase structure, morphology and syntax are covered in each volume and are related back to the interactional material. The last two modules in the series are bound and printed as a single compendium. The volume is a culmination of the three years of project work and comprises a single comprehensive go-to language resource that includes: part 1 (75 pages), descriptions of all core grammatical information; part 2, an extensive finder wordlist of approximately 1200 words from old and new sources dating from late 1950s through to the present, presented in dual alphabetical listings: *Kuuku Ya'u/Umpila* to English and English to *Kuuku Ya'u/Umpila*. Part 1 of this compendium is organised take the reader from the most basic building blocks of language, words and phrases, through to complex syntactic constructions, such as, questions, imperatives and conditional sentences.

2. Summary of project outcomes

The main project outcomes are as follows:

- Language documentation: The project created audio and video records of under documented everyday conversational events in *Umpila/Kuuku Ya'u*. Conversational material was the most crucial area lacking in the existing documentation of *Umpila/Kuuku Ya'u* and there was some urgency to record what interactional material we could with the few remaining elderly fluent speakers. Six *Umpila/Kuuku Ya'u* speakers assisted us to record 95 dialogues and conversational narratives, totalling a little over 30 hours of new audio/video language documentation. 38 of these texts were used in the guide books, where they were illustrated and translated into English and Lockhart River Creole. The documentary material from the project will be archived at AIATSIS.
- Resource production: The project filled a gap for much needed language resources on *Umpila/Kuuku Ya'u*: 10 module language learners guide set (each book 60+ pages) with accompanying CDs to lead learners through the books. The books were presented in user-friendly format, with limited use of technical terminology, descriptions of all important linguistic concepts, and plenty of illustrative examples. 300 copies of each book were produced, making 3000 copies produced over the course of project. The majority of these have been distributed in Lockhart River during the three years, while a small quantity are being stored at Lockhart River and Cairns for ongoing distribution as needed.

- Community *engagement* in project: We responded to active community input and feedback preceding and throughout the project. We raised community awareness of the project through a number of promotional activities: through the local newsletter *Waanta*, through engagement with all major agencies and organisations in the community, and through a project launch and workshops. The project involved active participation of a range of community members (27) in different age and clan groups, many of them not previously involved in language work projects. The project sought to engage a wide demographic of people in various capacities, e.g. to assist with language content, to tell stories for translation into language, or to illustrate the booklets, or assist with project logistics. Contributions from a diversity of community members crucially worked to make the books more engaging and accessible.
- Home based learning and workshops: The part-time nature of the project limited our opportunities to assist with ongoing home-based learning but we heard anecdotal reports of older people and parents using the materials for family learning. We provided support and advice for community members undertaking such home-based sessions. At the conclusion of the project we held an official launch and several workshops with youth and young mothers using fun activities and language revitalisation games.

3. Future directions for language work in Lockhart River

There is a need for continuing support of language learning and everyday use of language at Lockhart River. This support ideally needs to extend beyond formal or specific language learning activities, and needs to be incorporated in everyday community communications, signage, and newsletters, and integrated with cultural and community development activities. Widespread incorporation of *Umpila/Kuuku Ya'u* language in this way will help to encourage and support home-based family learning. Language projects on *Umpila/Kuuku Ya'u* prior to this project focused largely on documentation and descriptive research. This project worked to create a substantive user-friendly language learning resource. The future focus/aims for language work is to provide support for language learning and language use itself: both using the project books, but also moving beyond this and supporting use of language in different fields, by different demographics, and within different programs/organisations at Lockhart River. This approach will be best focused by recognising that interactive learning in homes among families is the primary foundation for language learning, ideally to be complemented and supported by community media and school-based learning.

4. Advice regarding language work needs in the region

We present three main recommendations for support of Indigenous languages in CYP region. These recommendations are based on both the project linguists' experience of running this project and many previous years' experience working in this region.

- Need for a regional resource centre and/or local language support group

There is evident a great need and community support for ongoing applied language work at Lockhart River, but this requires the more permanent presence of a linguist working in the region to provide these services rather than the temporary project-based approach that has been taken in this region to date. The model of regional language centres like the Kimberley Language Resource Centre provides a more appropriate model that could be used here. With a support linguist available, regular local Language Circles could be held at Lockhart River to provide some form of ongoing support and training for local language workers and local organisations wanting to incorporate language work into existing community initiatives.

- Uptake of National Indigenous Languages Curriculum in CYP

A national Indigenous Framework for Aboriginal Languages and Torres Strait Islander Languages has just recently completed a consultative phase. It is anticipated that the final Framework will be considered for approval and published in early 2014. This framework will provide a way for schools to support the teaching and learning of Indigenous languages. The follow up to decisions about implementation and development of curriculum will fall to state and territory education authorities. We wish to voice a strong recommendation for the uptake of this curriculum in CYP schools. In Lockhart River there is currently little to no vehicle for traditional language instruction in school. The proposed curriculum would change this. The implementation of such a program will fulfil strong community desire to see traditional languages have a place in school curriculum. School-based language programs help to add to prestige of language and cultural self-esteem/strong identity. We realise that this recommendations falls well outside the scope of the ILS program, however, the implementation of an Aboriginal language curriculum in this region will have a significant impact on success and sustainability of ILS funded activities. School-based language programs will also reinforce language revitalisation and maintenance work/projects being undertaken in the community. We believe the synergy between these could help to reinforce and bolster success of both of these undertakings.

- Support for Lockhart River Creole research and teaching

The local school is not recognised as an ESL school despite a vibrant local Creole being the first language of the children. We recommend support for research into and official recognition of Lockhart River Creole alongside that of Torres Strait Creole from which it differs. In an ESL context, Lockhart River Creole would be an effective bridge to the learning of both the traditional language of the region and also Standard English, particularly in the children's initial school years. There is also a need for support services for adult Creole speakers: for people with limited proficiency in Standard English translating/interpreting services would allow for proper access of information and communication with a range of government services and agencies, e.g. health, housing, police/legal services.



PUUYA FOUNDATION

The Puuya Foundation was initiated in Lockhart River. Its purpose is to empower indigenous Australians and to build relationships between Indigenous and non-Indigenous people to close the gap. It is an independent, non-profit secular foundation, established to strengthen people's *puuya* (life force in Kuuku Ya'u language). The Foundation is enabling Lockhart River to become a sustainable, empowered community. The Puuya Foundation works in close partnership with Council, the community and other organisations to build economic, social and spiritual strength. The Mayor, Council and LRASC staff generously support the Foundation with some travel and administration, as well as being a critical partner in many of the Foundation achievements in 2012-13, including:

- Our major supporter, the Tim Fairfax Family Foundation (TFFF) visited Lockhart River in February 2013 to meet community leaders and see the results of their support first hand. The Board is delighted that TFFF have "adopted" the Puuya Foundation and Lockhart River. Board members "*felt inspired, humbled, strengthened, grateful and touched by their friendship*". Community appreciation for TFFF support is strong.
- Facilitation of 5 Lockhart River Learning Circles in Lockhart River and Cairns with 75 participants (community, government and non-government organisations) unanimously agreeing that Learning Circles have built solid partnerships and connections that contribute to positive, practical outcomes in the community. Topics include Early Years Learning and Parenting, Secondary and Primary schooling, employment and culture.
- Progressing the Early Years Learning and Parenting project (EYLP), our major strategic project, specifically (a) the refinement of the Business Case to seek support from potential partners (b) preparation of funding submissions (c) refinement of the Lockhart River data profile to enable the Board, community leaders and potential partners to make decisions based on facts (d) working with community leaders to refine their vision and take actions.
- Seeking financial support of the Puuya Foundation and its projects in Lockhart River through presentation of our work and grant applications to potential sponsors and partners, including Social Ventures Australia's Commerce Panel and the first Queensland Indigenous Investment Group.
- Working in partnership with Lockhart River State School applying for grants to progress innovative education and training for secondary students who have returned early from Boarding Schools.
- Providing footwear for diabetics, a community priority, working in partnership with Apunipima, Lockhart River Clinic, Cairns Sunrise Rotary and the Reef Hotel Casino Community Benefit Fund.

Some of our ongoing challenges include: Lockhart River remains one of the most disadvantaged communities in Australia (35th in Australia) and supporting the ongoing capacity building in the community – building the competence and confidence for sustainable community led outcomes. We need long term partners with expertise and/or funding to walk with us towards a sustainable, empowered community.

The Puuya Foundation acknowledges the strong support of Mayor Wayne Butcher and the Council, CEO Peter Opio-Otim, Chair Dottie Hobson, Deputy Chair Jim Varghese, Directors Veronica Piva, Wayne Butcher and Denise Hagan, as well as many volunteers who contribute.



Puuya Foundation Board – April 2013



Puuya Foundation facilitated meeting to improve early years learning and parent engagement with babies and young children in Lockhart River, November 2012.
(PaCE, Council, Puuya Foundation, FAFT, PaL & P&C)

Corporate Services

Council's Corporate Services department incorporates both finance and administration functions and provides a wide range of services to internal and external clients of the Council.

The Finance section provides services like:

- Payroll, Debtors, Creditors, Purchasing and General Accounting Functions

While administration provides services like:

- Reception, Filing, Library, Information Technology, Radio, Banking and Post Office, Centrelink Services, Human Resources and Training, Housing and Support Services.

STRATEGY 1

Develop and review financial plans and budget for Council Operations as well as continue to develop and maintain financial systems and reporting to provide accountability for Council Corporate objectives.

Goal

To provide an efficient, effective and accountable financial planning and management as well as the overall administration of the Council operations.

Outcomes

- Council 2012 – 2013 operational plan was prepared and adopted by Council within the legislative time frames. The operational plan formed the basis for the Council 2012 – 2013 budget.
- Council 2012 – 2013 budget was prepared, presented and adopted by the Council within the legislative time requirements.
 - Monthly financial reports were tabled at all ordinary Council meetings. The reports showed performance against budgets for all major council activities.
 - Two budget reviews were undertaken during the reporting period.
- New funding for a variety of projects were secured to enable the Council meet its corporate objectives. Funding were secured for:
 - Pascoe River Cross
 - TIDS Signage project
 - New sub-division development
 - Review of the Local Disaster Management Plan
 - Graffiti removal funding
 - Economic Development / Training Coordinator
- Financial ratios for example the current asset, current liabilities were provided at all council meetings. Also the operating results ratio was tabled at all Council meetings.
- Reports from Purchasing / Accounts Payable were presented to Council on a regular basis. All purchases undertaken complied with to Council Procurement Policy.
- Council debtors and creditors summary reports were tabled at all council meetings. Also the aged debtors reports became an integral part of the finance report.

- Work on Council Asset Management gained prominence. A consultant was engaged to assist Council with its Asset Management Strategy. A report on the Council various assets was tabled and adopted by the Council.
- By 30 June 2013, Council had developed a list of its total assets, one step towards better asset management.
- Two internal audit reports were prepared, tabled and discussed by the Council. Council advertised for position of Internal Auditor. Expressions of Interests were received from three organisations. Council appointed Altius as its new Internal Auditor.
- Council received unmodified audit opinion report.

STRATEGY 2

Human Resources Management

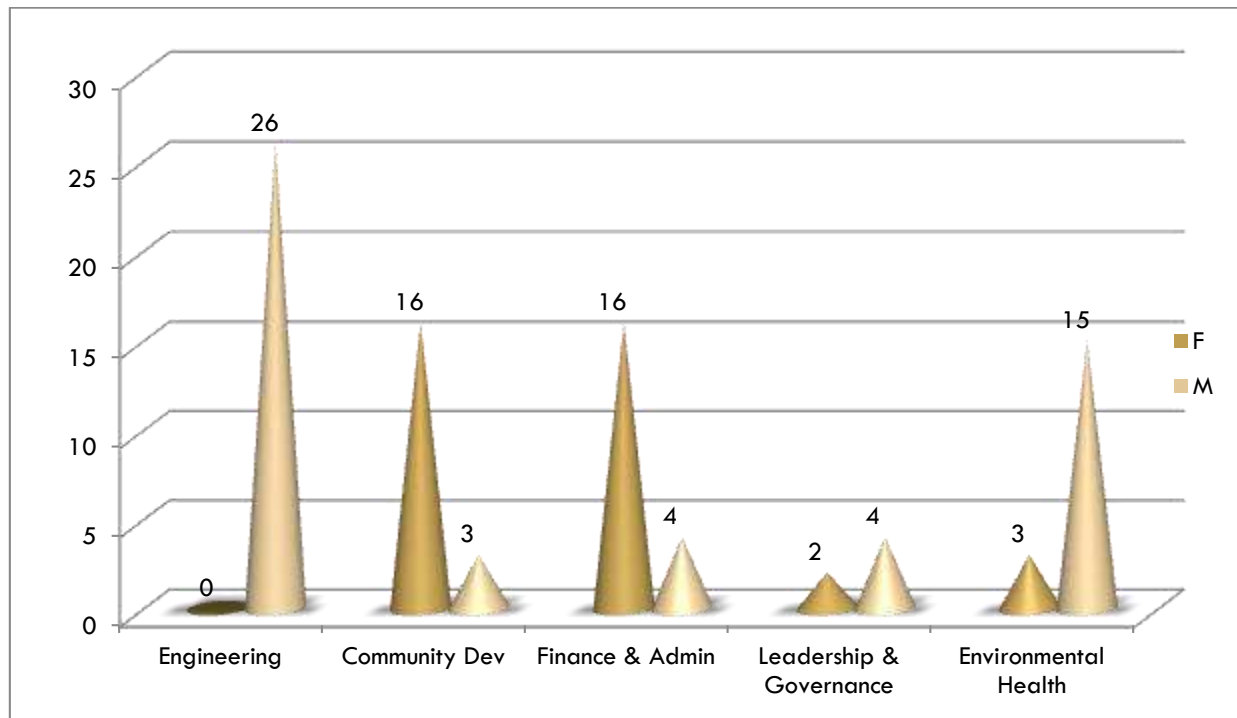
Goal

To have a productive, effective and committed workforce that meets the service standards of the Council and the Community.

Outcomes

Council Employees analysis by Department and Gender

Department	F	M	Total	Percent
Engineering	0	26	26	29%
Community Dev	16	3	19	21%
Finance & Admin	16	4	20	22%
Leadership & Governance	2	4	6	7%
Environmental Health	3	15	18	20%

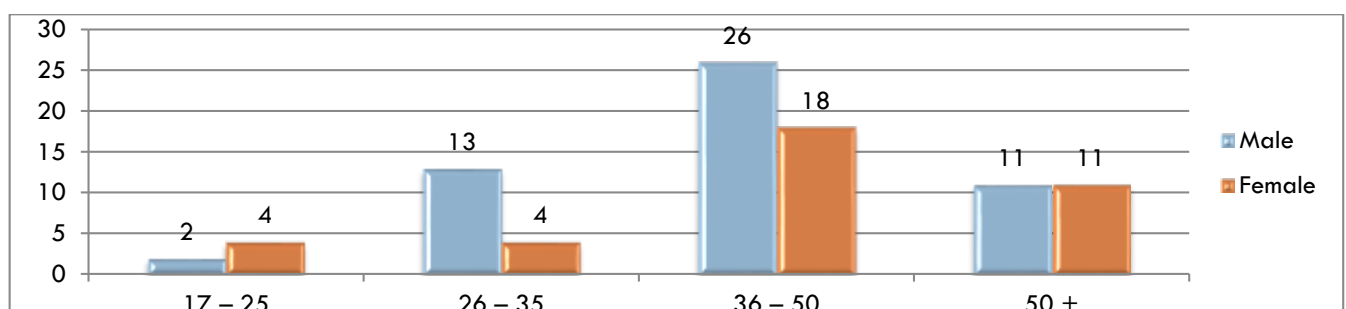


Analysis of employees by departments and gender show that female employees dominate the Corporate Services and the Community Development department; while male employees overly dominate the Engineering Services. There is a good balance of male and female in the Leadership and Governance area being 60:40 respectively.

Social Environment

The table below shows selected social characteristic for the entire working population of the Council on age basis.

Selected Characteristics	Male	Female	Total
17 – 25	2	4	6
26 – 35	13	4	17
36 – 50	26	18	44
50 +	11	11	22

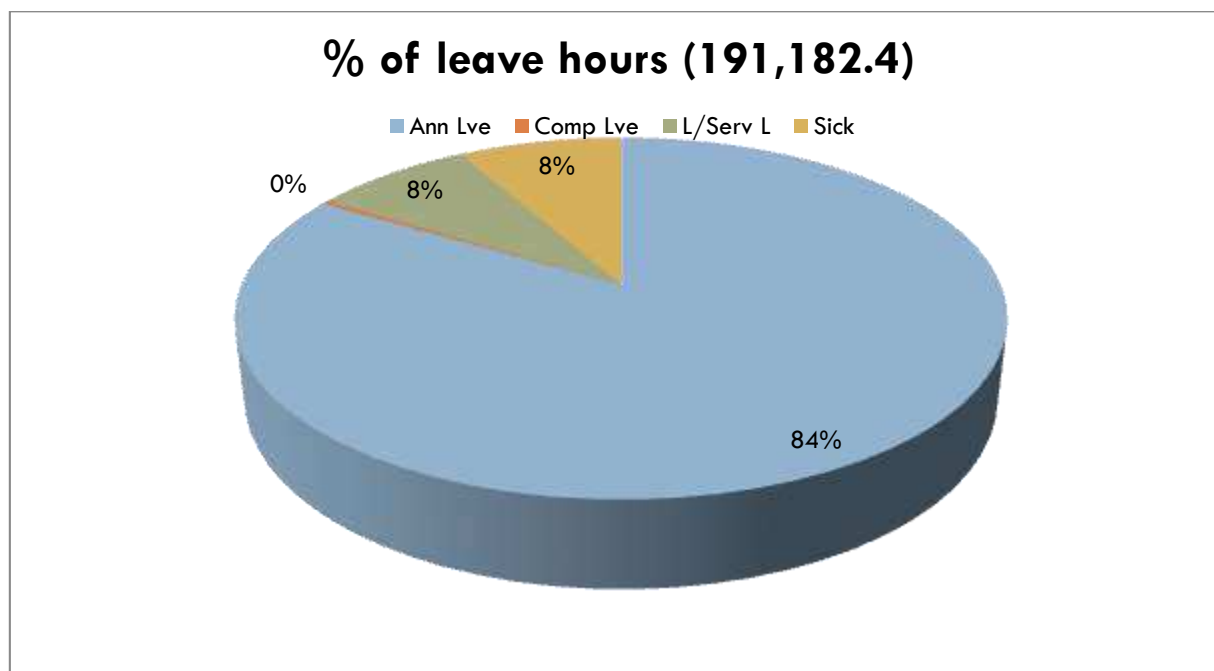


The median age of people in Lockhart River is 26. The vast majority of employees are in the age bracket 36 – 50.

Leave

Annual Leave, Sick Leave and LSL taken during the reporting year.

Row Labels	Sum of Hours	Sum of Amount
Annual Leave	16015.68	\$ 447,842.18
Compassionate Leave	66	\$ 1,794.78
Long Service Leave	1526.8	\$ 65,143.82
Sick Leave	1573.92	\$ 40,747.75
Grand Total	19182.4	\$ 555,528.53



- HR Consultant was engaged and reviewed the HR Policies and procedural manual as well as revised the Staff Handbook
- All positions in the Council Structure now have position descriptions as well as job specification statements.
- Salaries and wages of staff were harmonized to the employment awards. As a result of this exercise, some adjustments were made to employees annual leave entitlements. These entitlements were paid out in December 2012.
- With the engagement of the Training and Employment Coordinator, training was provided to a cross section of Council Staff in a wide variety of areas to improve operational effectiveness of the staff:
 - Office Administration
 - Practical Computer Training
 - Supervisors roles and responsibilities
 - Trades skills training in various area: Diesel Mechanic
 - Certificate II in building Construction

The benefits from all these training will become apparent in the coming years and will contribute to capacity building of staff and lessen the problems associated with succession planning
- Council continued to monitor attendance of staff with the use of clock-in and clock-out machines located at four work stations.

Challenges

- Succession planning remains a key challenge in all departments of the Council
- There are problems associated with poor work ethics and non-compliance with standard requirements expected at work stations. Council registered an extremely high number of hours lost due to “leave”.
- There is poor attitude towards investment being made in staff training.
- There is the challenge of attracting and retaining quality staff to work in the community.

Looking Ahead

Council will continue with its strategy of supporting training of its employees whether it be on-the-job training or off-the-job training as in one of building its human resources to meet the challenge of service delivery in the future.

Post Office and Banking Services

Council operates a small post office and a banking service. The bank is open from 9:00 am – 12:00 noon Monday to Fridays and the Post Office operates from 1:00 pm – 3:00 pm on Mondays to Thursdays.

During the year under review, the bank provided a number of basic financial services to the customers:

- Withdrawals from passbook
- Deposits into account
- Assistance with transfer of funds
- Assistance with e-banking

Council negotiated with the Commonwealth Bank to replace the aging ATM with a new one. The new ATM is likely to be sustained till August 2013.

The Post Office continued its traditional role:

- Accepting mail for posting
- Distributing mail to residents
- Training staff to undertake roles as Post Office employees

Centrelink

Centrelink is a Commonwealth agent that provides a range of support services to the people living in Lockhart River. Some of the services included:

- Assistance with completion of forms for various types of financial assistance
- Assisting community members with Abstudy etc
- Acting as the principle contact point for community members in need of Commonwealth Government assistance.

During the year under review, the Officer attended two training sessions organized by Department.

Centrelink also provided opportunities for relief (local) people to be employed while the officer was away on leave or training.

Housing

The Council Housing Officer worked closely with the Staff of the Department of Housing and Public Works to collect rent and report any maintenance work that needs to be done on social Housing.

During the year a total of around \$600,000 was collected in rent from the tenants

About \$50,000 remained as uncollected rental payments from tenants as at 30 June 2013.

A Tenancy Advisory Group (TAG) was set up and provided input into the allocation of Social Housing to Community members.

Training was provided to the new Housing Officer.

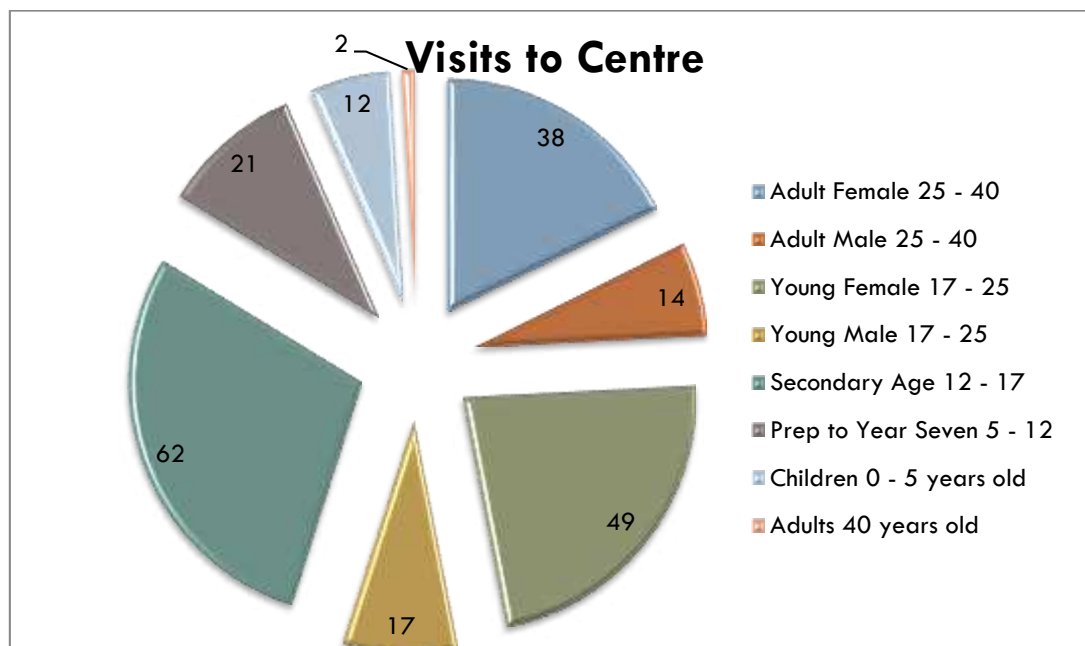
Indigenous Knowledge Centre (Library) and Radio Station

Goal

- To provide access to literature and resources to the Community Members.
- To develop self-esteem and confidence in participants through learning
- To support school and kids activities
- To relay radio broadcast services to the Community

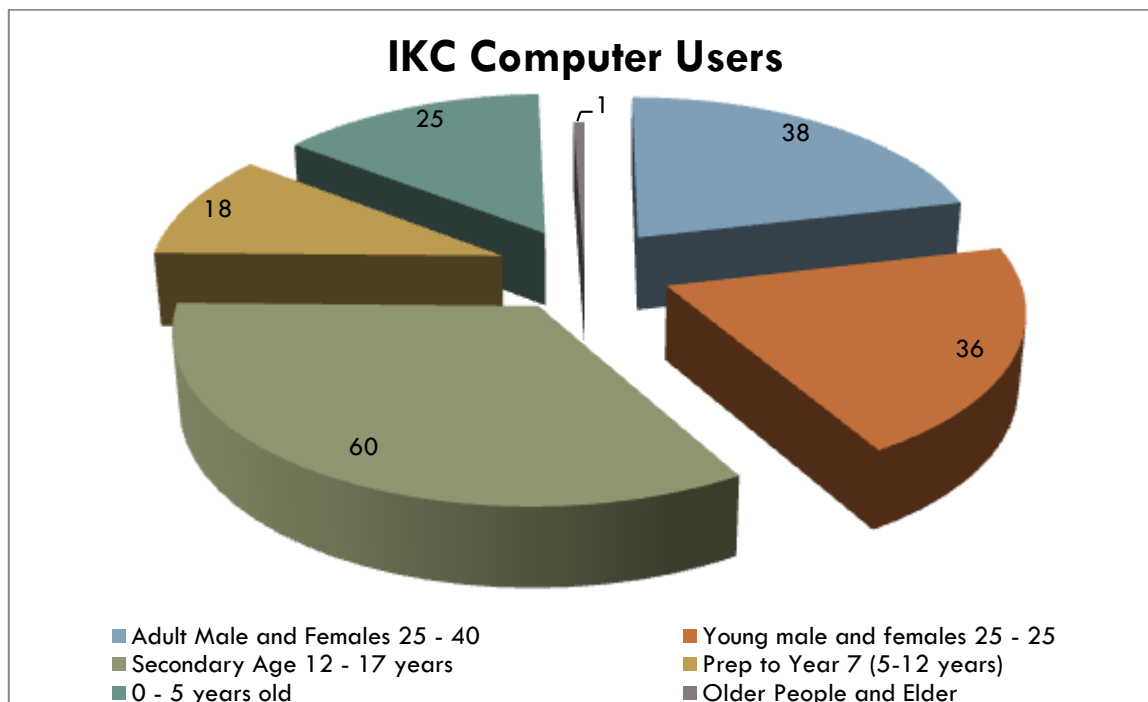
Outcomes

- Library services was made available to the Community members throughout the year. This resulted in an increasing number of people using the facility. Almost 2000 visits were made to the IKC and about 100 books borrowed during the year.



Most visitors to the IKC used the computer facilities for a wide variety of task: Banking, Emailing and Reading.

Below is a typical computer utilization of the IKC Computers



The above graphs show that the community members are using the IKC for a variety of purposes. There is clear evidence that the community is on the e-community path. Banking is being done online, emails are being sent and received and in some instances initial research on where to buy capital goods are being researched on the internet. Most of the computer users were young people aged between 12 – 25 years.

The IKC was used as a venue for a wide variety of activities:

- School holiday programs
- Workshops by PaCE members
- Meeting centre by kids club
- Undertaking school work assignments

Council received about \$15,000 from the State Government to assist with the running of the IKC Centre. Council employed one staff to work at the library.

IKC staff attended two training session and received support on their job training from staff of the State Library.

Radio Station

Lockhart River has a small local radio station and can be accessed on FM 107.7. During the year under review, council employed one radio assistant who received on-the-job training from QRAM.

A visit by ABC Far North Staff occurred in May 2013 and assistance with managing a typical radio station was provided by the Staff of ABC Far North to the local radio broadcaster.

COMMUNITY FINANCIAL REPORT

The Community Financial Report is a plain English summary of Council's Financial Statements prepared in accordance with Section 179 of the *Local Government Regulation 2012*.

1. Financial Year 2012/13 Snapshot

Key highlights of the financial year include:

Some of the major acquisitions include the following

Parks & Gardens 4 Door Truck	27,282
Mayor's Vehicle	41,548
HACC Commuter - Old people' van	67,347
Warehouse Vehicle	45,791
Komatsu Forklift-Warehouse upgrade	36,000

Other major expenditure

Council Store-Warehouse Upgrade	\$615,189
QRA Restorations Works	\$769,349
QRA Emergency Works	\$559,210

2. About Council's End of Year Financial Statements

What you will find in the Financial Statements

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2013.

About the Management Certificate

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for and ownership of the Financial Statements by management & elected representatives.

About the Financial Statements

The Financial Statements incorporate 4 "primary" financial statements and accompanying notes.

1. A Statement of Comprehensive Income

A summary of Council's financial performance for the year, listing both (i) regular income & expenses and (ii) other comprehensive income which records items such as changes in the fair values of Council's assets and investments.

2. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

3. A Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "net wealth".

4. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Notes to the Financial Statements

Provides greater detail to the line numbers of the 4 "primary" financial statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by the Queensland Audit Office. The audit of many Queensland Councils is contracted to Audit firms that specialise in Local Government. The Auditor provides an audit report which gives an opinion on whether the Financial Statements present fairly the Council's financial performance and position.

Where to find a complete version of Council's 12/13 Financial Statements

An complete version of Council's Financial Statements for the 12 months to 30 June 2013 can be found at our website:

www.lockhart.qld.gov.au

or at Council's administrative offices at:

14 Maathvy Street
Lockhart River QLD 4892
Or
Unit/7 Anderson Street
Manunda Street QLD 4870

3. An Overview of this year's Financial Result & Financial Position

3.1 Council's Statement of Comprehensive Income (Profit & Loss) for 2012/13

Council's headline "profit/loss" result for the 2012/13 year was **\$805,269** deficit.

This included the following key financial performance highlights:

Council's Result

	Actual \$ 2013	Budget \$ 2013	Actual \$ 2012
Expenditure	10,627,879	10,624,608	14,759,673
Revenues (excl. income for capital purposes)	8,714,775	8,834,415	12,925,041
Net Result before Capital Grants & Contributions	(1,913,104)	(1,790,193)	(1,834,632)
Capital Grants & Contributions	1,151,010	1,817,000	3,015,066
Capital income	(43,175)	-	12,514
Net Result	(805,269)	26,807	1,192,948

The budgeted "profit/loss" for 2012/13 was \$26,807 – meaning Council came in worse than was budgeted. The main reasons relating to this difference between the actual result and the budgeted performance was:

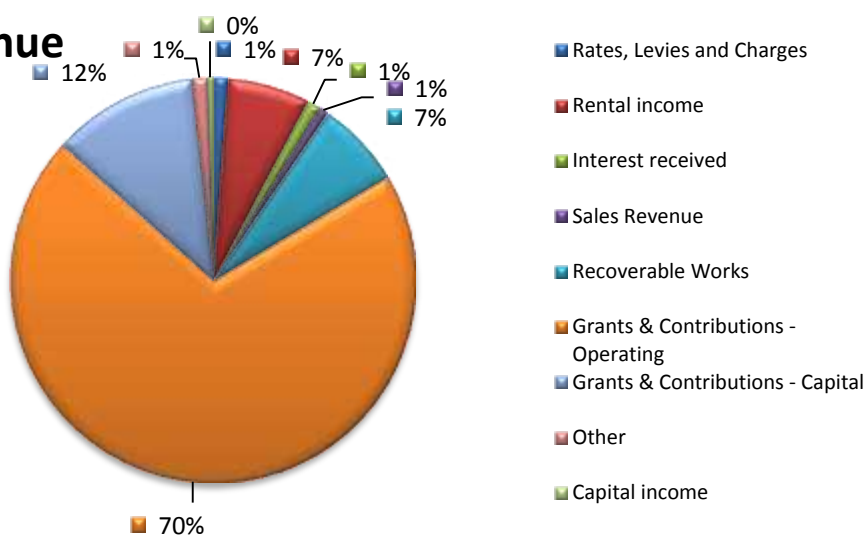
- *Capital revenue received below the budget/target by more than 36%*
- *Operating grants and other revenue below budget/target by more than 4%*

Overall Council and Management believe the financial result for 12/13 to be satisfactory.

Council's Revenue Sources for the 12/13 year:

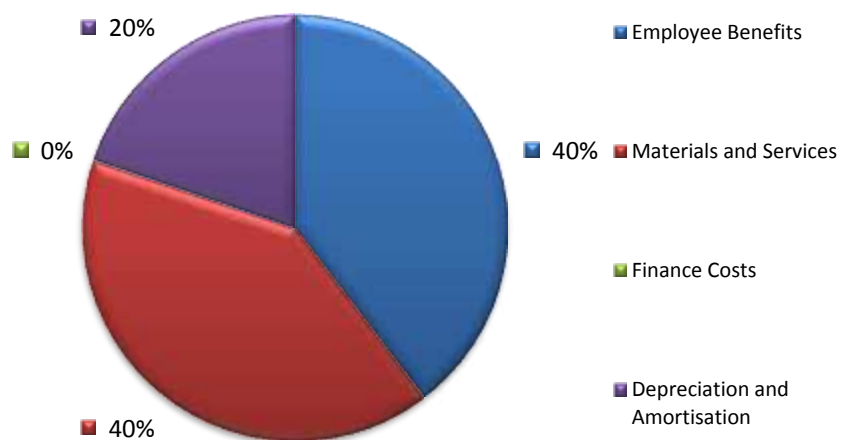
The charts below summarises where Council's revenue and expense came from:

Revenue



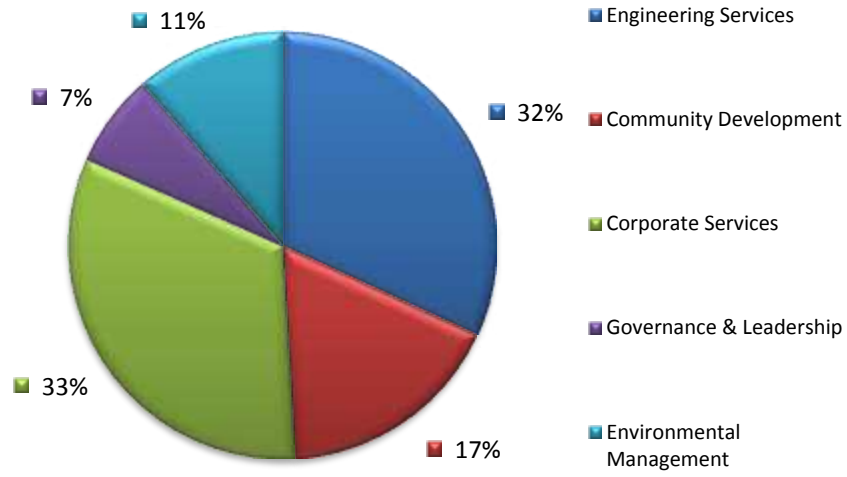
Council's total expenditures (by type) for the 12/13 year:

Expenses



Council's Operating Expenditure's covered the following activities/functions:

Expenses



3.2 Councils Statement of Financial Position (Balance Sheet) for 2012/13

Council's Net Wealth

The Balance Sheet "bottom line" discloses the Net Community Equity of Council, which represents it's wealth as measured by a dollar value of its asset less liabilities.

	Actual \$ 2013	Actual \$ 2012
The major items that make up Council's wealth include the following assets:		
Available Cash & Investments	3,434,241	3,233,764
Debtors	616,866	6,130,770
Inventories	110,312	113,670
Infrastructure, Property, Plant & Equipment		
- Capital Work in Progress	713,393	270,174
- Land and Improvements	1,000,000	1,000,000
- Buildings	8,513,331	8,750,336
- Housing	32,747,570	33,896,071
- Plant and Equipment	1,215,302	1,234,196
- Furniture and office equipment	124,099	153,716
- Road, Drainage and Bridge Network	4,032,209	4,157,301
- Water	3,034,359	3,091,872
- Sewerage	3,566,913	3,635,992
- Other Infrastructure Assets	821,541	858,883
	59,930,136	66,526,745

3.3 Council's Key Financial Figures - A Snapshot

A summary of some key financial figures over the past 5 years lets you see some overall trends.

Financial Performance Figures (\$)	2013	2012	2011	2010	2009
Inflows:					
Fees & Charges	113,851	66,045	86,350	66,980	64,500
Other revenue	115,167	5,270	5,498	70,721	187,056
Rental Income	649,629	656,454	615,266	605,261	355,686
Interest Received	107,569	277,382	154,761	115,518	153,108
Sales Revenue Grants, Subsidies, Contributions & Donations	772,829	722,452	581,509	392,640	400,784
- Operating & Capital	8,106,742	14,212,504	13,582,324	7,416,848	4,610,792
Total Income from Continuing Operations	9,865,787	15,940,107	15,025,708	8,667,968	5,771,926
Sale Proceeds from PP&E	-	1,364	36,048	81,806	-
Outflows:					
Employee Benefits	4,216,879	4,079,898	3,738,323	3,609,136	2,933,384
Materials & Services	4,300,724	8,838,190	10,256,751	2,436,522	1,860,729
Finance Costs	4,961	13,417	22,391	5,964	40,634
Total Expenses from Continuing Operations	8,522,564	12,931,505	14,017,465	6,051,622	4,834,747
Total Cash purchases of PP&E	1,023,785	860,015	1,703,733	2,092,438	1,076,557
Total Loan Repayments (incl. Finance Leases)	-	-	-	-	-
Operating Surplus/(Deficit) (excl. Capital Income & Expenses)	(805,266)	1,192,948	(441,674)	673,861	(831,315)

Financial Position Figures

(\$'000)	2013	2012	2011	2010	2009
Current Assets	4,161,419	9,478,204	12,504,886	4,278,604	3,765,763
Current Liabilities	1,095,101	6,764,595	9,386,582	519,406	664,926
Net Current Assets	3,066,318	2,713,609	3,118,304	3,759,198	3,100,837
Cash & Cash Equivalents	3,434,241	3,233,764	11,742,170	3,518,310	3,287,628
Total Value of PP&E (excl. Land & Improvements)	66,860,923	66,151,576	60,212,284	60,418,024	59,883,733
Total Accumulated Depreciation	11,092,206	9,103,035	8,614,392	24,212,277	24,066,566
Indicative Remaining Useful Life (as a % of GBV)	83%	86%	86%	60%	60%

Source: Published audited financial statements of Council (current year & prior year annual financial statements)

4. Financial Sustainability Measures

The Financial Sustainability of Councils is now a cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.

Financial Sustainability is defined as when a **"Local Government is able to maintain its financial capital and infrastructure capital over the long term"** [source: Local Government Act 2009 section 102(2)].

The Financial Sustainability indicators (in accordance with the *Local Government Regulation 2012*) that Council must publish are as follows:

Operating Surplus Ratio

Net Result divided by Total Operating Revenue

This is an indicator of the extent to which revenues raised cover operational expenses only or are available for capital funding purposes or other purposes.

Asset Sustainability Ratio

Capital Expenditure on the Replacement of Assets (Renewals) divided by Depreciation Expense

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as these reach the end of their useful lives.

Depreciation expense represents an estimate of the extent to which the infrastructure assets have been consumed in a period.

Capital expenditure on renewals (replacing assets that the local government already has) is an indicator of the extent to which the infrastructure assets are being replaced.

This ratio indicates whether a local government is renewing or replacing existing non-financial assets at the same rate that its overall stock of assets is wearing out.

Net Financial Liabilities Ratio

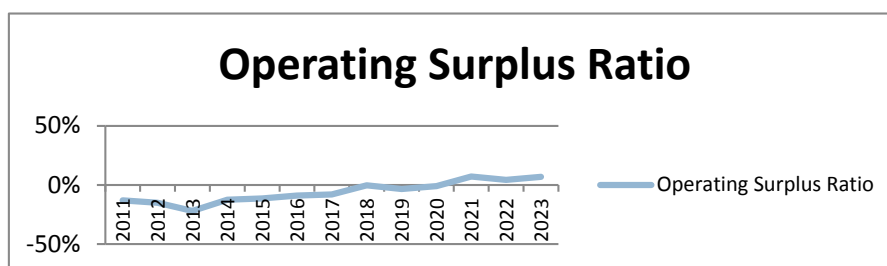
Total Liabilities less Current Assets divided by Total Operating Revenue

This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues.

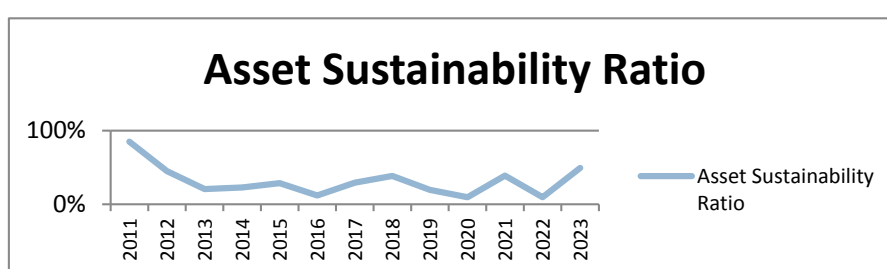
Financial Sustainability Indicators

for the year ended 30 June 2013

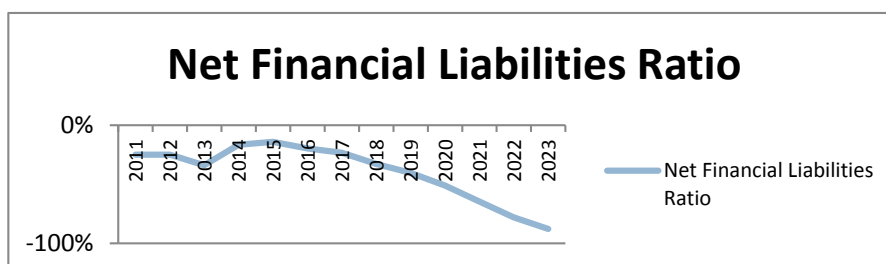
		Long Term Financial Plan Projections												
		Actual	Actual	Actual	Budget	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9
	Target	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Ratio														
Operating Surplus Ratio	0 - 10%	-13%	-15%	-22%	-13%	-11%	-9%	-8%	0%	-3%	-1%	7%	4%	7%
Asset Sustainability Ratio	> 90%	85%	45%	21%	23%	29%	12%	29%	39%	20%	10%	39%	10%	49%
Net Financial Liabilities Ratio	< 60%	-25%	-25%	-34%	-17%	-14%	-20%	-23%	-33%	-40%	-51%	-65%	-78%	-88%



During the 2012/13 financial year, Council recorded Operating Surplus Ratio of -22% which is way below the recommended target of between 0% and 10% per annum on average over the long term. The Council was not able to generate sufficient revenue that can cover operating expenses and offset past or future operating deficits or to fund proposed capital expenditure hence need to increase revenues to at least break-even.



The Council achieved Asset Sustainability Ratio of 21% which was below the target of <90% implying that the Council is not sufficiently maintaining, replacing or renewing existing infrastructure assets as they are being depreciated hence renewal backlog may be created and this may reduce service levels and/or useful lives.



The Council recorded Net Financial Liabilities Ratio of -34% that indicates that the current assets exceed the total liabilities and appears to have the capacity to increase its funding.

Looking Ahead

Lockhart River Aboriginal Shire Council intends to maintain a sound cash position with balances sufficient to cover all expenses. However the future holds many challenges for the Council. Traditional sources and levels of funding are no longer guaranteed. Council needs to pursue an aggressive revenue management strategy. The Council needs to commit itself to prudent financial management practices in order to ensure and protect the community assets; guarantee efficient and effective delivery of services to the Lockhart River Community while at the same time complying with its statutory obligations.

FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2013

Lockhart River Aboriginal Shire Council Financial Statements for the year ended 30 June 2013

Lockhart River Aboriginal Shire Council

financial statements

For the year ended 30 June 2013

Table of contents	Page
Statement of Profit or Loss and Other Comprehensive Income	1
Statement of Financial Position	2
Statement of Changes in Equity	3-4
Statement of Cash Flows	5
Notes to the financial statements	
1 Significant accounting policies	6-18
2 Analysis of results by function	19-20
3 Revenue analysis	21
4 Grants, subsidies, contributions and donations	22
5 Capital income	22
6 Employee benefits	22
7 Materials and services	23
8 Finance costs	23
9 Depreciation and amortisation	23
10 Cash and cash equivalents	24
11 Trade and other receivables	24
12 Inventories	24
13 Investments	24
14 Property, plant and equipment	25-29
15 Trade and other payables	30
16 Provisions	30
17 Asset revaluation surplus	31
18 Retained surplus	31
19 Reserves	32
20 Commitments for expenditure	32
21 Contingent liabilities	32
22 Superannuation	33
23 Trust funds	34
24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities	34
25 Events after the reporting period	34
26 Financial instruments	35-39
27 Tied grants by project	40-42
Management Certificate	43
Independent Auditor's Report	44

Lockhart River Aboriginal Shire Council
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2013

	Note	Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
Income					
Revenue					
Recurrent revenue					
Rates, levies and charges	3(a)	113,851	66,045	113,851	66,045
Rental income	3(b)	659,102	667,007	649,629	656,454
Interest received	3(c)	132,112	310,760	107,569	277,382
Sales revenue	3(d)	1,405,258	1,551,949	772,829	649,256
Other income	3(e)	116,188	82,693	115,167	78,466
Grants, subsidies, contributions and donations	4(a)	7,130,731	11,197,438	6,955,731	11,197,438
		<u>9,557,242</u>	<u>13,875,892</u>	<u>8,714,776</u>	<u>12,925,041</u>
Capital revenue					
Grants, subsidies, contributions and donations	4(b)	1,151,010	3,015,066	1,151,010	3,015,066
Total revenue		<u>10,708,252</u>	<u>16,890,958</u>	<u>9,865,786</u>	<u>15,940,107</u>
Capital income	5	(39,084)	12,514	(43,175)	12,514
Total income		<u>10,669,168</u>	<u>16,903,472</u>	<u>9,822,611</u>	<u>15,952,621</u>
Expenses					
Recurrent expenses					
Employee benefits	6	(4,710,608)	(4,551,643)	(4,216,879)	(4,079,898)
Materials and services	7	(4,517,382)	(9,257,815)	(4,310,333)	(8,838,190)
Finance costs	8	(148)	(17,994)	4,648	(13,417)
Depreciation and amortisation	9	(2,432,763)	(2,151,082)	(2,105,313)	(1,828,168)
Total expenses		<u>(11,660,901)</u>	<u>(15,978,534)</u>	<u>(10,627,877)</u>	<u>(14,759,673)</u>
Net result		<u>(991,733)</u>	<u>924,938</u>	<u>(805,266)</u>	<u>1,192,948</u>
Other comprehensive income					
Items that will not be reclassified to net result					
Increase in asset revaluation surplus	17	(155,121)	4,375,093	(155,121)	3,922,439
Total other comprehensive income for the year		<u>(155,121)</u>	<u>4,375,093</u>	<u>(155,121)</u>	<u>3,922,439</u>
Total comprehensive income for the year		<u>(1,146,854)</u>	<u>5,300,031</u>	<u>(960,388)</u>	<u>5,115,387</u>

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

Lockhart River Aboriginal Shire Council
Statement of Financial Position
as at 30 June 2013

	Note	Consolidated		Council	
		2013 \$	2012 \$	2013 \$	2012 \$
Current assets					
Cash and cash equivalents	10	4,316,375	4,070,671	3,434,241	3,233,764
Trade and other receivables	11	727,752	6,252,209	616,866	6,130,770
Inventories	12	223,002	213,798	110,312	113,670
Total current assets		5,267,129	10,536,678	4,161,419	9,478,204
Non-current assets					
Investments	13	-	-	100	100
Property, plant and equipment	14	61,593,854	63,194,945	55,768,717	57,048,541
Total non-current assets		61,593,854	63,194,945	55,768,817	57,048,641
Total assets		66,860,982	73,731,623	59,930,236	66,526,845
Current liabilities					
Trade and other payables	15	1,129,849	6,839,953	1,039,436	6,681,582
Provisions	16	69,753	119,705	55,665	83,012
Total current liabilities		1,199,602	6,959,658	1,095,101	6,764,594
Non-current liabilities					
Provisions	16	115,870	79,600	112,873	79,600
Total non-current liabilities		115,870	79,600	112,873	79,600
Total liabilities		1,315,471	7,039,258	1,207,974	6,844,194
Net community assets		65,545,512	66,692,365	58,722,264	59,682,651
Community equity					
Asset revaluation surplus	17	30,665,825	30,820,946	28,186,730	28,341,851
Retained surplus/(deficiency)	18	34,879,687	33,790,389	30,535,535	29,259,770
Reserves	19	-	2,081,030	-	2,081,030
Total community equity		65,545,512	66,692,365	58,722,264	59,682,651

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

Lockhart River Aboriginal Shire Council

Statement of Changes in Equity
For the year ended 30 June 2013

Consolidated

	Asset revaluation surplus	Retained surplus	Reserves	Total
	17	18	19	
	\$	\$	\$	\$
Balance as at 1 July 2012	30,820,946	33,790,389	2,081,030	66,692,365
Net result	-	(991,733)	-	(991,733)
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	(155,121)	-	-	(155,121)
Total comprehensive income for the year	(155,121)	(991,733)	-	(1,146,854)
Transfers to and from reserves				
Transfers from reserves	-	2,081,030	(2,081,030)	-
Total transfers to and from reserves	-	2,081,030	(2,081,030)	-
Balance as at 30 June 2013	30,665,825	34,879,687	-	65,545,512
Balance as at 1 July 2011	26,445,853	33,855,406	1,091,075	61,392,334
Net result	-	924,938	-	924,938
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	4,375,093	-	-	4,375,093
Total comprehensive income for the year	4,375,093	924,938	-	5,300,031
Transfers to and from reserves				
Transfers to reserves	-	(1,485,528)	1,485,528	-
Transfers from reserves	-	495,573	(495,573)	-
Total transfers to and from reserves	-	(989,955)	989,955	-
Balance as at 30 June 2012	30,820,946	33,790,389	2,081,030	66,692,365

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

Lockhart River Aboriginal Shire Council

Statement of Changes in Equity
For the year ended 30 June 2013

Council	Asset revaluation surplus 17 \$	Retained Surplus 18 \$	Reserves 19 \$	Total \$
Balance as at 1 July 2012	28,341,851	29,259,770	2,081,030	59,682,651
Net operating surplus	-	(805,266)	-	(805,266)
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	(155,121)	-	-	(155,121)
Total comprehensive income for the year	(155,121)	(805,266)	-	(960,387)
Transfers to and from reserves				
Transfers from reserves	-	2,081,030	(2,081,030)	-
Total transfers to and from reserves	-	2,081,030	(2,081,030)	-
Balance as at 30 June 2013	28,186,730	30,535,535	-	58,722,265
Balance as at 30 June 2011	24,419,412	29,056,777	1,091,075	54,567,264
Net operating surplus	-	1,192,948	-	1,192,948
Other comprehensive income for the year				
Increase / (decrease) in asset revaluation surplus	3,922,439	-	-	3,922,439
Total comprehensive income for the year	3,922,439	1,192,948	-	5,115,387
Transfers to and from reserves*				
Transfers to reserves	-	(1,485,528)	1,485,528	-
Transfers from reserves	-	495,573	(495,573)	-
Total transfers to and from reserves	-	(989,955)	989,955	-
Balance as at 30 June 2012	28,341,851	29,259,770	2,081,030	59,682,651

Transfers to and from reserves

Council's cash and cash equivalents are subject to a number of internal restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 22 May 2013, Council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system.

All existing reserve balances were transferred to retained surplus on that date. Further information is supplied in note 19.

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

Lockhart River Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2013

Note	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
Cash flows from operating activities				
Receipts from customers	7,150,549	1,906,961	6,519,108	1,019,028
Payments to suppliers and employees	(14,951,925)	(16,415,843)	(14,158,784)	(15,608,692)
	(7,801,375)	(14,508,882)	(7,639,676)	(14,589,664)
Interest received	132,112	310,760	107,569	277,381
Rental income	659,102	667,007	649,629	656,454
Non capital grants and contributions	7,130,731	5,476,221	6,955,731	5,476,221
Net cash inflow (outflow) from operating activities	24	120,570	(8,054,894)	73,253
Cash flows from investing activities				
Payments for property, plant and equipment	(1,029,968)	(960,015)	(1,023,785)	(860,015)
Proceeds from sale of property plant and equipment	4,091	1,364	-	1,364
Grants, subsidies, contributions and donations	1,151,010	529,852	1,151,010	529,852
Net cash inflow (outflow) from investing activities		125,133	(428,799)	127,225
		(8,483,693)	200,478	(8,508,407)
Net increase (decrease) in cash and cash equivalent held		245,703	(8,483,693)	200,478
Cash and cash equivalents at the beginning of the financial year		4,070,671	12,554,364	3,233,763
Cash and cash equivalents at end of the financial year	10	4,316,374	4,070,671	3,434,241
		4,070,671	3,434,241	3,233,763

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

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1 Significant accounting policies

1.A Basis of preparation

These general purpose financial statements are for the period 1 July 2012 to 30 June 2013 and have been prepared in compliance with the requirements of the *Local Government Act 2009* and the *Local Government Regulation 2012*. Consequently, these financial statements have been prepared in accordance with all Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board.

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

1.B Statement of compliance

These general purpose financial statements comply with all accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to Council's operations and effective for the current reporting period. Because the Council is a not-for-profit entity and the Australian Accounting Standards include requirements for not-for-profit entities which are inconsistent with International Financial Reporting Standards (IFRS), to the extent these inconsistencies are applied, these financial statements do not comply with IFRS. The main impacts are the offsetting of revaluation and impairment gains and losses within a class of assets, and the timing of the recognition of non-reciprocal grant revenue.

1.C Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by the Lockhart River Aboriginal Shire Council as at 30 June 2013 and the results of all controlled entities for the year then ended. The Council and its controlled entity together form the economic entity which is referred to in these financial statements as the consolidated entity.

In the process of reporting the Council as a single economic entity, all transactions with the entity controlled by the Council have been eliminated. In addition the accounting policies of the controlled entity have been adjusted, where necessary, on consolidation to ensure that the financial report of the consolidated entity is prepared using accounting policies that are consistent with those of the Council. Information on the controlled entity is included in Note 1.N and Note 13.

1.D Constitution

The Lockhart River Aboriginal Shire Council is constituted under the *Queensland Local Government Act 2009* and is domiciled in Australia.

1.E Date of authorisation

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

1.F Currency

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

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.G Adoption of new and revised Accounting Standards

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

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

	Effective for annual report periods beginning on or after:
AASB 9 <i>Financial Instruments</i> (December 2009)	1 January 2015
AASB 10 <i>Consolidated Financial Statements</i>	1 January 2013
AASB 11 <i>Joint Arrangements</i>	1 January 2013
AASB 12 <i>Disclosure of interests in other entities</i>	1 January 2013
AASB 13 <i>Fair Value Measurement</i>	1 January 2013
AASB 119 <i>Employee benefits</i> (completely replaces existing standard)	1 January 2013
AASB 127 <i>Separate Financial Statements</i> (replaces the existing standard together with AASB 10)	1 January 2013
AASB 128 <i>Investments in Associates and Joint Ventures</i> (replaces the existing standard)	1 January 2013
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	1 July 2013
AASB 1055 <i>Budgetary Reporting</i>	1 July 2014
2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2009)</i>	1 January 2015
AASB 2010-2 <i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>	1 January 2015
AASB 2010-10 <i>Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters</i>	1 January 2013
AASB 2011-2 <i>Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i>	1 July 2013
AASB 2011-6 <i>Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-7 <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards</i>	1 January 2013
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i>	1 January 2013
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)</i>	1 January 2013
AASB 2011-11 <i>Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements</i>	1 July 2013
AASB 2011-12 <i>Amendments to Australian Accounting Standards arising from Interpretation 20 (AASB 1)</i>	1 January 2013
AASB 2012-1 <i>Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements</i> (AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141)	1 July 2013
AASB 2012-2 <i>Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
AASB 2012-3 <i>Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities</i> (AASB 132)	1 January 2014
AASB 2012-4 <i>Amendments to Australian Accounting Standards – Government Loans</i> (AASB 1)	1 January 2013
AASB 2012-5 <i>Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle</i> (AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2)	1 January 2013
AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i> (AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8)	1 January 2013

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, AASB 12, AASB 101 & AASB 127]	1 July 2013
AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	1 January 2013
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	1 January 2013
AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, AASB 2, AASB 8, AASB 10, AASB 107, AASB 128, AASB 133, AASB 134 & AASB 2011-4]	1 July 2013
AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	1 July 2014
Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

AASB 9 Financial Instruments (effective from 1 January 2013)

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2015 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets will only be able to be measured at amortised cost where very specific conditions are met.

Consolidation Standards

The following accounting standards apply to Lockhart River Aboriginal Shire Council as from reporting periods beginning on or after 1 January 2014:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interests in Other Entities
- AASB 127 Separate Financial Statements
- AASB 128 Investments in Associates and Joint Ventures
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

These standards aim to improve the accounting requirements for consolidated financial statements, joint arrangements and off balance sheet vehicles.

The AASB is planning to amend AASB 10. The amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the Lockhart River Aboriginal Shire Council is not yet in a position to reliably determine the future implications of these new and revised standards for the council's financial statements.

AASB10 redefines and clarifies the concept of control of another entity, and is the basis for determining which entities should be consolidated into another entity's financial statements. Once the AASB finalises its not-for-profit amendments to AASB 10, Lockhart River Aboriginal Shire Council will reassess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the Lockhart River Aboriginal Shire Council will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

AASB 13 Fair Value Measurement

AASB 13 applies to reporting periods beginning on or after 1 January 2013 and will therefore be applied by Council in the 2013-14 reporting period. This standard is not required to be applied retrospectively, therefore there is no impact from the application of AASB 13 to values or other disclosures in the 2012-13 financial statements.

The standard sets out a new definition of "fair value", as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The key changes will relate to the level of disclosures required.

The Lockhart River Aboriginal Shire Council has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies do not comply, the necessary changes will be implemented. While the Council is yet to complete this review, no significant changes are anticipated, based on the fair value methodologies presently used. Therefore, and at this stage, no consequential material impacts are expected for the Lockhart River Aboriginal Shire Council's property, plant and equipment as from 2013-14.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. The recognised fair values will be classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

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

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

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

To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the Council, the amount of information to be disclosed will be relatively greater.

Amendments to AASB 119 Employee Benefits

A revised version of AASB 119 Employee Benefits applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively.

The revised standard includes changed criteria for accounting for employee benefits as "short-term employee benefits". Had Lockhart River Aboriginal Shire Council applied the revised standard this year annual leave currently classified as a "short-term benefit" would have been reclassified as a "long-term benefit". However, no reported amounts would have been amended as the Council already discounts the annual leave liability to present value in respect of amounts not expected to be settled within 12 months (refer Note 1.5).

The concept of "termination benefits" is clarified and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. Lockhart River Aboriginal Shire Council contributes to the Local Government Superannuation Scheme (GLS) as disclosed in note 22. The revised standard will require Lockhart River Aboriginal Shire Council to make additional disclosures regarding the Defined Benefits Fund element of the scheme.

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

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.H Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation and depreciation of property, plant and equipment - Note 1.O and Note 14

Impairment of property, plant and equipment - Note 1.P

Provisions - Note 1.S and Note 16

Contingencies - Note 21

1.I Revenue

Rates, levies, grants and other revenue are recognised as revenue on receipt of funds or earlier upon unconditional entitlement to the funds.

Rates, levies and charges

Where rate monies are received prior to the commencement of the rating/levying period, the amount is recognised as revenue in the period in which they are received, otherwise rates are recognised at the commencement of rating period.

Grants and subsidies

Grants, subsidies and contributions that are non-reciprocal in nature are recognised as revenue in the year in which Council obtains control over them. In the financial year ended 30 June 2012, and previous years, an equivalent amount was transferred from retained earnings to the relevant reserve until the funds were expended. Unspent non-reciprocal grants were placed in the Unspent grants reserve. On 22 May 2013, Council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 10.

Where grants are received that are reciprocal in nature, revenue is recognised as the various performance obligations under the funding agreement are fulfilled. Council does not currently have any reciprocal grants.

Non-cash contributions

Non-cash contributions with a 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.

Rental income

Rental revenue from investment and other property is recognised as Income on a periodic straight line basis over the lease term.

Interest

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

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

Sales revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

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

Fees and Charges

Fees and charges are recognised upon unconditional entitlement to the funds. Generally this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Other income

Other income is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the other goods and services.

1.J Financial assets and financial liabilities

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

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

Financial assets

Cash and cash equivalents (Note 1.K)

Receivables - measured at amortised cost (Note 1.L)

Financial liabilities

Payables - measured at amortised cost (Note 1.R)

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

The fair value of financial instruments is determined as follows:

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

The fair value of trade receivables approximates the amortised cost less any impairment. The fair value of payables approximates the amortised cost.

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

All other disclosures relating to the measurement and financial risk management of financial instruments are included in Note 26.

1.K Cash and cash equivalents

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

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

1.L Receivables

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

The collectability of receivables is assessed periodically and if there is objective evidence that Council will not be able to collect all amounts due, the carrying amount is reduced for impairment. The loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

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

Because Council is empowered under the provisions of the *Local Government Act 2009* to sell an owner's property to recover outstanding rate debts, Council does not impair any rate receivables.

The Council does not provide loans to community residents for compassionate and emergent needs, hence no lending policy is maintained.

1.M Inventories

Stores, raw materials, fuels and motel stock held for resale 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 held for distribution are:

- goods to be supplied at no or nominal, charge, and
- goods to be used for the provision of services at no or nominal, charge.

These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Inventories held for sale are:

- fuel (aviation fuel and diesel); and
- motel stock (snack packs and soft drinks).

These items are valued at the lower of cost and net realisable value.

1.N Investments

Term deposits in excess of three months are reported as investments, with deposits of less than three months being reported as cash equivalents. At 30 June 2013 Council did not have any term deposits in excess of three months.

The Council's investment in the controlled entity, the Lockhart River Aerodrome Company Pty Ltd, is accounted for at cost in the Council's separate financial statements. This investment is eliminated in the financial statements of the economic entity upon consolidation. Lockhart River Aboriginal Shire Council holds 100% of the shares in the controlled entity. The shares are measured at cost as fair value of these financial assets cannot be reliably measured.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

1.0 Property, plant and equipment

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

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

- Land and Improvements
- Buildings
- Houses
- Plant and Equipment
- Furniture and office equipment
- Infrastructure
 - Road, drainage and bridge network
 - Water
 - Sewerage
 - Other infrastructure assets
- Work in progress

Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value means the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Capital and operating expenditure

Wage and materials expenditure incurred for the acquisition or construction of assets are treated as capital expenditure. Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity 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.

Valuation

Land and improvements, buildings, houses and all infrastructure assets are measured on the revaluation basis, at fair value, in accordance with AASB 116 *Property, Plant & Equipment*. Plant and equipment, furniture and office equipment and work in progress are measured at cost.

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

In the intervening years, Council uses APV Valuers to assess the condition and cost assumptions associated with all infrastructure assets and the valuation of land and improvements, buildings and housing asset classes to 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, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

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.

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

Capital work in progress

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

Depreciation

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

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

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

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

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

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in Note 14.

Land under roads

Land under roads acquired before 30 June 2006 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. The Lockhart River Aboriginal Shire Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

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 341 of the Land Act 1994. It comprises an area of approximately 354,072 hectares.

The land is administered by the Department of the Environment and Resource Management 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.

1.P Impairment of non-current assets

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

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

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

1.Q Leases

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

Operating leases

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

1.R Payables

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

1.S Liabilities - employee benefits

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

Salaries and wages

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

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

Annual leave

A liability for annual leave is recognised. Amounts expected to be settled within 12 months (the current portion) are calculated on current wage and salary levels and includes related employee on-costs. Amounts not expected to be settled within 12 months (the non-current portion) are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values. This liability represents an accrued expense and is reported in Note 15 as a payable.

Sick leave

Council has no obligation to pay sick leave on termination to employees and therefore no liability has been recognised.

Superannuation

The superannuation expense for the reporting period is the amount of the contribution the Council makes to the superannuation plan which provides benefits to its employees. Details of those arrangements are set out in Note 22.

Long service leave

A liability for long service leave is measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The value of the liability is calculated using current pay rates and projected future increases in those rates and includes related employee on-costs. The estimates are adjusted for the probability of the employee remaining in the Council's employment or other associated employment which would result in the Council being required to meet the liability. Adjustments are then made to allow for the proportion of the benefit earned to date, and the result is discounted to present value. The interest rates attaching to Commonwealth Government guaranteed securities at the reporting date are used to discount the estimated future cash outflows to their present value. This liability is reported in Note 16 as a provision.

1.T Asset revaluation surplus

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

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

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

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

1.U Retained surplus

In reference to the comparative figures for the year ended 30 June 2012, this represents the amount of Council's net funds not set aside in reserves to meet specific future needs.

1.V Reserves

Council's cash and cash equivalents are subject to a number of external restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 22 May 2013, Council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system. Internal restrictions that have been placed on Council's cash and cash equivalents are now disclosed in Note 10.

The former reserves operated as follows:

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

Unspent capital works reserve

The amounts previously reported in this reserve corresponded to the amount of cash (reported within cash and cash equivalents) which had been received in respect of capital works where the required capital works had not yet been carried out. Where non-reciprocal grants, subsidies and contributions were received for specific capital projects, amounts equivalent to the capital grants received were transferred from retained surplus to the constrained works reserve. When the grant monies were expended on the respective projects, an equivalent amount was transferred out of the constrained works reserve to retained surplus.

Constrained works reserve

The amounts previously reported in this reserve corresponded to the amount of cash (reported within cash and cash equivalents) which had been received in respect of non-capital expenditure where the required activities of the grant funding had not yet been carried out. Where non-reciprocal grants, subsidies and contributions were received for specifically funded projects, amounts equivalent to the funds received were transferred from retained surplus to the constrained works reserve. When the grant monies were expended on the respective projects, an equivalent amount was transferred out of the constrained works reserve to retained surplus.

1.W Rounding and comparatives

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

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

1.X Trust funds held for outside parties

Funds held in the trust account on behalf of outside parties include those funds from unclaimed monies (e.g. wages) paid into the trust account by the Council. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not considered revenue nor brought to account in the financial statements.

The monies are disclosed in the notes to the financial statements for information purposes only in Note 23.

1.Y Taxation

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

The controlled entity of the Council pays an income tax equivalent to the Council in accordance with the requirements of the *Local Government Act 2009*.

Where an activity of the controlled entity of the Council is subject to the tax equivalents regime, the income tax expense is calculated on the operating surplus adjusted for permanent differences between taxable and accounting income. These transactions are eliminated upon consolidation.

The Council pays payroll tax to the Queensland Government on certain activities.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

1.2 Carbon Pricing

In 2011 the Australian Government introduced a Clean Energy Legislation package. One aspect of this package, which impacts Council indirectly is the introduction of a pricing mechanism for greenhouse gas emissions in the Australian economy.

Council operates Taylor's Landing Landfill (the only site) that has annual emissions of carbon dioxide equivalent that are below the individual site threshold of 25,000 tonnes. Council modelling indicates that the facility is unlikely to exceed this threshold in the foreseeable future therefore no direct liability has arisen, or is likely to arise as a result of this legislation.

Council has been, and will continue to be indirectly impacted through increased costs arising from the carbon pricing mechanism. The most significant of these will be electricity and fuel. Commonwealth Treasury modelling published in July 2011 in the document "Strong growth, low pollution modelling a carbon price" indicates that the carbon pricing is expected to increase electricity prices by 10% within 5 years from 1 July 2012 and increase other costs by 0.7% on inflation. In addition fuel tax credits will be progressively reduced over the initial fixed price period.

Council's modelling indicates that the impact of electricity and fuel increases, due to carbon pricing, is not material to overall expenses.

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

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 :

Engineering Services

This includes the construction and maintenance of roads and other infrastructure, recoverable and private works and the maintenance of plant, equipment and vehicles.

Community Development

Community services and facilities including cultural, health, welfare, environmental and recreational services and projects, child care, substance abuse and other community programs.

Corporate Services

The support functions of management of the Council's finance, information technology, library services, bank agency, postal services, human resources services, housing and general administration.

Governance and Leadership

This comprises the support functions for the Mayor and Councillors, Council and committee meetings and statutory requirements.

Environmental Management

Providing water and sewerage services, refuse collection and disposal services, pest control, management of feral animals and other environmental issues.

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

- 2 Analysis of results by function
 (b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2013																			
Functions	Gross program income						Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets				
	Recurrent		Capital						Recurrent	Capital									
	Grants	Other	Grants	Other	2013	2013													
																\$	\$	\$	\$
Engineering Services	2,512,701	701,427	-	-	-	-	3,214,128	(3,385,731)	-	-	(3,385,731)	(2,684,304)	(171,603)	4,853,750					
Community Development	1,226,863	7,728	-	-	-	-	1,234,592	(1,830,317)	-	-	(1,830,317)	(595,725)	(595,725)	-					
Corporate Services	2,798,022	1,006,715	1,151,010	-	-	-	4,955,747	(3,460,551)	-	-	(3,460,551)	(2,453,836)	1,495,196	48,475,216					
Governance & Leadership	-	-	-	-	-	-	-	(748,480)	-	-	(748,480)	(748,480)	(748,480)	-					
Environmental Management	418,146	-	-	-	-	-	418,146	(1,202,800)	-	-	(1,202,800)	(1,202,800)	(784,654)	6,601,271					
Total Council	6,955,732	1,715,870	1,151,010	-	-	-	9,822,612	(10,627,879)	-	-	(10,627,879)	(8,912,008)	(805,266)	59,930,237					
Controlled entity net of eliminations	175,000	1,214,202	-	-	-	(542,645)	846,557	(1,575,669)	-	-	(1,033,024)	(361,467)	(186,467)	6,930,745					
Total consolidated	7,130,732	2,930,072	1,151,010	-	-	(542,645)	10,669,169	(12,203,548)	-	-	(11,660,903)	(9,273,775)	(991,733)	66,860,982					

Year ended 30 June 2012																	
Functions	Gross program income						Elimination of inter-function transactions	Total income	Gross program expenses		Elimination of inter-function transactions	Total expenses	Net result from recurring operations	Net Result	Assets		
	Recurring		Capital														
	Grants	Other	2012	2012	Grants	Other											
									2012	2012						2012	2012
Engineering Services	\$ 219,748	\$ 519,974	\$ 57,000	\$ -	\$ -	\$ -	\$ 806,722	\$ (7,895,481)	\$ -	\$ -	\$ (7,895,481)	\$ (7,375,507)	\$ (7,088,759)	\$ 5,016,184			
Community Development	1,652,732	63,970	362,852	-	-	-	2,079,554	(1,478,232)	-	-	(1,478,232)	(1,414,262)	601,322	-			
Corporate Services	8,595,980	1,156,173	2,585,214	-	-	-	12,337,367	(3,378,173)	-	-	(3,378,173)	(2,222,001)	8,959,194	54,782,797			
Governance & Leadership	-	-	-	-	-	-	-	(712,646)	-	-	(712,646)	(712,646)	(712,646)	-			
Environmental Management	728,977	-	-	-	-	-	728,977	(1,295,140)	-	-	(1,295,140)	(1,295,140)	(566,163)	6,727,864			
	11,197,438	1,740,117	3,015,066	-	-	-	15,952,620	(14,759,673)	-	-	(14,759,673)	(13,019,556)	1,192,948	66,526,845			
Controlled entity net of eliminations	-	1,512,669	-	-	(561,818)	-	950,851	(1,780,679)	-	-	561,818	(268,010)	(268,010)	7,204,777			
Total consolidated	11,197,438	3,252,786	3,015,066	-	(561,818)	-	16,903,471	(16,540,352)	-	-	(15,978,534)	(13,287,666)	924,938	73,731,622			

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
3 Revenue analysis				
(a) Rates, levies and charges				
General rates	113,851	66,045	113,851	66,045
	<u>113,851</u>	<u>66,045</u>	<u>113,851</u>	<u>66,045</u>
(b) Rental income				
Other rental income	659,102	667,007	649,629	656,454
	<u>659,102</u>	<u>667,007</u>	<u>649,629</u>	<u>656,454</u>
(c) Interest received				
Interest received from term deposits	109,481	287,850	84,938	255,216
Other bank interest	22,631	22,910	22,631	22,165
	<u>132,112</u>	<u>310,760</u>	<u>107,569</u>	<u>277,382</u>
(d) Sale of services				
Contract and recoverable works	660,906	566,212	660,906	566,212
Accommodation	27,000	-	27,000	-
External plant hire	16,559	-	16,559	-
Motor vehicle repairs	23,962	15,753	23,962	15,753
	<u>728,427</u>	<u>581,965</u>	<u>728,427</u>	<u>581,965</u>
Sale of goods				
Gas bottles	33,463	33,277	33,463	33,277
Post office	10,939	10,489	10,939	10,489
Other sales	632,429	926,217	-	23,524
	<u>676,831</u>	<u>969,983</u>	<u>44,402</u>	<u>67,290</u>
Total sales revenue	<u>1,405,258</u>	<u>1,551,949</u>	<u>772,829</u>	<u>649,256</u>
(e) Other income				
Agency commissions	5,297	5,270	5,297	5,270
Other income	110,891	77,423	109,870	73,196
	<u>116,188</u>	<u>82,693</u>	<u>115,167</u>	<u>78,466</u>

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

		Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
4 Grants, subsidies, contributions and donations	Note				
(a) Recurrent					
General purpose grants		2,893,108	3,049,203	2,893,108	3,049,203
State government subsidies and grants		3,393,840	6,921,994	3,218,840	6,921,994
Commonwealth government subsidies and grants		837,784	1,177,681	837,784	1,177,681
Donations		6,000	13,500	6,000	13,500
Contributions		-	35,060	-	35,060
		<u>7,130,731</u>	<u>11,197,438</u>	<u>6,955,731</u>	<u>11,197,438</u>
(b) Capital					
State government subsidies and grants		1,151,010	529,852	1,151,010	529,852
Contributions - assets recognised in respect of newly built houses		-	2,485,214	-	2,485,214
		<u>1,151,010</u>	<u>3,015,066</u>	<u>1,151,010</u>	<u>3,015,066</u>
Conditions over contributions					
Contributions recognised as income during the reporting period and which were obtained on the condition that they be expended in a manner specified by the contributor but had not been expended at the reporting date:					
Non-reciprocal grants for expenditure on services		2,093,312	1,329,206	2,093,312	1,329,206
Non-reciprocal grants for expenditure on infrastructure		53,235	179,381	53,235	179,381
		<u>2,146,547</u>	<u>1,508,587</u>	<u>2,146,547</u>	<u>1,508,587</u>
Contributions recognised as income during a previous reporting period that were obtained in respect of the current reporting period:					
Non-reciprocal grants for expenditure on services		96,615	202,540	96,615	202,540
Non-reciprocal grants for expenditure on infrastructure		149,544	369,902	149,544	369,902
		<u>246,159</u>	<u>572,442</u>	<u>246,159</u>	<u>572,442</u>
5 Capital income					
Gain / loss on disposal of non-current assets					
Proceeds from the sale of property, plant and equipment		(39,084)	1,364	(43,175)	1,364
		<u>(39,084)</u>	<u>1,364</u>	<u>(43,175)</u>	<u>1,364</u>
Revaluations					
Revaluation up of property, plant and equipment reversing	14	-	11,150	-	11,150
		<u>-</u>	<u>11,150</u>	<u>-</u>	<u>11,150</u>
Total capital income		<u>(39,084)</u>	<u>12,514</u>	<u>(43,175)</u>	<u>12,514</u>
6 Employee benefits					
Total staff wages and salaries		3,630,576	3,546,835	3,177,115	3,137,461
Councillors' remuneration		268,432	292,950	268,432	292,950
Annual, sick and long service leave entitlements		360,257	420,093	360,257	395,255
Superannuation	22	413,924	367,806	373,656	330,273
		<u>4,673,189</u>	<u>4,627,684</u>	<u>4,179,460</u>	<u>4,155,939</u>
Other employee related expenses		79,104	74,740	79,104	74,740
		<u>4,752,293</u>	<u>4,702,424</u>	<u>4,258,564</u>	<u>4,230,679</u>
Less: Capitalised employee expenses		(41,685)	(150,781)	(41,685)	(150,781)
		<u>4,710,608</u>	<u>4,551,643</u>	<u>4,216,879</u>	<u>4,079,898</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	5	5
Administration staff		85	86	77	76
Total full time equivalent employees		<u>90</u>	<u>91</u>	<u>82</u>	<u>81</u>

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Note	Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
7 Materials and services					
Administration supplies and consumables		1,703,574	1,394,297	1,691,703	1,326,890
Audit of annual financial statements by the Auditor-General of		92,088	112,882	70,375	92,882
Communications and IT		208,116	183,277	160,591	136,565
Consultants		65,319	30,056	65,319	30,056
Contractors		25,856	31,259	25,656	31,259
Donations paid		14,856	27,653	14,856	27,653
Power		103,610	136,641	70,977	103,316
Repairs and maintenance		1,790,803	6,704,206	1,722,909	6,478,800
Rentals - operating leases		35,400	35,025	35,400	35,025
Subscriptions and registrations		6,038	22,682	6,038	22,682
Insurance		311,846	309,575	293,443	288,491
Legal fees		11,210	23,081	11,210	23,081
Travel		134,471	218,599	132,644	212,908
Other materials and services		14,395	28,582	9,212	28,582
		<u>4,517,382</u>	<u>9,257,815</u>	<u>4,310,333</u>	<u>8,838,190</u>
8 Finance costs					
Finance costs charged by the Queensland Treasury Corporation		2,150	4,942	2,150	4,942
Bank charges		7,607	7,319	2,811	2,742
Impairment of debts	11	(9,609)	5,733	(9,609)	5,733
		<u>148</u>	<u>17,994</u>	<u>(4,648)</u>	<u>13,417</u>
9 Depreciation and amortisation					
Depreciation of non-current assets					
Buildings		406,918	355,477	344,759	297,317
Housing		941,512	862,896	941,512	862,896
Plant and equipment		283,582	197,392	258,135	168,539
Furniture and Office Equipment		80,480	89,613	49,272	48,960
Road, drainage and bridge network		373,890	358,551	197,043	189,124
Water		167,936	157,470	144,789	135,008
Sewerage		110,643	98,780	107,461	95,720
Other infrastructure assets		67,801	32,904	62,342	30,604
Total depreciation and amortisation	14	<u>2,432,783</u>	<u>2,151,082</u>	<u>2,105,313</u>	<u>1,828,168</u>

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
10 Cash and cash equivalents				
Cash at bank and on hand	1,278,674	1,131,039	1,181,168	1,064,598
Deposits at call	3,037,700	2,939,632	2,253,072	2,169,166
Balance per Statement of Cash Flows	<u>4,316,375</u>	<u>4,070,671</u>	<u>3,434,241</u>	<u>3,233,764</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 relate to the following cash assets:

Unspent government grants and subsidies	2,392,707	2,081,030	2,392,707	2,081,030
Total unspent restricted cash	<u>2,392,707</u>	<u>2,081,030</u>	<u>2,392,707</u>	<u>2,081,030</u>

* These restrictions were previously allocated as reserves

Cash and deposits at call are held in the Commonwealth Bank of Australia, Macquarie Bank and Queensland Treasury Corporation in normal term deposits and business cheque accounts. Currently Commonwealth Bank has a short term credit rating of A-1+ and long term rating of AA- Macquarie Bank has short term credit rating of A-1 and long term rating of A/Stable, and Queensland Treasury Corporation has a short term credit rating of A-1+ and long term rating of AA+.

11 Trade and other receivables

Current				
Trade debtors	689,848	6,166,423	578,962	6,065,213
Less impairment	(41,119)	(50,728)	(41,119)	(50,726)
Accrued revenue	79,023	109,416	79,023	100,881
Prepayments	-	27,098	-	15,404
	<u>727,752</u>	<u>6,252,209</u>	<u>616,866</u>	<u>6,130,770</u>

Movement in accumulated impairment losses (other debtors) is as

Opening balance at 1 July	50,727	44,994	50,727	44,994
Additional impairments recognised	-	5,733	-	5,733
Impairments reversed	(9,609)	-	(9,609)	-
Closing Balance at 30 June	<u>41,118</u>	<u>50,727</u>	<u>41,118</u>	<u>50,727</u>

12 Inventories

Inventories held for sale				
Fuel and motel stock	112,690	100,128	-	-
	<u>112,690</u>	<u>100,128</u>	<u>-</u>	<u>-</u>
Inventories held for distribution				
Plant and equipment stores	110,312	113,670	110,312	113,670
	<u>110,312</u>	<u>113,670</u>	<u>110,312</u>	<u>113,670</u>
Total inventories	<u>223,002</u>	<u>213,798</u>	<u>110,312</u>	<u>113,670</u>

13 Investments

Interest in controlled entity Lockhart River Aerodrome Company Pty Ltd	-	-	100	100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>

The shares in the Lockhart River Aerodrome Company Pty Ltd are not traded on an active market and their fair value cannot be ascertained reliably. Accordingly they are shown at cost.

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

14 Property, plant and equipment

Note	Consolidated - 30 June 2013	Land and improvements	Buildings	Housing	Plant and Equipment	Furniture and office equipment	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
		Fair Value	Fair Value	Fair Value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	Cost
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		1,300,000	14,094,979	38,500,401	3,131,262	476,482	7,849,787	3,806,527	4,209,909	868,413	270,171	74,507,930
		-	-	-	6,181	-	-	-	-	-	1,023,767	1,029,958
		-	-	(314,438)	(58,000)	-	-	-	-	-	-	(372,438)
		-	-	-	-	-	-	-	-	-	-	-
		-	99,061	-	239,241	19,655	71,951	87,276	38,382	25,000	(590,566)	-
		1,300,000	14,194,040	38,185,963	3,318,684	496,137	7,921,738	3,893,803	4,248,291	893,413	713,392	75,165,460
		-	2,090,568	4,599,873	1,644,546	366,631	1,484,788	588,633	530,784	7,112	-	11,312,985
		-	406,918	941,512	283,582	80,490	373,890	167,936	110,643	67,801	-	2,432,763
		-	-	(116,142)	(58,000)	-	-	-	-	-	-	(174,142)
		-	-	-	-	-	-	-	-	-	-	-
		-	(8,693)	8,693	-	-	-	-	-	-	-	-
		-	2,488,793	5,433,936	1,870,127	447,161	1,858,679	756,569	641,427	74,913	-	13,571,606
		1,300,000	11,705,247	32,752,026	1,448,557	48,976	6,063,059	3,137,234	3,606,864	818,500	713,392	61,593,854
		1,300,000	-	-	-	-	-	-	-	-	-	-
		Land: Not depreciated. Improvements : 7 - 40	10 - 50	20 - 50	3 - 10	3 - 7	4 - 100	5 - 80	5 - 80	20 - 40	-	-
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		-	68,185	-	245,422	19,655	71,951	35,329	-	-	-	440,542
		-	30,876	-	-	-	-	51,947	38,382	25,000	443,221	589,426
		-	99,061	-	245,422	19,655	71,951	87,276	38,382	25,000	-	1,029,958

**Lockhart River Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2013**

14 Property, plant and equipment (...continued)

Consolidated - 30 June 2012															
Note		Land and improvements	Buildings		Housing	Plant and Equipment		Furniture and office equipment	Road, drainage and bridge network		Water	Sewerage	Other infrastructure assets	Work in progress	Total
			Fair Value	Cost		Fair Value	Cost		Fair Value	Cost					
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		1,300,000	12,735,604	34,207,300	2,306,047	416,233	7,559,774	3,693,344	4,003,057	299,600	1,697,982	68,219,941			
		-	72,727	2,485,214	-	49,739	-	-	-	-	837,546	3,445,226			
5		-	-	-	(20,000)	-	-	-	-	-	-	(20,000)			
17		-	467,416	1,775,465	-	-	290,013	113,183	206,852	(1,316)	-	2,851,613			
5		-	-	-	-	-	-	-	-	11,150	-	11,150			
		1,300,000	14,094,979	38,500,401	3,131,262	476,482	7,849,787	3,806,527	4,209,909	868,413	270,171	74,507,930			
Accumulated depreciation and impairment															
		-	2,043,481	4,463,363	1,467,154	277,068	1,378,960	570,608	498,000	6,749	-	10,705,393			
9		-	355,477	852,896	197,392	89,613	356,551	157,470	98,780	32,904	-	2,151,082			
5		-	-	-	(20,000)	-	-	-	-	-	-	(20,000)			
17		-	(308,390)	(726,386)	-	-	(250,723)	(139,445)	(65,996)	(32,541)	-	(1,523,480)			
		-	-	-	-	-	-	-	-	-	-	-			
		-	2,090,568	4,599,873	1,644,546	366,681	1,484,788	588,633	530,784	7,112	-	11,312,985			
Consolidated book value as at 30 June 2012															
		1,300,000	12,004,411	33,900,527	1,486,716	109,801	6,364,998	3,217,894	3,679,125	861,301	270,171	63,194,946			
		1,300,000	-	-	-	-	-	-	-	-	-	-			
		Land: Not depreciated.	10 - 50	20 - 50	3 - 10	3 - 7	4 - 100	5 - 80	5 - 80	20 - 40	-	-			
		Improvements	7 - 40												

**Lockhart River Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2013**

14 Property, plant and equipment (...continued)

Council - 30 June 2013															
Note		Land and improvements	Buildings		Housing	Plant and Equipment		Furniture and office equipment	Road, drainage and bridge network		Water	Sewerage	Other infrastructure assets	Work in progress	Total
			Fair Value	Fair Value		Cost	Cost		Fair Value	Fair Value					
5 17	Basis of measurement														
	Asset values														
	Opening gross value as at 1 July 2012	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	Additions	-	10,010,397	38,500,401	2,188,168	440,259	5,104,150	3,610,134	4,162,059	865,833	270,174	1,023,785	66,151,576		
	Disposals	-	-	(314,438)	-	-	-	-	-	-	-	-	(314,438)		
5 17	Revaluation adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transfers between classes	-	99,061	-	239,241	19,655	71,951	87,276	38,382	25,000	(580,566)	-	-	-	-
	Closing gross value as at 30 June 2013	1,000,000	10,109,458	38,185,963	2,427,409	459,914	5,176,101	3,697,410	4,200,441	890,833	713,393	66,860,923			
	Accumulated depreciation and impairment														
	Opening balance as at 1 July 2012	-	1,260,062	4,604,329	953,972	286,543	946,849	518,262	526,067	6,950	-	-	9,103,035		
9 5 17	Depreciation provided in period	-	344,759	941,512	258,135	49,272	197,043	144,789	107,461	62,342	-	2,105,313			
	Depreciation on disposals	-	-	(116,142)	-	-	-	-	-	-	-	(116,142)			
	Revaluation adjustment to asset revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-		
	Transfers between classes	-	(8,693)	8,693	-	-	-	-	-	-	-	-	-	-	
	Accumulated depreciation as at 30 June 2013	-	1,596,128	5,438,392	1,212,107	335,815	1,143,892	663,051	633,528	69,292	-	-	11,092,206		
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Residual value															
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Lockhart River Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2013

14 Property, plant and equipment (...continued)

Council - 30 June 2012

Note	Land and improvements	Buildings	Housing	Plant and Equipment	Furniture and office equipment	Road, drainage and bridge network	Water	Sewerage	Other infrastructure assets	Work in progress	Total
	Fair Value	Fair Value	Fair value	Cost	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	1,000,000	8,851,020	34,207,300	1,362,953	407,263	4,921,016	3,503,804	3,961,327	299,600	1,697,982	60,212,285
	-	-	2,485,214	-	22,467	-	-	-	-	837,549	3,345,229
5	-	-	-	(20,000)	-	-	-	-	-	-	(20,000)
17	-	341,145	1,775,465	-	-	183,134	106,330	200,732	(3,895)	-	2,602,912
5	-	-	-	-	-	-	-	-	11,150	-	11,150
	-	818,231	32,422	845,215	10,510	-	-	-	558,979	(2,265,357)	-
	1,000,000	10,010,397	38,500,401	2,188,168	440,259	5,104,150	3,610,134	4,162,059	865,833	270,174	66,151,576

Accumulated depreciation and impairment

	-	1,230,761	4,467,819	805,433	237,583	869,952	502,447	493,650	6,749	-	8,614,394
9	-	297,317	862,896	168,539	48,960	189,124	135,008	95,720	30,604	-	1,828,168
5	-	-	-	(20,000)	-	-	-	-	-	-	(20,000)
17	-	(268,016)	(726,386)	-	-	(112,227)	(119,193)	(63,303)	(30,403)	-	(1,319,527)
	-	1,260,062	4,604,329	953,972	286,543	946,849	518,262	526,067	6,950	-	9,103,035

Total written down value as at 30 June 2012

	1,000,000	8,750,336	33,896,071	1,234,196	153,716	4,157,301	3,091,872	3,635,992	858,883	270,174	57,048,541
	1,000,000	-	-	-	-	-	-	-	-	-	-
	Land: Not depreciated. Improvements : 7 - 40	10 - 50	20 - 50	3 - 10	3 - 7	4 - 100	5 - 80	5 - 80	20 - 40	-	-

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

14 Property, plant and equipment (...continued)

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

Land and Improvements

The fair value of land and improvements is measured at current market value as at 30 June 2013 as independently determined by APV Valuers and Assets Management, Registered Valuers. Fair value was derived by reference to market based evidence including observable historical sales data for properties of similar nature and specification within the Lockhart River Aboriginal Shire Council and surrounding areas.

Buildings and Housing

There is no market for Council's buildings as these are held to provide essential services to the community. Accordingly, the fair value of all building assets is measured at written down current replacement cost. The most recent comprehensive valuation was carried out by APV Valuers at 30 June 2011. The fair value of buildings as at 30 June 2012 was independently determined by APV Valuers, using a "desktop" approach (refer Note 1.O). Relevant and appropriate indices for each asset class supplied by APV Valuers as at 30 June 2013 show there has been no material movement during the year. The next comprehensive valuation is planned for 30 June 2014.

Plant and Equipment, Furniture and office equipment

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

Infrastructure

There is no market for Council's infrastructure assets as these are held to provide essential services to the community. Accordingly, the fair value of all infrastructure assets is measured at written down current replacement cost.

Water and Sewerage

The fair value of water and sewerage assets as at 30 June 2012 was independently determined by APV Valuers, using a "desktop" approach (refer Note 1.O). Relevant and appropriate indices for each asset class supplied by APV Valuers as at 30 June 2013 show there has been no material movement during the year. The next comprehensive valuation is planned for 30 June 2014.

Road, Drainage, Bridge Network and Other infrastructure

The fair value of road, drainage, bridge network and other infrastructure assets as at 30 June 2012 was independently determined by APV Valuers, using a "desktop" approach (refer Note 1.O). Relevant and appropriate indices for each asset class supplied by APV Valuers as at 30 June 2013 show there has been no material movement during the year. The next comprehensive valuation is planned for 30 June 2014.

Capital Work in Progress

Capital Work In Progress is measured at cost

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

Note	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
15 Trade and other payables				
Current				
Creditors and accruals	708,667	6,414,867	649,798	6,326,725
Annual leave	306,076	340,816	276,916	270,387
GST Payable	95,319	72,382	92,935	72,382
Other entitlements	19,788	12,088	19,788	12,088
	<u>1,129,849</u>	<u>6,839,953</u>	<u>1,039,436</u>	<u>6,681,582</u>
16 Provisions				
Current				
Long service leave	69,753	119,705	55,665	83,012
	<u>69,753</u>	<u>119,705</u>	<u>55,665</u>	<u>83,012</u>
Non-current				
Long service leave	115,870	79,600	112,873	79,600
	<u>115,870</u>	<u>79,600</u>	<u>112,873</u>	<u>79,600</u>
Long service leave				
Balance at beginning of financial year	199,305	149,398	162,612	118,576
Long service leave entitlement arising	52,555	54,478	44,122	48,607
Long Service entitlement paid	(66,238)	(4,571)	(38,197)	(4,571)
Balance at end of financial year	<u>185,622</u>	<u>199,305</u>	<u>168,537</u>	<u>162,612</u>

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Note	Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
17 Asset revaluation surplus					
Movements in the asset revaluation surplus were as follows:					
Balance at beginning of financial year		30,820,946	26,445,853	28,341,851	24,419,412
Net adjustment to non-current assets at end of period to reflect a change in current fair value:					
Land and improvements		-	-	-	-
Buildings		-	775,806	-	609,162
Housing		(155,121)	2,501,851	(155,121)	2,501,851
Other infrastructure		-	31,225	-	26,507
Road, drainage and bridge network		-	540,735	-	295,361
Water		-	252,628	-	225,523
Sewerage		-	272,848	-	264,035
Balance at end of financial year		<u>30,665,825</u>	<u>30,820,946</u>	<u>28,186,730</u>	<u>28,341,851</u>
Asset revaluation surplus analysis					
The closing balance of the asset revaluation surplus comprises the following asset categories:					
Land and improvements		1,000,000	1,000,000	700,000	700,000
Buildings		5,033,682	5,033,682	4,222,645	4,222,645
Housing		16,659,029	16,814,150	16,659,028	16,814,149
Road, drainage and bridge network		4,355,116	4,355,116	3,192,187	3,192,187
Water		2,106,083	2,106,083	1,954,091	1,954,091
Sewerage		1,480,690	1,480,690	1,432,272	1,432,272
Other infrastructure assets		31,225	31,225	26,507	26,507
		<u>30,665,825</u>	<u>30,820,946</u>	<u>28,186,730</u>	<u>28,341,851</u>
18 Retained surplus					
Movements in the retained surplus were as follows:					
Retained surplus/(deficit) at beginning of financial year		33,790,389	33,855,406	29,259,770	29,056,777
Net result attributable to Council		(991,733)	924,938	(805,266)	1,192,948
Transfers (to)/ from capital reserves for future capital project funding, or from reserves funds that have been expended or closed:					
Unspent capital works reserve	19	301,156	(34,279)	301,156	(34,279)
Constrained works reserve	19	1,779,874	(955,676)	1,779,874	(955,676)
Retained surplus at end of financial year		<u>34,879,687</u>	<u>33,790,389</u>	<u>30,535,535</u>	<u>29,259,770</u>

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

19 Reserves

Council's cash and cash equivalents are subject to a number of external restrictions that limit the amount that is available for discretionary or future use. In prior years council accounted for these restrictions using a system of reserves.

On 22 May 2013, council passed a resolution to close all existing reserves and account for these restrictions using an internal management accounting system.

The external restrictions that have been placed on council's cash and cash equivalents are now disclosed in Note 10.

	Note	Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
Reserves held for funding future capital expenditure					
Unspent capital works reserve	18	-	301,156	-	301,156
Constrained works reserve	18	-	1,779,874	-	1,779,874
Total reserves		-	2,081,030	-	2,081,030

Movements in capital reserves:

Unspent capital works reserve

Balance at beginning of financial year	301,156	266,877	301,156	266,877
Transfer (to)/from retained surplus for future expenditure	-	529,852	-	529,852
Transfer (to)/from retained surplus/capital funds expended in the period	-	(495,573)	-	(495,573)
Transfer to the retained surplus due to the closure of the reserve	(301,156)	-	(301,156)	-
Balance at end of financial year	-	301,156	-	301,156

Constrained works reserve

Balance at beginning of financial year	1,779,874	824,198	1,779,874	824,198
Transfer from retained surplus for future expenditure	-	955,676	-	955,676
Transfer to the retained surplus due to the closure of the reserve	(1,779,874)	-	(1,779,874)	-
Balance at end of financial year	-	1,779,874	-	1,779,874

20 Commitments for expenditure

Operating leases

Minimum lease payments in relation to non-cancellable operating leases are as follows:

Within one year	21,000	34,650	21,000	34,650
One to five years	-	20,213	-	20,213
	21,000	54,863	21,000	54,863

21 Contingent liabilities

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

Local Government Mutual

The Council is a member of the local government mutual liability self-insurance pool, LGM Queensland. In the event of the pool being wound up or 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 2012 the financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013**

22 Superannuation

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

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

The scheme has three elements referred to as:

- The City Defined Benefits Fund (CDBF) which covers former members of the City Super Defined Benefits Fund
- The Regional Defined Benefits Fund (Regional DBF) which covers defined benefit fund members working for regional local governments; and
- The Accumulation Benefits Fund (ABF)

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

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

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

The audited general purpose financial report of the scheme as at 30 June 2012 (the most recent available) which was not subject to any audit qualification, indicates that the assets of the scheme are sufficient to meet the vested benefits.

The most recent actuarial assessment of the scheme was undertaken as at 1 July 2012. The actuary indicated that "the Regional DBF is currently in a satisfactory but modest financial position and remains vulnerable to adverse short and medium term experience."

Following the previous actuarial assessment in 2009, councils were advised by the trustee of the scheme, following advice from the scheme's actuary, that additional contributions may be imposed in the future at a level necessary to protect the entitlements of Regional DBF members. In the 2012 actuarial report the actuary has recommended no change to the employer contribution levels at this time.

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

The next actuarial investigation will be conducted as at 1 July 2015.

Note	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
The amount of superannuation contributions paid by Council to the scheme in this period for the benefit of employees was:	413,924	367,806	373,656	330,273

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
23 Trust funds				
Trust funds held for outside parties				
Monies collected or held on behalf of other entities yet to be paid out to or on behalf of those entities	4	4	4	4
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

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

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

Net result	(981,733)	924,938	(805,266)	1,192,948
Non-cash items:				
Depreciation and amortisation	2,432,763	2,151,082	2,105,313	1,828,168
Revaluation adjustments	-	(11,150)	-	(11,150)
Impairment provision for doubtful debts	(9,609)	5,734	(9,609)	5,734
Houses contributed at fair value (Net)	-	(2,485,214)	-	(2,485,214)
	<u>2,423,154</u>	<u>(339,548)</u>	<u>2,095,704</u>	<u>(662,462)</u>
Investing and development activities:				
Net (profit)/loss on disposal of non-current assets	39,084	(1,364)	43,175	(1,364)
Capital grants and contributions	(1,151,010)	(529,852)	(1,151,010)	(529,852)
	<u>(1,111,926)</u>	<u>(531,216)</u>	<u>(1,107,835)</u>	<u>(531,216)</u>
Changes in operating assets and liabilities:				
(Increase)/ decrease in receivables	5,534,066	(5,517,095)	5,523,513	(5,501,687)
(Increase)/decrease in inventory	(9,204)	40,650	3,358	14,233
Increase/(decrease) in payables	(5,710,104)	(2,682,530)	(5,642,146)	(2,735,458)
Increase/(decrease) in other provisions	(13,683)	49,907	5,925	44,036
	<u>(198,925)</u>	<u>(8,109,068)</u>	<u>(109,349)</u>	<u>(8,178,876)</u>
Net cash inflow from operating activities	<u>120,570</u>	<u>(8,054,894)</u>	<u>73,253</u>	<u>(8,179,606)</u>

25 Events after the reporting period

There were no material adjusting events after the balance date.

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

26 Financial instruments

Lockhart River Aboriginal Council has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

This note provides information (both qualitative and quantitative) to assist statement users evaluate the significance of financial instruments on the Council's financial position and financial performance, including the nature and extent of risks and how the Council manages these exposures.

Financial risk management

Lockhart River Aboriginal Shire Council is responsible for the establishment and oversight of the risk management framework, together with developing and monitoring risk management policies.

Council's management approves policies for overall risk management, as well as specifically for managing credit, liquidity and market risk.

The Council's risk management policies are established to identify and analyse the risks faced, to set appropriate limits and controls and to monitor these risks and adherence against limits. The Council aims to manage volatility to minimise potential adverse effects on the financial performance of the Council.

Lockhart River Aboriginal Shire Council does not enter into derivatives.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. These obligations arise principally from the Council's investments and receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations. The carrying amount of financial assets represents the maximum credit exposure.

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state/ commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements*. No collateral is held as security relating to the financial assets held by Lockhart River Aboriginal Shire Council.

The following table represents the maximum exposure to credit risk based on the carrying amounts of financial assets at the end of the reporting period:

	Note	Consolidated		Council	
		2013	2012	2013	2012
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	10	4,316,375	4,070,671	3,434,241	3,233,764
Trade and other receivables	11	648,729	6,115,695	537,843	6,014,485
Total financial assets		4,965,104	10,186,366	3,972,084	9,248,249

Cash and cash equivalents

The Council may be exposed to credit risk through its investments in the QTC Cash Fund and Macquarie Bank cash fund and Commonwealth Bank. The QTC Cash Fund and Macquarie Bank Cash Fund are asset management portfolios that invest with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund, Macquarie Bank Cash Fund and Commonwealth Bank are capital guaranteed. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

Trade and other receivables

The Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk.

By the nature of Council's operations, there is a geographical concentration of risk in respect of receivables in the Council's area.

Ageing of past due receivables and the amount of any impairment is disclosed in the following table:

	Consolidated		Council	
	2013	2012	2013	2012
	\$	\$	\$	\$
Not past due	292,712	6,033,376	222,195	5,886,096
Past due 31-60 days	306,913	21,208	298,942	82,484
Past due 61-90 days	14,678	111,838	1,752	9,883
More than 90 days	75,545	-	56,073	86,750
Impaired	(41,119)	(50,728)	(41,119)	(50,728)
Total	648,729	6,115,695	537,843	6,014,485

The impairment of trade receivables is a provision for doubtful debts that have been outstanding for more than 12 months and every effort to collect the money has been unsuccessful including disputed invoices. The impairment provision is based on specific invoices from identifiable accounts/debtors.

Liquidity risk

Liquidity risk is the risk that the Council will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Lockhart River Aboriginal Shire Council is exposed to liquidity risk through its normal course of business only.

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits to cater for unexpected volatility in cash flows.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council. It represents the remaining contractual cashflows (principal and interest) of financial liabilities at the end of the reporting period, excluding the impact of netting agreements:

Consolidated		0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
		\$	\$	\$	\$	\$
2013						
Trade and other payables		823,773	-	-	823,773	823,773
		823,773	-	-	823,773	823,773
2012						
Trade and other payables		6,499,337	-	-	6,499,337	6,499,337
		6,499,337	-	-	6,499,337	6,499,337
Council		0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
		\$	\$	\$	\$	\$
2013						
Trade and other payables		762,520	-	-	762,520	762,520
		762,520	-	-	762,520	762,520
2012						
Trade and other payables		6,411,195	-	-	6,411,195	6,411,195
		6,411,195	-	-	6,411,195	6,411,195

The outflows in the above table are not expected to occur significantly earlier or for significantly different amounts than indicated in the table.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Council's income or the value of its holdings of financial instruments.

Interest rate risk

Lockhart River Aboriginal Shire Council is exposed to interest rate risk through investments with QTC, Commonwealth Bank, and Macquarie Bank.

The Council has access to a mix of variable and fixed rate funding options through QTC so that interest rate risk exposure can be minimised.

Sensitivity

Sensitivity to interest rate movements is shown for variable financial assets and liabilities based on the carrying amount at reporting date.

The following interest rate sensitivity analysis depicts what effect a reasonably possible change in interest rates (assumed to be 1%) would have on the profit and equity, based on the carrying values at the end of the reporting period. The calculation assumes that the change in interest rates would be held constant over the period.

	Net carrying amount	Profit or loss		Equity	
		1% increase	1% decrease	1% increase	1% decrease
Consolidated	\$	\$	\$	\$	\$
2013					
QTC cash fund	2,218,336	22,183	(22,183)	22,183	(22,183)
Commonwealth Bank	34,736	347	(347)	347	(347)
Macquarie Bank cash fund	784,628	7,846	(7,846)	7,846	(7,846)
Net total	3,037,700	30,377	(30,377)	30,377	(30,377)
2012					
QTC cash fund	2,135,548	21,355	(21,355)	21,355	(21,355)
Commonwealth Bank	33,618	336	(336)	336	(336)
Macquarie Bank cash fund	770,466	7,705	(7,705)	7,705	(7,705)
Net total	2,939,632	29,396	(29,396)	29,396	(29,396)

	Net carrying amount	Profit or loss		Equity	
		1% increase	1% decrease	1% increase	1% decrease
Council	\$	\$	\$	\$	\$
2013					
QTC cash fund	2,218,336	22,183	(22,183)	22,183	(22,183)
Commonwealth Bank	34,736	347	(347)	347	(347)
Net total	2,253,072	22,531	(22,531)	22,531	(22,531)
2012					
QTC cash fund	2,135,548	21,355	(21,355)	21,355	(21,355)
Commonwealth Bank	33,618	336	(336)	336	(336)
Net total	2,169,166	21,692	(21,692)	21,692	(21,692)

Lockhart River Aboriginal Shire Council does not have any loan from any financial institution.

Fair value

The fair value of trade and other receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

	Note	2013		2012	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Consolidated					
Financial assets					
Cash & cash equivalents	10	4,316,375	4,316,375	4,070,671	4,070,671
Trade and other receivables	11	648,729	648,729	6,115,695	6,115,695
		<u>4,965,104</u>	<u>4,965,104</u>	<u>10,186,366</u>	<u>10,186,366</u>
Financial liabilities					
Trade and other payables	15	823,773	823,773	6,499,337	6,499,337
		<u>823,773</u>	<u>823,773</u>	<u>6,499,337</u>	<u>6,499,337</u>
Council					
Financial assets					
Cash & cash equivalents	10	3,434,241	3,434,241	3,233,764	3,233,764
Trade and other receivables	11	537,843	537,843	6,014,485	6,014,485
		<u>3,972,084</u>	<u>3,972,084</u>	<u>9,248,249</u>	<u>9,248,249</u>
Financial liabilities					
Trade and other payables	15	762,520	762,520	6,411,195	6,411,195
		<u>762,520</u>	<u>762,520</u>	<u>6,411,195</u>	<u>6,411,195</u>

Fair value - hierarchy

The recognised fair values of financial assets and liabilities are classified based on the lowest level of input significant to the overall fair value:

Level 1 - quoted prices (unadjusted) in active markets for identical instruments

Level 2 - inputs other than quoted prices included in Level 1 that are observable either directly or indirectly

Level 3 - valuation techniques for which any significant input is not based on observable market data.

According to the above hierarchy, the fair values of each class of financial instrument carried at fair value are as follows:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Consolidated				
30 June 2013				
Financial assets				
Cash & cash equivalents	-	4,316,375	-	4,316,375
Trade and other receivables	-	-	648,729	648,729
Total financial assets	-	<u>4,316,375</u>	<u>648,729</u>	<u>4,965,104</u>
Financial liabilities				
Trade and other payables	-	-	823,773	823,773
Total financial liabilities	-	-	<u>823,773</u>	<u>823,773</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2012				
Financial assets				
Cash & cash equivalents	-	4,070,671	-	4,070,671
Trade and other receivables	-	-	6,115,695	6,115,695
Total financial assets	-	4,070,671	6,115,695	10,186,366
Financial liabilities				
Trade and other payables	-	-	6,499,337	6,499,337
Total financial liabilities	-	-	6,499,337	6,499,337

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Council				
30 June 2013				
Financial assets				
Cash & cash equivalents	-	3,434,241	-	3,434,241
Trade and other receivables	-	-	537,843	537,843
Total financial assets	-	3,434,241	537,843	3,972,084
Financial liabilities				
Trade and other payables	-	-	762,520	762,520
Total financial liabilities	-	-	762,520	762,520

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
30 June 2012				
Financial assets				
Cash & cash equivalents	-	3,233,764	-	3,233,764
Trade and other receivables	-	-	6,014,485	6,014,485
Total financial assets	-	3,233,764	6,014,485	9,248,249
Financial liabilities				
Trade and other payables	-	-	6,411,195	6,411,195
Total financial liabilities	-	-	6,411,195	6,411,195

Lockhart River Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2013

27 Tied grants by project

The following note has been prepared on a cash basis.

	Balance 1/07/2012	Revenue	Expense	Transfers between grants	Balance 30/06/2013
	\$	\$	\$	\$	\$
Commonwealth government grants					
Dept Education, Employment and Workplace Relations					
<i>Vacation Care</i>	89,021	59,558	134,542	-	14,037
<i>Before School Care</i>	12,412	19,850	14,465	-	17,797
<i>After School Care</i>	83,525	59,558	186,097	-	(23,014)
<i>Parent and Community Engagement Program (PaCE)</i>	113,532	24,500	176,195	-	(38,163)
Total - DEEWR grants	298,491	163,466	491,300	-	(29,343)
Dept of the Environment, Water, Heritage and Arts					
<i>MILR Language Project</i>	16,730	51,912	50,199	-	18,443
<i>Working on Country</i>	167,160	276,890	343,887	-	100,183
Total - DEWHA grants	183,890	328,802	394,086	-	118,627
Dept of Families, Housing, Community Services Indigenous Affairs					
<i>Family Together (Kuunchi Kakana)</i>	53,703	85,781	96,253	-	43,231
Total - DFHCSIA grants	53,703	85,781	96,253	-	43,231
Dept of Health and Ageing					
<i>Community Development</i>	13,060	185,659	198,719	-	-
<i>Mens Healing Place (capital)</i>	102,285	-	2,323	-	99,962
Total - DOHA grants	115,344	185,659	201,042	-	99,962
Dept of Infrastructure and Transport					
<i>Radio Station - Capital</i>	19,490	-	-	-	19,490
Total - DIT grants	19,490	-	-	-	19,490
Total - Commonwealth government	670,918	763,708	1,182,660	-	251,966

	Balance 1/07/2012	Revenue	Expense	Transfers between grants	Balance 30/06/2013
	\$	\$	\$	\$	\$
State government grants					
Dept of Infrastructure and Planning					
<i>NDDRA/LMP - Flexible Funding Grant (Operations)</i>	45,000	-	2,720	-	42,280
<i>State Government Financial Aid</i>	-	1,332,548	1,332,548	-	-
<i>Indigenous Economic Development Revenue Replacement Program</i>	-	80,000	80,000	-	-
<i>Fiscal Equalisation Grant</i>	530,526	1,210,398	1,331,785	197,407	606,546
<i>Identified Roads Grant</i>	88,515	171,262	316,776	147,688	90,669
<i>Old Landfill Project</i>	248,127	-	-	(248,127)	-
<i>New Landfill Project</i>	(205,615)	343,335	-	(137,720)	-
<i>Quintell Beach Camp</i>	52,000	-	60,837	-	(8,837)
<i>Street Lighting</i>	(28,973)	82,340	2,400	-	50,967
<i>Drainage Works, Water Upgrade & Sewer Works</i>	(88,350)	81,820	25,180	11,711	-
<i>Warehouse Upgrade</i>	87,766	557,515	615,189	-	30,092
Total - DIP Grants	748,996	3,958,118	3,868,335	(29,061)	811,717
Dept of Justice and Attorney-General					
<i>Local Justice Initiatives Program</i>	35,418	98,000	74,295	-	59,123
Total - DJ&AG grants	35,418	98,000	74,295	-	59,123
Queensland Reconstruction Authority					
<i>NDRRA - Emergency Works</i>	-	476,698	559,210	-	(82,512)
<i>NDRRA - Restoration Works</i>	-	1,833,749	789,349	-	1,064,400
Total NDRRA	-	2,310,447	1,328,559	-	981,888
Dept of Emergency Services					
<i>State Emergency Services</i>	-	12,555	531	-	12,024
Total - DES grants	-	12,555	531	-	12,024
Dept Disability Services Qld					
<i>HACC - Operations</i>	57,812	210,058	211,647	(47,801)	8,423
<i>HACC - Commuter Bus</i>	39,615	30,000	67,347	-	2,268
<i>National Job Creation Package</i>	5,001	32,667	85,469	47,801	-
<i>HACC - Building Upgrade</i>	(16,876)	56,000	68,185	29,061	-
<i>HACC - Transition Costs</i>	-	40,000	-	-	40,000
Total - DSDQ grants	85,552	368,725	432,648	29,061	50,690
Queensland Health					
<i>Feral & Domestic Animals Management</i>	-	76,301	82,849	6,548	-
<i>Environmental Health</i>	-	64,955	58,407	(6,548)	-
<i>Alcohol Management Reform Program</i>	58,764	-	4,430	-	54,335
Total - QH grants	58,764	141,256	145,686	-	54,335
Dept of Communities					
<i>Domestic & Family Violence Prevention Health</i>	-	3,000	3,000	-	-
<i>YARV Youth At Risk</i>	27,010	119,704	179,695	-	(32,981)
<i>Womens Shelter</i>	14,668	211,240	319,899	-	(93,791)
<i>Womens Support Service</i>	37,423	11,665	49,088	-	-
<i>Town Planning</i>	34,958	-	34,958	-	-
Total - DOC grants	114,058	345,609	586,440	-	(126,772)

42

**Lockhart River Aboriginal Shire Council
Financial statements
For the year ended 30 June 2013**

**Management Certificate
For the year ended 30 June 2013**

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 1 to 42, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's and the consolidated entity's transactions for the financial year and financial position at the end of the year.



Mayor
Name Wayne Butcher
Date: 25, 10, 2013



Chief Executive Officer
Name
Date: 25, 10, 2013

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Lockhart River Aboriginal Shire Council

Report on the Financial Report

I have audited the accompanying financial report of Lockhart River Aboriginal Shire Council, which comprises the statements of financial position as at 30 June 2013, the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Mayor and Chief Executive Officer of the Council and the consolidated entity comprising the Council and the entities it controlled at the year's end and from time to time during the financial year.

The Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

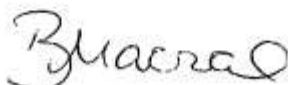
Opinion

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the financial performance and cash flows of the Lockhart River Aboriginal Shire Council and the consolidated entity for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

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



B MACRAE FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

MEASURES OF FINANCIAL SUSTAINABILITY

Lockhart River Aboriginal Shire Council
Current-year Financial Sustainability
For the year ended 30 June 2013

Measures of Financial Sustainability	How the measure is calculated	Actual - Consolidated	Actual - Council	Target
Council's performance at 30 June 2013 against key financial ratios and targets:				
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-22.01%	-21.95%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	18.11%	20.63%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-41.35%	-33.89%	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 2013.

Certificate of Accuracy
For the year ended 30 June 2013

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.



Mayor
Name Wayne Bulder
Date: 25, 10, 2013



Chief Executive Officer
Name PETER O'BRIEN
Date: 25/10/2013

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Mayor of Lockhart River Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

I have audited the accompanying current-year financial sustainability statement, which is a special purpose financial report of Lockhart River Aboriginal Shire Council for the year ended 30 June 2013, comprising the statement and explanatory notes, and certificates given by the Mayor and Chief Executive Officer.

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the statement.

My responsibility is to form an opinion as to whether the statement has been accurately calculated based on the Council's general purpose financial report. My responsibility does not extend to forming an opinion on the appropriateness or relevance of the reported ratios, nor on the Council's future sustainability.

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

Independence

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

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

Opinion

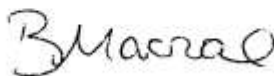
In accordance with s.212 of the *Local Government Regulation 2012*, in my opinion, in all material respects, the current-year financial sustainability statement of Lockhart River Aboriginal Shire Council, for the year ended 30 June 2013, has been accurately calculated.

Emphasis of Matter – Basis of Accounting

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

Other Matters - Electronic Presentation of the Audited Statement

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



B MACRAE FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Lockhart River Aboriginal Shire Council
Long-Term Financial Sustainability Statement
Prepared as at 30 June 2013

Measures of Financial Sustainability			Projected for the years ended													
			Actuals at 30 June 2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023			
Consolidated			Measure	Target												
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-22.01%	-13.1%	-12.3%	-7.7%	-6.9%	0.2%	-2.5%	-0.6%	6.3%	3.5%	5.5%			
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by Total liabilities less current assets divided by total operating revenue	greater than 90%	18.11%	24.9%	36.0%	18.4%	34.6%	41.7%	16.3%	8.0%	32.3%	8.0%	41.3%			
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 50%	-41.35%	-20.0%	-15.0%	-20.3%	-23.7%	-32.6%	-41.7%	-53.0%	-67.3%	-81.1%	-91.3%			
Council																
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-21.95%	-12.5%	-11.3%	-8.9%	-8.0%	-0.2%	-3.4%	-0.9%	7.2%	4.4%	6.8%			
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by Total liabilities less current assets divided by total operating revenue	greater than 90%	20.63%	22.9%	28.7%	12.0%	29.4%	38.6%	19.6%	9.6%	38.9%	9.6%	49.4%			
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 50%	-33.89%	-16.6%	-14.1%	-19.7%	-23.3%	-32.6%	-40.4%	-51.1%	-64.6%	-78.0%	-87.7%			

Lockhart River Aboriginal Shire Council's Financial Management Strategy


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.

Certificate of Accuracy

For the long-term financial sustainability statement prepared as at 30 June 2013

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.



Mayor
Name Wayne Ratche
Date: 25, 10, 2013



Chief Executive Officer
Name Peter O'Brien
Date: 25/10/2013