# Lockhart River Aboriginal Shire Council
## Financial Statements
### for the year ended 30 June 2024

# Lockhart River Aboriginal Shire Council
# Financial statements
## For the year ended 30 June 2024

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**Lockhart River Aboriginal Shire Council**
**Statement of Comprehensive Income**
For the year ended 30 June 2024

| | | Consolidated | | Council | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | Note | $ | $ | $ | $ |
| **Income** | | | | | |
| **Revenue** | | | | | |
| **Recurrent revenue** | | | | | |
| Rates, levies and charges | | 177,978 | 185,220 | 177,978 | 185,220 |
| Sales revenue | 3(a) | 6,953,851 | 4,833,167 | 5,727,499 | 3,672,957 |
| Grants, subsidies, contributions and donations | 3(c) | 14,329,227 | 17,182,147 | 14,329,227 | 17,182,147 |
| Total recurrent revenue | | 21,461,056 | 22,200,534 | 20,234,704 | 21,040,323 |
| **Capital revenue** | | | | | |
| Grants, subsidies, contributions and donations | 3(c) | 10,887,014 | 8,234,901 | 10,887,014 | 8,234,901 |
| Total capital revenue | | 10,887,014 | 8,234,901 | 10,887,014 | 8,234,901 |
| Rental income | | 107,293 | 101,179 | 97,475 | 82,634 |
| Interest received | | 269,127 | 180,972 | 253,967 | 172,049 |
| Other income | 3(b) | 131,625 | 111,322 | 130,869 | 110,633 |
| Other capital income | 3(d) | 1,014,483 | - | 1,014,483 | - |
| **Total income** | | 33,870,598 | 30,828,908 | 32,618,513 | 29,640,541 |
| **Expenses** | | | | | |
| **Recurrent expenses** | | | | | |
| Employee benefits | 4 | (7,398,881) | (6,258,351) | (6,805,423) | (5,748,773) |
| Materials and services | 5 | (15,836,170) | (13,648,874) | (15,310,971) | (13,092,779) |
| Finance costs | | (207,576) | (17,749) | (199,673) | (14,672) |
| Depreciation and amortisation | | | | | |
| Property, plant and equipment | 13 | (3,052,908) | (2,777,943) | (2,697,690) | (2,462,870) |
| Right-of-use assets | 11 | (59,760) | (56,417) | (45,653) | (42,837) |
| | | (26,555,293) | (22,759,334) | (25,059,410) | (21,361,932) |
| **Capital expenses** | 6 | (841,892) | (336,496) | (841,892) | (645,770) |
| **Total expenses** | | (27,397,186) | (23,095,830) | (25,901,302) | (22,007,701) |
| **Net result** | | 6,473,413 | 7,733,079 | 6,717,210 | 7,632,840 |
| **Other comprehensive income** | | | | | |
| **Items that will not be reclassified to net result** | | | | | |
| Increase in asset revaluation surplus | 13 | 6,407,705 | 7,682,677 | 5,485,962 | 6,859,190 |
| **Total other comprehensive income for the year** | | 6,407,705 | 7,682,677 | 5,485,962 | 6,859,190 |
| **Total comprehensive income for the year** | | 12,881,118 | 15,415,756 | 12,203,172 | 14,492,030 |

*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 2024**

| | | Consolidated | | Council | |
|---|---|---|---|---|---|
| | Note | 2024 $ | 2023 $ | 2024 $ | 2023 $ |
| **Current assets** | | | | | |
| Cash and cash equivalents | 7 | 9,966,487 | 12,538,077 | 8,619,739 | 11,112,813 |
| Trade and other receivables | 8 | 2,252,180 | 1,988,217 | 2,116,456 | 1,894,839 |
| Inventories | 9 | 434,206 | 451,149 | 303,644 | 316,597 |
| Contract assets | 11a | 1,800,918 | 3,439,226 | 1,800,918 | 3,439,226 |
| Lease receivable | 11 | 398,296 | 348,822 | 398,296 | 348,822 |
| **Total current assets** | | 14,852,087 | 18,765,491 | 13,239,053 | 17,112,297 |
| **Non-current assets** | | | | | |
| Lease receivable | 11 | 8,951,871 | 9,043,642 | 8,951,871 | 9,043,642 |
| Interest in other entities | 12 | - | - | 100 | 100 |
| Property, plant and equipment | 13 | 136,114,555 | 121,391,200 | 123,213,011 | 109,201,634 |
| Right-of-use assets | 11 | 167,821 | 219,683 | 120,380 | 160,253 |
| **Total non-current assets** | | 145,234,246 | 130,654,525 | 132,285,361 | 118,405,628 |
| **Total assets** | | 160,086,333 | 149,420,016 | 145,524,414 | 135,517,926 |
| **Current liabilities** | | | | | |
| Trade and other payables | 14 | 1,900,122 | 2,533,854 | 1,719,067 | 2,361,242 |
| Contract liabilities | 11b | 1,465,739 | 3,270,560 | 1,465,739 | 3,270,560 |
| Lease liabilities | 11 | 61,852 | 58,590 | 46,454 | 43,835 |
| Provisions | 15 | 702,270 | 503,852 | 675,419 | 466,619 |
| **Total current liabilities** | | 4,129,983 | 6,366,856 | 3,906,679 | 6,142,256 |
| **Non-current liabilities** | | | | | |
| Lease liabilities | 11 | 111,215 | 168,214 | 73,700 | 116,939 |
| Provisions | 15 | 1,887,497 | 1,808,426 | 1,878,549 | 1,796,419 |
| **Total non-current liabilities** | | 1,998,712 | 1,976,640 | 1,952,249 | 1,913,359 |
| **Total liabilities** | | 6,128,696 | 8,343,496 | 5,858,928 | 8,055,614 |
| **Net community assets** | | 153,957,638 | 141,076,520 | 139,665,486 | 127,462,312 |
| **Community equity** | | | | | |
| Asset revaluation surplus | 13 | 58,048,093 | 51,640,388 | 55,542,590 | 50,056,628 |
| Retained surplus | | 95,909,545 | 89,436,132 | 84,122,896 | 77,405,684 |
| **Total community equity** | | 153,957,638 | 141,076,520 | 139,665,486 | 127,462,312 |

*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 2024**

| **Consolidated** | **Asset revaluation surplus** | **Retained surplus** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Balance as at 30 June 2023** | 51,640,388 | 89,436,132 | 141,076,520 |
| Net result | - | 6,473,413 | 6,473,413 |
| Other comprehensive income for the year | | | |
| Increase in asset revaluation surplus | 6,407,705 | - | 6,407,705 |
| **Total comprehensive income for the year** | 6,407,705 | 6,473,413 | 12,881,118 |
| **Balance as at 30 June 2024** | 58,048,093 | 95,909,545 | 153,957,638 |
| **Balance as at 30 June 2022** | 43,957,711 | 81,703,053 | 125,660,764 |
| Net result | - | 7,733,079 | 7,733,079 |
| Other comprehensive income for the year | | | |
| Increase in asset revaluation surplus | 7,682,677 | - | 7,682,677 |
| **Total comprehensive income for the year** | 7,682,677 | 7,733,079 | 15,415,756 |
| **Balance as at 30 June 2023** | 51,640,388 | 89,436,132 | 141,076,520 |

| **Council** | **Asset revaluation surplus** | **Retained surplus** | **Total** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **Balance as at 30 June 2023** | 50,056,628 | 77,405,684 | 127,462,312 |
| Net result | - | 6,717,210 | 6,717,210 |
| Other comprehensive income for the year | | | |
| Increase in asset revaluation surplus | 5,485,962 | - | 5,485,962 |
| **Total comprehensive income for the year** | 5,485,962 | 6,717,210 | 12,203,172 |
| **Balance as at 30 June 2024** | 55,542,590 | 84,122,896 | 139,665,487 |
| **Balance as at 30 June 2022** | 43,197,438 | 69,772,844 | 112,970,282 |
| Net result | - | 7,632,840 | 7,632,840 |
| Other comprehensive income for the year | | | |
| Increase in asset revaluation surplus | 6,859,190 | - | 6,859,190 |
| **Total comprehensive income for the year** | 6,859,190 | 7,632,840 | 14,492,030 |
| **Balance as at 30 June 2023** | 50,056,628 | 77,405,684 | 127,462,312 |

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

**Lockhart River Aboriginal Shire Council**
**Statement of Cash Flows**
**For the year ended 30 June 2024**

| | Note | Consolidated 2024 $ | Consolidated 2023 $ | Council 2024 $ | Council 2023 $ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Receipts from customers | | 8,462,523 | 4,647,734 | 7,274,849 | 3,498,197 |
| Receipts from grantors for non capital grants and contributions | 3 | 14,329,227 | 14,044,861 | 14,329,227 | 14,044,861 |
| Receipts from tenants | | 107,293 | 101,179 | 97,475 | 82,634 |
| Payments to suppliers and employees | | (25,615,519) | (19,546,615) | (24,485,037) | (18,471,843) |
| | | (2,716,476) | (752,841) | (2,783,486) | (846,151) |
| Interest received | | 269,127 | 180,972 | 253,967 | 172,049 |
| **Net cash inflow/(outflow) from operating activities** | 19 | (2,447,349) | (571,868) | (2,529,519) | (674,102) |
| **Cash flows from investing activities** | | | | | |
| Payments for property, plant and equipment | 13 | (11,368,557) | (9,602,599) | (11,223,106) | (9,266,525) |
| Payments for property, plant and equipment transferred to subsidiary | 7 | - | - | - | (309,274) |
| Proceeds from sale of property plant and equipment | | - | 19,500 | - | 19,500 |
| Capital grants, subsidies, contributions and donations | 3 | 10,887,014 | 9,114,470 | 10,887,014 | 9,114,470 |
| **Net cash inflow (outflow) from investing activities** | | (481,543) | (468,629) | (336,092) | (441,829) |
| **Cash flows from financing activities** | | | | | |
| Proceeds of finance leases | 11 | 418,936 | 324,720 | 418,936 | 324,720 |
| Repayment made on leases (principal only) | 11 | (61,635) | (56,172) | (46,400) | (41,572) |
| **Net cash inflow (outflow) from financing activities** | | 357,301 | 268,548 | 372,536 | 283,148 |
| **Net increase (decrease) in cash and cash equivalents held** | | (2,571,591) | (771,949) | (2,493,075) | (832,783) |
| **Cash and cash equivalents at the beginning of the financial year** | | 12,538,076 | 13,310,025 | 11,112,814 | 11,945,597 |
| **Cash and cash equivalents at end of the financial year** | 7 | 9,966,487 | 12,538,076 | 8,619,739 | 11,112,814 |

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

## 1 Information about these financial statements

### (a) Basis of preparation

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

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

These financial statements have been prepared under the historical cost convention except for the revaluation of certain classes of property, plant and equipment and finance leases which are measured at fair value.

### (b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entity controlled by the Lockhart River Aboriginal Shire Council as at 30 June 2024 and the results of the controlled entity 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 statements of the consolidated entity are prepared using accounting policies that are consistent with those of the Council. Information on the controlled entity is included in Note 12.

### (c) Constitution

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

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

Lockhart River Aboriginal Shire Council adopted all the standards which became mandatorily effective for annual reporting periods beginning on 1 July 2023, none of the standards had a material impact on reported position, performance and cash flows. The adoption of the revisions to AASB 101 *Presentation of Financial Statements* resulted in disclosure of material accounting policy information only rather than signifcant accounting policies. This means that accounting policy information is disclosed only if it relates to material transanctions, other events or conditions and:
a) Council has changed accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements.
b) Council chose (or was mandated to use) the accounting policy from one or more options permitted by Australian Accounting Standrads.
c) the accounting policy was developed in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of an Australian Standard that specifically applies.
d) the accounting policy relate to an area for which the Council is required to make siginicant judgements or assumptions in applying an accounting policy, and the Council discloses those judgements or assumptions in the financial statements.
e) the accounting required for them is complex and users of the Council's financial statements would otherwise not understand those material transactions, other events or conditions.
Lockhart River Aboriginal Shire Council has assumed that none of the new standards have had a material impact on Council other than in relation to the disclosure of the accounting policy information.

### (e) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2024. These standards have not been adopted by Council and will be included in the financial statements on their effective date. These standards are not expected to have a material impact for Council.

Council has assessed all the standards/interpretations currently issued which are not yet effective and have determined that there is no expected material impact on the reported financial position or performance.

### (f) Estimates and judgements

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

Revenue recognition - Note 3
Valuation of leases - Note 11
Valuation and depreciation of property, plant and equipment - Note 13
Impairment of property, plant and equipment - Note 13
Estimation of provisions - Note 15
Estimation of probabilities of an accumulated deficit in self insurance pool and of the rehabilitation of Airport Land - Note 17
Impairment of financial instruments and financial liabilities - Note 22

### (g) Rounding and comparatives

The financial statements are in Australian dollars that have been rounded to the nearest $1.
Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard.

### (h) Taxation

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

## 2. Analysis of results by function

### (a) Components of Council functions

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

**Engineering Services**
The objective of the Engineering Services is to ensure the community is serviced by a high quality and effective road network through well planned and quality development. The function provides and maintains transport infrastructure, including the maintenance and provision of the bridge and drainage network, regional planning and management of development approval.

**Building Services**
The Building Services program is to ensure the Council buildings, staff housing and community housing are well maintained. This function coordinate and carry out all the commercial and residential buildings maintenance and new construction programs. The objective is to provide safe buildings from where Council services are provided and ensure residential accommodation are in good living condition.

**Community Development**
The goal of Community Development is to ensure Lockhart River is a healthy, vibrant, contemporary and connected community. Community Development provides well managed and maintained facilities, and ensures the effective delivery of cultural, health, welfare, environmental and recreational services and projects, community library and radio, child care, substance abuse and other community programs.

**Corporate Services**
Corporate Services provides professional finance and administration support services across all of Council. This function includes internal audit, budget support, financial accounting, taxation, purchasing, warehousing, corporate planning, human resources, banking and post office services, communication and information technology services. The goal of this function is to provide accurate, timely and appropriate information to support sound decision making and meet statutory requirements.

**Governance and Leadership**
The objective of Governance and Leadership is for Council to be open, accountable, transparent and deliver value for money community outcomes. This function includes strategic and operational planning, risk management, legal and administrative support. The Mayor, Deputy Mayor, Councillors and Chief Executive Officer are included in Governance and Leadership.

**Environmental Management**
The goal of this function is to protect and support our community and natural environment by sustainably managing the refuse, a healthy and safe community through sustainable water services and managing sewerage infrastructure. The function provides refuse collection and disposal services, pest management, management of flood and waterways and sewerage infrastructure.

## 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 2024**

| **Functions** | Gross program income | | | | Elimination of inter-function transactions | Total income | Gross program expenses | | Elimination of inter-function transactions | Total expenses | Net result from recurrent operations | Net Result | Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Recurrent | | Capital | | | | Recurrent | Capital | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Engineering Services | 8,314,142 | 1,420,016 | 3,792,665 | - | - | 13,526,823 | (13,417,031) | - | - | (13,417,031) | (3,682,874) | 109,792 | 77,778,945 |
| Building Services | - | 3,973,856 | 6,507,265 | - | - | 10,481,121 | (3,418,730) | - | - | (3,418,730) | 555,126 | 7,062,391 | - |
| Community Development | 2,707,968 | 6,942 | 143,000 | - | - | 2,857,910 | (2,737,440) | - | - | (2,737,440) | (22,530) | 120,470 | - |
| Corporate Services | 3,044,342 | 1,185,634 | - | - | - | 4,229,976 | (3,244,723) | - | - | (3,244,723) | 985,252 | 985,252 | 53,713,042 |
| Governance & Leadership | 64,492 | - | - | - | - | 64,492 | (1,313,041) | - | - | (1,313,041) | (1,248,549) | (1,248,549) | - |
| Environmental Management | 198,284 | 177,978 | 444,085 | - | - | 820,347 | (1,132,493) | - | - | (1,132,493) | (756,231) | (312,146) | 14,032,425 |
| Total Council | 14,329,227 | 6,764,427 | 10,887,014 | - | - | 31,980,668 | (25,263,458) | - | - | (25,263,458) | (4,169,805) | 6,717,210 | 145,524,412 |
| Controlled entity net of eliminations | - | 1,579,084 | - | - | (326,998) | 1,252,086 | (1,822,881) | - | 326,998 | (1,495,883) | (243,797) | (243,797) | 14,561,231 |
| **Total consolidated** | 14,329,227 | 8,343,511 | 10,887,014 | - | (326,998) | 33,232,754 | (27,086,339) | - | 326,998 | (26,759,341) | (4,413,602) | 6,473,413 | 160,085,643 |

**Year ended 30 June 2023**

| **Functions** | Gross program income | | | | Elimination of inter-function transactions | Total income | Gross program expenses | | Elimination of inter-function transactions | Total expenses | Net result from recurrent operations | Net Result | Assets |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Recurrent | | Capital | | | | Recurring | Capital | | | | | |
| | Grants | Other | Grants | Other | | | | | | | | | |
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Engineering Services | 8,100,044 | 34,316 | 7,191,964 | - | - | 15,326,323 | (11,098,769) | (30,500) | - | (11,129,269) | (2,964,409) | 4,197,055 | 66,493,468 |
| Building Services | - | 3,386,064 | 248,017 | - | - | 3,634,080 | (3,208,052) | - | - | (3,208,052) | 178,011 | 426,028 | - |
| Community Development | 1,941,408 | 100,490 | - | - | - | 2,041,898 | (1,953,823) | - | - | (1,953,823) | 88,076 | 88,076 | - |
| Corporate Services | 6,928,469 | 516,624 | 248,765 | - | - | 7,693,858 | (3,103,174) | (305,996) | - | (3,409,170) | 4,341,919 | 4,284,688 | 58,805,165 |
| Governance & Leadership | 24,509 | - | 16,979 | - | - | 41,488 | (1,147,852) | - | - | (1,147,852) | (1,123,343) | (1,106,364) | - |
| Environmental Management | 187,716 | 186,000 | 529,177 | - | - | 902,893 | (1,159,536) | - | - | (1,159,536) | (785,820) | (256,643) | 10,219,293 |
| Total Council | 17,182,147 | 4,223,493 | 8,234,901 | - | - | 29,640,541 | (21,671,206) | (336,496) | - | (22,007,701) | (265,566) | 7,632,840 | 135,517,926 |
| Controlled entity net of eliminations | - | 1,835,032 | - | - | (646,665) | 1,188,367 | (1,734,793) | - | 646,665 | (1,088,128) | 100,239 | 100,239 | 13,901,401 |
| **Total consolidated** | 17,182,147 | 6,058,525 | 8,234,901 | - | (646,665) | 30,828,908 | (23,405,999) | (336,496) | 646,665 | (23,095,830) | (165,327) | 7,733,079 | 149,419,327 |

## 3 Revenue

### (a) Sales revenue

Sale of goods revenue is recognised at the point in time that the customer obtains control of the goods, generally at delivery. Revenue from services is recognised when the service is rendered.

The Council generates revenues from a number of services including housing construction, 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 based on costs incurred 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.

| | Consolidated | | Council | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **$** | **$** | **$** | **$** |
| **Rendering of services** | | | | |
| Contract and recoverable works | 5,455,201 | 3,391,792 | 5,455,201 | 3,391,792 |
| Accommodation | 45,266 | 34,971 | 45,266 | 34,971 |
| Motor vehicle repairs | 45,312 | 24,535 | 45,312 | 24,535 |
| Agency commissions | 1,076 | 613 | 1,076 | 613 |
| | 5,546,855 | 3,451,911 | 5,546,855 | 3,451,911 |
| **Sale of goods** | | | | |
| Gas bottles | 137,265 | 161,343 | 137,265 | 161,343 |
| Post office | 43,379 | 59,703 | 43,379 | 59,703 |
| Other sales* | 1,226,352 | 1,160,210 | - | - |
| | 1,406,996 | 1,381,257 | 180,644 | 221,047 |
| Total sales revenue | 6,953,851 | 4,833,167 | 5,727,499 | 3,672,957 |

The amount recognised as revenue for contract and recoverable works during the financial year is the amount receivable in respect of invoices issued during the period. The contract work carried out is not subject to retentions.

*Other sales is the revenue from Aerodrome Company that includes sale of fuel recognised at point in time the customer obtains control of the goods and rendering of services in accommodation, Skytrans commissions, landing fees, transfer/delivery fees and refuelling call-out fees recognised when service is rendered.

### (b) Other income

Fees, charges and commissions are recognised at the point in time when or as the performance obligation is completed and the customer receives the benefit of goods/services being provided.

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

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.

| | | | | |
|---|---|---|---|---|
| Sundry income | 130,869 | 111,140 | 130,869 | 110,633 |
| Gain on impairment reversed | 756 | 182 | - | - |
| | 131,625 | 111,322 | 130,869 | 110,633 |

**(c) Grants, subsidies, contributions and donations**

Grant income under AASB 15

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

Performance obligations vary in each agreement but include vet visits, client events, meals supplied, support hours, movie nights and transport trips. Payment terms vary depending on the terms of the grant. Cash is received upfront for some grants and on the achievement of certain milestones for others.

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

Grant income under AASB 1058

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

Capital grants

Where Council receive funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred.

Donations and contributions

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

Donations and contributions revenue would generally be recognised at the point in time on receipt of the asset since there are no enforeceable performance obligations.

Non-cash contributions with a value in excess of the recognition thresholds, are recognised as non-current assets and those below the thresholds are recorded as expenses.

| | | | Consolidated | | Council | |
|---|---|---|---|---|---|---|
| | | | 2024 | 2023 | 2024 | 2023 |
| | | | $ | $ | $ | $ |
| **(i)** | **Operating** | | | | | |
| | State government subsidies and grants | | 13,436,286 | 16,408,010 | 13,436,286 | 16,408,010 |
| | Commonwealth government subsidies and grants | | 877,441 | 762,917 | 877,441 | 762,917 |
| | Donations and contributions | | 15,500 | 11,220 | 15,500 | 11,220 |
| | | | 14,329,227 | 17,182,147 | 14,329,227 | 17,182,147 |
| **(ii)** | **Capital** | | | | | |
| | State government subsidies and grants | | 10,806,270 | 7,948,557 | 10,806,270 | 7,948,557 |
| | Commonwealth government subsidies and grants | | 80,744 | 286,344 | 80,744 | 286,344 |
| | | | 10,887,014 | 8,234,901 | 10,887,014 | 8,234,901 |
| **(iii)** | **Timing of revenue recognition for grants, subsidies, contributions and donations** | | | | | |
| | **Revenue recognised at a point in time** | | | | | |
| | Grants and subsidies | 3(c) | 3,999,081 | 7,705,076 | 3,999,081 | 7,705,076 |
| | Donations and contributions | 3(c) | 15,500 | 11,220 | 15,500 | 11,220 |
| | | | 4,014,581 | 7,716,297 | 4,014,581 | 7,716,297 |
| | **Revenue recognised over time** | | | | | |
| | Grants and subsidies | 3(c) | 21,201,660 | 18,035,903 | 21,201,660 | 18,035,903 |
| | | | 21,201,660 | 18,035,903 | 21,201,660 | 18,035,903 |
| | | | 25,216,241 | 25,752,200 | 25,216,241 | 25,752,200 |
| **(d)** | **Capital income** | | | | | |
| | **Gain on revaluation of finance leases** | | | | | |
| | Increase in revaluation of finance leases | 12 | 1,014,483 | - | 1,014,483 | - |
| | | | 1,014,483 | - | 1,014,483 | - |
| | Total capital income | | 1,014,483 | - | 1,014,483 | - |

| | | | Consolidated | | Council | |
|---|---|---|---|---|---|---|
| | | | **2024** | **2023** | **2024** | **2023** |
| | | | **$** | **$** | **$** | **$** |
| **4** | **Employee benefits** | | | | | |
| | Total staff wages and salaries | | 6,055,343 | 5,158,454 | 5,524,615 | 4,706,759 |
| | Councillors' remuneration | | 352,682 | 339,610 | 352,682 | 339,610 |
| | Annual, sick and long service leave entitlements | | 561,390 | 754,298 | 561,390 | 754,298 |
| | Superannuation | 18 | 689,417 | 597,884 | 631,839 | 547,351 |
| | | | 7,658,832 | 6,850,246 | 7,070,526 | 6,348,018 |
| | Other employee related expenses | | 77,179 | 66,304 | 72,028 | 58,954 |
| | | | 7,736,011 | 6,916,549 | 7,142,553 | 6,406,972 |
| | Less: Capitalised employee expenses | | (337,130) | (658,198) | (337,130) | (658,198) |
| | | | 7,398,881 | 6,258,351 | 6,805,423 | 5,748,773 |

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

| | | | | |
|---|---|---|---|---|
| Total Council employees at the reporting date: | **2024** | **2023** | **2024** | **2023** |
| Elected members | 5 | 5 | 5 | 5 |
| Administration staff | 85 | 79 | 79 | 75 |
| Total full time equivalent employees | 90 | 84 | 84 | 80 |

| | | Consolidated 2024 | Consolidated 2023 | Council 2024 | Council 2023 |
|---|---|---|---|---|---|
| **5** | **Materials and services** | | | | |
| | Administration supplies and consumables | 1,449,467 | 1,156,246 | 1,324,849 | 967,206 |
| | Audit of annual financial statements by the Auditor-General of Queensland* | 106,200 | 125,953 | 78,000 | 93,517 |
| | Communications and IT | 374,797 | 406,230 | 335,048 | 376,062 |
| | Consultants | 116,745 | 85,040 | 114,059 | 84,081 |
| | Donations paid | 157,982 | 97,436 | 157,982 | 97,436 |
| | Power | 176,588 | 153,934 | 120,648 | 113,962 |
| | Repairs and maintenance | 12,006,455 | 10,518,226 | 11,856,582 | 10,343,669 |
| | Rentals - operating leases | 3,077 | 5,209 | 2,412 | 4,408 |
| | Subscriptions and registrations | 76,842 | 67,526 | 76,842 | 67,526 |
| | Insurance | 711,241 | 604,650 | 592,076 | 527,761 |
| | Legal fees | 17,458 | 2,383 | 17,458 | 2,383 |
| | Travel | 298,267 | 227,116 | 293,964 | 215,842 |
| | Other materials and services | 341,052 | 198,925 | 341,052 | 198,925 |
| | Total materials and services | 15,836,170 | 13,648,874 | 15,310,971 | 13,092,779 |

*Total audit fees quoted by the Queensland Audit Office relating to the 2023-24 financial statements for the consolidated entity are $106,200 (2023: $106,500).

| | | | Consolidated 2024 | Consolidated 2023 | Council 2024 | Council 2023 |
|---|---|---|---|---|---|---|
| **6** | **Capital expenses** | | | | | |
| | **Loss on revaluation of finance leases** | | | | | |
| | Decrease in revaluation of finance leases | 12 | 637,844 | 182,210 | 637,844 | 182,210 |
| | | | 637,844 | 182,210 | 637,844 | 182,210 |
| | **Capital works transferred to controlled entity** | | | | | |
| | New accommodation cabins | | - | - | - | 102,461 |
| | Airport fencing | | - | - | - | 206,813 |
| | Iron Range Cabins Parking Area | | - | - | - | - |
| | | | - | - | - | 309,274 |
| | **Loss on disposal of non-current assets** | | | | | |
| | Wriiten-down value of property, plant and equipment disposed of | | - | 50,000 | - | 50,000 |
| | Less: Proceeds from the sale of property, plant and equipment | | - | (19,500) | - | (19,500) |
| | | | - | 30,500 | - | 30,500 |
| | **Provision for restoration of land** | | | | | |
| | Increase in provision | | 204,048 | 123,786 | 204,048 | 123,786 |
| | | | 204,048 | 123,786 | 204,048 | 123,786 |
| | Total capital expenses | | 841,892 | 336,496 | 841,892 | 645,770 |

## 7 Cash and cash equivalents

| | Consolidated | | Council | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **$** | **$** | **$** | **$** |
| Cash at bank and on hand | 2,396,499 | 1,827,843 | 1,592,465 | 930,133 |
| Deposits at call | 7,569,984 | 10,710,230 | 7,027,270 | 10,182,676 |
| a) Balance per Statement of Financial Position | 9,966,483 | 12,538,073 | 8,619,735 | 11,112,809 |

The Council may be exposed to credit risk through its investments in the QTC Cash Fund, Commonwealth Bank and Macquarie Bank Cash Fund. The QTC Cash Fund, Commonwealth Bank and Macquarie Bank Cash Funds are asset management portfolios that invest with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund 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.

| | | | | |
|---|---|---|---|---|
| Cash and cash equivalents | 9,966,483 | 12,538,073 | 8,619,735 | 11,112,809 |
| Less: Externally imposed restrictions on cash | (2,087,403) | (3,835,164) | (2,087,403) | (3,835,164) |
| Unrestricted cash | 7,879,080 | 8,702,909 | 6,532,332 | 7,277,645 |

Council's 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 | 2,087,403 | 3,835,164 | 2,087,403 | 3,835,164 |
| Total externally imposed restrictions on cash assets | 2,087,403 | 3,835,164 | 2,087,403 | 3,835,164 |

Cash and deposits at call are held in the QTC Cash Fund, Commonwealth Bank and Macquarie Bank in term deposits and business general fund accounts.

b) Trust funds held for outside parties

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012* , a separate trust bank account and separate accounting records are maintained for funds held on behalf of outside parties. The Council performs only a custodian 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.

| | | | | |
|---|---|---|---|---|
| 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 |
| Balance per Statement of Financial Position | 4 | 4 | 4 | 4 |
| Total cash and cash equivalents | 9,966,487 | 12,538,077 | 8,619,739 | 11,112,813 |

## 8 Trade and other receivables

Settlement of trade and other receivables is required within 30 days after invoice is issued.

Trade and other receivables are measured at amortized cost which approximate fair value at reporting date.

| | Consolidated | | Council | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| **Current** | | | | |
| Trade debtors | 2,468,451 | 2,008,822 | 2,314,654 | 1,904,185 |
| Less allowance for expected credit losses | (240,950) | (37,678) | (217,561) | (26,419) |
| Prepayments | 24,679 | 17,074 | 19,363 | 17,074 |
| Total current trade and other receivables | 2,252,180 | 1,988,217 | 2,116,456 | 1,894,839 |
| | | | | |
| Movement in accumulated expected credit losses is as follows: | | | | |
| Opening balance at 1 July | 37,678 | 26,209 | 26,419 | 14,768 |
| Additional allowance for expected credit losses | 203,272 | 11,651 | 191,142 | 11,651 |
| Reversal of allowance for expected credit losses | - | (182) | - | - |
| Closing balance at 30 June | 240,950 | 37,678 | 217,561 | 26,419 |

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

The Council does not require collateral in respect of trade and other receivables.

At reporting date, the exposure to credit risk for the trade receivables by type of counterparty was as follows:

| | Consolidated | | Council | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| Government Departments & Agencies | 1,719,054 | 1,474,482 | 1,711,539 | 1,462,042 |
| Local debtors | 532,105 | 405,005 | 521,676 | 391,613 |
| Other debtors | 217,292 | 133,681 | 81,440 | 50,530 |
| | 2,468,451 | 2,013,168 | 2,314,654 | 1,904,185 |

*Expected credit loss assessment*

The Council uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

In Lockhart River Aboriginal Shire Council's statements after reviewing macro economic conditions, the Council reached the conclusion that forward looking conditions indicated no foreseaable expected deviations from historically calculated ratios, thus no forward looking adjustments were made.
The following table provides information about the exposure to credit risk and expected losses for trade receivables from individual customers at reporting date:

| | | 2024 | | 2023 | |
|---|---|---|---|---|---|
| **Consolidated** | **Weighted-average loss rate** | **Gross carrying amount** | **Loss Allowance** | **Gross carrying amount** | **Loss Allowance** |
| | **%** | **$** | **$** | **$** | **$** |
| Not past due | 0.40 | 1,809,962 | 7,240 | 1,849,732 | 7,396 |
| Past due 31-60 days | 1.10 | 70,975 | 781 | 59,484 | 706 |
| Past due 61-90 days | 5.60 | 17,634 | 987 | 31,285 | 1,769 |
| More than 90 days | 40.70 | 569,880 | 231,942 | 68,322 | 27,807 |
| **Total** | | **2,468,451** | **240,950** | **2,008,822** | **37,678** |
| | | | | | |
| **Council** | **Weighted-average loss rate** | **Gross carrying amount** | **Loss Allowance** | **Gross carrying amount** | **Loss Allowance** |
| | **%** | **$** | **$** | **$** | **$** |
| Not past due | 0.40 | 1,742,538 | 6,970 | 1,791,734 | 7,167 |
| Past due 31-60 days | 1.10 | 50,583 | 556 | 43,940 | 483 |
| Past due 61-90 days | 5.60 | 6,350 | 356 | 25,967 | 1,454 |
| More than 90 days | 40.70 | 515,183 | 209,679 | 42,544 | 17,315 |
| **Total** | | **2,314,654** | **217,561** | **1,904,185** | **26,420** |

No interest is charged on trade receivables.
The movement in the allowance for impairment in respect of trade receivables during the year was $203,272 for the Consolidated entity and $191,142 for the

| | | Consolidated | | Council | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | $ | $ | $ | $ |
| **9** | **Inventories** | | | | |
| | Costs are assigned on the basis of weighted average costs. | | | | |
| | **Inventories held for sale** | | | | |
| | Fuel and motel stock | 130,562 | 134,551 | - | - |
| | | 130,562 | 134,551 | - | - |
| | **Inventories held for distribution** | | | | |
| | Plant and equipment stores | 303,644 | 316,597 | 303,644 | 316,597 |
| | | 303,644 | 316,597 | 303,644 | 316,597 |
| | Total inventories | 434,206 | 451,149 | 303,644 | 316,597 |
| **10** | **Contract balances** | | | | |
| **(a)** | Contract assets | 1,800,918 | 3,439,226 | 1,800,918 | 3,439,226 |
| | | 1,800,918 | 3,439,226 | 1,800,918 | 3,439,226 |
| **(b)** | Contract liabilities | | | | |
| | Funds received upfront to construct Council controlled assets | 787,750 | 2,697,507 | 787,750 | 2,697,507 |
| | Non-capital performance obligations not yet satisfied | 677,989 | 573,053 | 677,989 | 573,053 |
| | | 1,465,739 | 3,270,560 | 1,465,739 | 3,270,560 |
| | Current contract liabilities | 1,465,739 | 3,270,560 | 1,465,739 | 3,270,560 |
| | | 1,465,739 | 3,270,560 | 1,465,739 | 3,270,560 |
| | Revenue recognised included in the contract liability balance at the beginning of the year | | | | |
| | Funds to construct Council controlled assets | 1,960,848 | 745,646 | 1,960,848 | 745,646 |
| | Non-capital performance obligations (including deposits received in advance) | 163,225 | 2,527,493 | 163,225 | 2,527,493 |
| | | 2,124,073 | 3,273,139 | 2,124,073 | 3,273,139 |

Satisfaction of contract liabilties

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets.

Council expects to recognise the contract liability as income in the next year.

## 11 Leases

**Council as a lessee**

Council has leases in place over airport land, Cairns office space, vehicles and equipment. Council has applied the exception to lease accounting for leases of low-value and short-term leases.

Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

The right-of-use asset is measured using the cost model and is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

**Exceptions to lease accounting**

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

**Leases at significantly below market value/concessionary leases.**

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

**Terms and conditions of leases**

***Lockhart River Airport Land***

The controlled entity of the Council leases 100.4ha of land at Lockhart River used for Lockhart River Aerodrome services and motel accommodation. The lease period is for 20 years and the lease amount is calculated and paid in accordance with the Land Act 1994.

***Cairns Office Building***

Council leases one building in Cairns used for office space. The current lease is due to expire on 27 January 2027 with renewal option of 5 years. This lease is subject to annual CPI increases.

**Right-of-use assets**

| | Consolidated | | | Council |
|---|---|---|---|---|
| | **Land** | **Buildings** | **Total** | **Buildings** |
| | **$** | **$** | **$** | **$** |
| Balance at 1 July 2023 | 59,430 | 160,253 | 219,683 | 160,253 |
| Additions to right-of-use assets | 2,117 | 5,780 | 7,897 | 5,780 |
| Depreciation charge | (14,106) | (45,653) | (59,759) | (45,653) |
| Balance at 30 June 2024 | 47,441 | 120,380 | 167,821 | 120,380 |
| | | | | |
| Balance at 1 July 2022 | 70,416 | 190,122 | 260,538 | 190,122 |
| Additions to right-of-use assets | 2,595 | 12,968 | 15,563 | 12,968 |
| Depreciation charge | (13,581) | (42,837) | (56,417) | (42,837) |
| Balance at 30 June 2023 | 59,430 | 160,253 | 219,683 | 160,253 |

**Lease liabilities**

The table below shows the maturity analysis of the lease liabilities based on contractual cashflows and therefore the amounts will not be the same as the recognised lease liability in the statement of financial position.

| | Consolidated | | Council | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Council and Consolidated** | $ | $ | $ | $ |
| <1 year | 64,056 | 61,597 | 48,156 | 46,197 |
| 1 - 5 years | 108,492 | 166,018 | 71,508 | 114,797 |
| Total | 172,548 | 227,615 | 119,664 | 160,994 |
| | | | | |
| Current lease liability | 61,852 | 58,590 | 46,454 | 43,835 |
| Non current lease liability | 111,215 | 168,214 | 73,700 | 116,939 |
| Total per statement of financial position | 173,067 | 226,804 | 120,154 | 160,774 |

**Amounts included in the statement of comprehensive income related to leases**

The following amounts have been recognised in the statement of comprehensive income for leases where Council is the lessee

| | Consolidated | | Council | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Council and Consolidated** | $ | $ | $ | $ |
| Interest on lease liabilities | 3,074 | 3,764 | 2,409 | 2,964 |
| Depreciation of right-of-use assets | 59,760 | 56,417 | 45,653 | 42,837 |
| Short term lease | - | 4,408 | - | 4,408 |
| | 62,834 | 64,589 | 48,062 | 50,209 |
| | | | | |
| **Total cash outflows for leases** | 61,635 | 56,172 | 46,400 | 41,572 |

**Leases at significantly below market value - Concessionary/peppercorn leases**

Council has a lease at significantly below market for the Women's Shelter building used to provide crisis accommodation for women and children experiencing domestic violence.

The lease is generally for 3 years with no extension option and requires payment of $1 per annum. The use of the right-of-use asset is restricted by the lessor to crisis accommodation which Council must provide.

Council does not believe that this lease is individually material.

**Council as a lessor**

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

**Finance leases**

Council has leased 98 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was $4,064 after adjusting for change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (witten down current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value). Gains on revaluation of finance lease assets are recognised as other income.

| | | Consolidated | | Council | |
|---|---|---|---|---|---|
| | | 2024 | 2023 | 2024 | 2023 |
| | | $ | $ | $ | $ |
| Current other financial assets | | | | | |
| Finance leases receivable | | 398,296 | 348,822 | 398,296 | 348,822 |
| | | 398,296 | 348,822 | 398,296 | 348,822 |
| Non-current other financial assets | | | | | |
| Finance leases receivable | | 8,951,871 | 9,043,642 | 8,951,871 | 9,043,642 |
| | | 8,951,871 | 9,043,642 | 8,951,871 | 9,043,642 |
| A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows: | | | | | |
| Gross minimum lease payments receivable | | 12,045,554 | 10,895,064 | 12,045,554 | 10,895,064 |
| Add: Estimated contingent rent | | 6,052,794 | 7,183,167 | 6,052,794 | 7,183,167 |
| Less: Present value adjustment | | (8,748,182) | (8,685,768) | (8,748,182) | (8,685,768) |
| Fair value of lease payments | | 9,350,166 | 9,392,464 | 9,350,166 | 9,392,464 |
| The fair value of lease payments is receivable as follows: | | | | | |
| Not later than one year | | 398,296 | 348,822 | 398,296 | 348,822 |
| Later than one year but not later than five years | | 1,522,740 | 1,360,638 | 1,522,740 | 1,360,638 |
| Later than five years | | 7,429,131 | 7,683,004 | 7,429,131 | 7,683,004 |
| | | 9,350,167 | 9,392,464 | 9,350,167 | 9,392,464 |
| Movements in finance leases were as follows: | | | | | |
| Opening balance | | 9,392,464 | 9,899,394 | 9,392,464 | 9,899,394 |
| Gain due to increase in rent and rates in 2022 | 3(d) | 1,014,483 | - | 1,014,483 | - |
| Adjusted opening balance | | 10,406,947 | 9,899,394 | 10,406,947 | 9,899,394 |
| Less: Lease receipts | | (418,936) | (324,720) | (418,936) | (324,720) |
| Add: Gain/(loss) on revaluation | 6 | (637,844) | (182,210) | (637,844) | (182,210) |
| Closing balance | | 9,350,167 | 9,392,464 | 9,350,167 | 9,392,464 |

The calculation of fair value has included an estimate of average annual CPI increases of 2.64% (2023: 3.14%) and a discount rate of 4.52% (2023: 4.19%).

## 12 Interest in other entities

The Council's investment in the controlled entity, the Lockhart River Aerodrome Company Pty Ltd (the Company), is accounted for at cost in the Council's separate financial statements. This investment is eliminated in the financial statements of the consolidated entity upon consolidation. Lockhart River Aboriginal Shire Council holds 100% of the shares in the controlled entity.

As the holder of 100% of the shares in Lockhart River Aerodrome Company Pty Ltd, Council has 100% voting rights in the Company enabling Council to direct the Company's activities. Council uses these rights to ensure that the Company provides reliable runway services to the residents and affordable motel accommodation to the visitors, congruent with Council's policy objectives.

| | Consolidated 2024 | Consolidated 2023 | Council 2024 | Council 2023 |
|---|---|---|---|---|
| Interest in controlled entity Lockhart River Aerodrome Company Pty Ltd | - | - | 100 | 100 |
| | - | - | 100 | 100 |

## 13 Property, plant and equipment

| **Consolidated - 30 June 2024** | Note | Land | Buildings | Housing | Plant and equipment | Furniture and office equipment | Runway, road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Basis of measurement | | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Cost | |
| Fair value category | | Level 2 | Level 3 | Level 2 & 3 | | | Level 3 | Level 3 | Level 3 | Level 3 | | |
| **Asset values** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Opening gross value as at 1 July 2023 | | 1,000,000 | 25,009,002 | 19,729,000 | 5,413,983 | 1,487,905 | 82,412,746 | 8,822,714 | 6,994,386 | 6,251,309 | 6,051,895 | 163,172,942 |
| Additions | | - | 559,555 | - | 264,599 | 69,510 | 8,137,875 | 51,439 | 1,541,484 | 68,050 | 676,045 | 11,368,557 |
| Disposals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation adjustment to other comprehensive income(asset revaluation surplus) | | - | 1,176,587 | 989,320 | - | - | 6,297,453 | 1,355,584 | 666,032 | 688,939 | - | 11,173,916 |
| Transfers between classes | | - | 2,896,870 | - | 22,319 | - | 856,060 | 521,065 | 486,607 | 1,005,162 | (5,788,082) | - |
| **Closing gross value as at 30 June 2024** | | 1,000,000 | 29,642,014 | 20,718,320 | 5,700,901 | 1,557,415 | 97,704,134 | 10,750,802 | 9,688,509 | 8,013,460 | 939,858 | 185,715,415 |
| **Accumulated depreciation and impairment** | | | | | | | | | | | | |
| Opening balance as at 1 July 2023 | | - | 8,391,231 | 7,676,435 | 4,028,166 | 1,309,071 | 12,485,062 | 3,500,304 | 1,944,392 | 2,447,081 | - | 41,781,742 |
| Depreciation expense | | - | 414,574 | 296,143 | 352,215 | 31,555 | 1,532,193 | 147,026 | 78,687 | 200,515 | - | 3,052,908 |
| Depreciation on disposals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation adjustment to asset revaluation surplus | | - | 320,701 | 265,359 | - | - | 3,250,086 | 403,342 | 183,938 | 342,785 | - | 4,766,211 |
| Transfers between classes | | - | - | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 30 June 2024** | | - | 9,126,506 | 8,237,937 | 4,380,381 | 1,340,626 | 17,267,341 | 4,050,672 | 2,207,017 | 2,990,381 | - | 49,600,861 |
| **Consolidated book value as at 30 June 2024** | | 1,000,000 | 20,515,508 | 12,480,383 | 1,320,520 | 216,789 | 80,436,793 | 6,700,130 | 7,481,492 | 5,023,079 | 939,858 | 136,114,555 |
| Residual value | | - | - | - | - | - | - | - | - | - | - | - |
| Range of estimated useful life in years | | Land: Not depreciated. | 10 - 130 | 40 - 90 | 3 - 10 | 3 - 7 | 20 - 140 | 10 - 120 | 20 - 140 | 4 - 130 | - | - |
| **Additions comprise:** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Renewals | | - | - | - | - | - | 321,127 | - | - | - | - | 321,127 |
| Other additions | | - | 559,555 | - | 264,599 | 69,510 | 7,816,749 | 51,439 | 1,541,484 | 68,050 | 676,045 | 11,047,431 |
| Total additions | | - | 559,555 | - | 264,599 | 69,510 | 8,137,876 | 51,439 | 1,541,484 | 68,050 | 676,045 | 11,368,558 |
| **Movements in the asset revaluation surplus were as follows:** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance at beginning of financial year | | 700,000 | 7,542,177 | 20,338,725 | - | - | 16,505,837 | 3,564,867 | 2,928,158 | 60,625 | - | 51,640,388 |
| Increase (decrease) in revaluation surplus | | - | 855,886 | 723,962 | - | - | 3,047,367 | 952,242 | 482,094 | 346,154 | - | 6,407,705 |
| Balance at end of financial year | | 700,000 | 8,398,063 | 21,062,687 | - | - | 19,553,204 | 4,517,109 | 3,410,252 | 406,779 | - | 58,048,093 |

## 13 Property, plant and equipment

| **Consolidated - 30 June 2023** | Note | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Runway, road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Basis of measurement | | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Cost | |
| Fair value category | | Level 2 | Level 2 & 3 | Level 2 & 3 | | | Level 3 | Level 3 | Level 3 | Level 3 | | |
| **Asset values** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Opening gross value as at 1 July 2022 | | 1,000,000 | 22,275,865 | 18,059,523 | 5,423,065 | 1,487,905 | 69,908,497 | 8,125,172 | 6,373,351 | 5,003,029 | 5,163,477 | 142,819,885 |
| Additions | | - | 321,321 | 3,300 | 176,213 | - | 4,872,020 | 15,240 | - | 95,218 | 4,119,288 | 9,602,599 |
| Disposals | 6 | - | - | - | (185,295) | - | - | - | - | - | - | (185,295) |
| Revaluation adjustment to other comprehensive income(asset revaluation surplus) | | - | 2,294,573 | 1,613,728 | - | - | 5,375,377 | 682,302 | 621,035 | 348,738 | - | 10,935,753 |
| Transfers between classes | | - | 117,243 | 52,449 | - | - | 2,256,853 | - | - | 804,325 | (3,230,869) | - |
| **Closing gross value as at 30 June 2023** | | 1,000,000 | 25,009,002 | 19,729,000 | 5,413,983 | 1,487,905 | 82,412,746 | 8,822,714 | 6,994,386 | 6,251,309 | 6,051,895 | 163,172,942 |
| | | | | | | | | | | | | |
| **Accumulated depreciation and impairment** | | | | | | | | | | | | |
| Opening balance as at 1 July 2022 | | - | 7,197,002 | 6,739,784 | 3,801,814 | 1,255,456 | 10,023,016 | 3,080,463 | 1,691,113 | 2,097,371 | - | 35,886,018 |
| Depreciation expense | | - | 403,369 | 276,809 | 361,647 | 53,615 | 1,304,774 | 131,337 | 69,628 | 176,765 | - | 2,777,943 |
| Depreciation on disposals | 6 | - | - | - | (135,295) | - | - | - | - | - | - | (135,295) |
| Revaluation adjustment to asset revaluation surplus | | - | 790,861 | 659,842 | - | - | 1,157,272 | 288,505 | 183,650 | 172,945 | - | 3,253,076 |
| Transfers between classes | | - | - | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 30 June 2023** | | - | 8,391,231 | 7,676,435 | 4,028,166 | 1,309,071 | 12,485,062 | 3,500,304 | 1,944,392 | 2,447,081 | - | 41,781,742 |
| | | | | | | | | | | | | |
| **Consolidated book value as at 30 June 2023** | | 1,000,000 | 16,617,771 | 12,052,565 | 1,385,818 | 178,835 | 69,927,685 | 5,322,409 | 5,049,994 | 3,804,228 | 6,051,895 | 121,391,200 |
| Residual value | | - | - | - | - | - | - | - | - | - | - | - |
| Range of estimated useful life in years | | Land: Not depreciated. | 10 - 130 | 40 - 90 | 3 - 10 | 3 - 7 | 20 - 140 | 10 - 120 | 20 - 140 | 4 - 130 | - | - |

**Additions comprise:**

| | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Runway, road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Renewals | - | 47,321 | 3,300 | - | - | 2,750,818 | 15,240 | - | - | 752,637 | 3,569,315 |
| Other additions | - | 274,000 | - | 176,213 | - | 2,121,202 | - | - | 95,218 | 3,366,650 | 6,033,283 |
| Total additions | - | 321,321 | 3,300 | 176,213 | - | 4,872,020 | 15,240 | - | 95,218 | 4,119,288 | 9,602,599 |

**Movements in the asset revaluation surplus were as follows:**

| | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Runway, road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance at beginning of financial year | 700,000 | 6,038,464 | 19,384,839 | - | - | 12,287,733 | 3,171,069 | 2,490,774 | (115,167) | - | 43,957,712 |
| Increase (decrease) in revaluation surplus | - | 1,503,712 | 953,886 | - | - | 4,218,105 | 393,797 | 437,385 | 175,792 | - | 7,682,677 |
| Balance at end of financial year | 700,000 | 7,542,177 | 20,338,725 | - | - | 16,505,837 | 3,564,867 | 2,928,158 | 60,625 | - | 51,640,389 |

## 13 Property, plant and equipment

| Council - 30 June 2024 | Note | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Basis of measurement | | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Cost | |
| Fair value category | | Level 2 | Level 2 & 3 | Level 2 & 3 | | | Level 3 | Level 3 | Level 3 | Level 3 | | |
| **Asset values** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Opening gross value as at 1 July 2023 | | 1,000,000 | 17,973,292 | 19,729,000 | 5,039,983 | 845,877 | 73,058,284 | 8,452,473 | 6,758,359 | 5,893,486 | 6,051,902 | 144,802,656 |
| Additions | | - | 548,342 | - | 208,820 | - | 8,137,875 | 51,439 | 1,541,484 | 68,050 | 667,095 | 11,223,106 |
| Disposals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation adjustment to other comprehensive income(asset revaluation surplus) | | - | 812,649 | 989,320 | - | - | 5,426,655 | 1,320,374 | 642,853 | 679,901 | - | 9,871,753 |
| Transfers between classes | | - | 2,896,870 | - | 22,319 | - | 856,060 | 521,065 | 486,607 | 1,005,162 | (5,788,082) | - |
| **Closing gross value as at 30 June 2024** | | 1,000,000 | 22,231,153 | 20,718,320 | 5,271,122 | 845,877 | 87,478,874 | 10,345,351 | 9,429,303 | 7,646,599 | 930,915 | 165,897,515 |
| **Accumulated depreciation and impairment** | | | | | | | | | | | | |
| Opening balance as at 1 July 2023 | | - | 6,088,295 | 7,676,436 | 3,681,674 | 704,776 | 10,062,132 | 3,249,204 | 1,742,335 | 2,396,170 | - | 35,601,023 |
| Depreciation expense | | - | 317,052 | 296,143 | 335,153 | 20,225 | 1,328,909 | 135,931 | 70,630 | 193,646 | - | 2,697,690 |
| Depreciation on disposals | 6 | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation adjustment to asset revaluation surplus | | - | 210,634 | 265,359 | - | - | 3,027,290 | 380,036 | 164,093 | 338,380 | - | 4,385,791 |
| Transfers between classes | | - | - | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 30 June 2024** | | - | 6,615,981 | 8,237,938 | 4,016,827 | 725,001 | 14,418,331 | 3,765,171 | 1,977,058 | 2,928,196 | - | 42,684,504 |
| **Total written down value as at 30 June 2024** | | 1,000,000 | 15,615,172 | 12,480,382 | 1,254,294 | 120,876 | 73,060,543 | 6,580,180 | 7,452,245 | 4,718,403 | 930,915 | 123,213,011 |
| Residual value | | - | - | - | - | - | - | - | - | - | - | - |
| Range of estimated useful life in years | | Land: Not depreciated. | 10 - 130 | 40 - 90 | 3 - 10 | 3 - 7 | 20 - 140 | 10 - 120 | 20 - 140 | 4 - 130 | - | - |

**Additions comprise:**

| | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Renewals | - | - | - | - | - | 309,914 | - | - | - | - | 309,914 |
| Other additions | - | 548,342 | - | 208,820 | - | 7,827,961 | 51,439 | 1,541,484 | 68,050 | 667,095 | 10,913,192 |
| Total additions | - | 548,342 | - | 208,820 | - | 8,137,875 | 51,439 | 1,541,484 | 68,050 | 667,095 | 11,223,106 |

**Movements in the asset revaluation surplus were as follows:**

| | Land | Buildings | Housing | Plant and Equipment | Furniture and office equipment | Road, drainage and bridge network | Water | Sewerage | Other infrastructure assets | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance at beginning of financial year | 700,000 | 6,253,797 | 20,338,724 | - | - | 16,636,760 | 3,318,422 | 2,941,552 | (132,627) | - | 50,056,628 |
| Increase (decrease) in revaluation surplus | - | 602,016 | 723,962 | - | - | 2,399,365 | 940,338 | 478,760 | 341,521 | - | 5,485,962 |
| Balance at end of financial year | 700,000 | 6,855,813 | 21,062,686 | - | - | 19,036,125 | 4,258,760 | 3,420,312 | 208,894 | - | 55,542,590 |

## 13 Property, plant and equipment

| **Council - 30 June 2023** | Note | Land | Buildings | Housing | Plant and Equipment | Furniture and office | Road, drainage and bridge | Water | Sewerage | Other infrastructure | Work in progress | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Basis of measurement | | Fair Value | Fair Value | Fair Value | Cost | Cost | Fair Value | Fair Value | Fair Value | Fair Value | Cost | |
| Fair value category | | Level 2 | Level 2 & 3 | Level 2 & 3 | | | Level 3 | Level 3 | Level 3 | Level 3 | | |
| **Asset values** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Opening gross value as at 1 July 2022 | | 1,000,000 | 15,935,160 | 18,059,524 | 5,075,865 | 845,877 | 61,656,956 | 7,787,171 | 6,162,337 | 4,661,057 | 5,053,626 | 126,237,573 |
| Additions | | - | 321,321 | 3,300 | 149,413 | - | 4,872,020 | 15,240 | - | 95,218 | 3,810,014 | 9,266,525 |
| Disposals | 6 | - | - | - | (185,295) | - | - | - | - | - | - | (185,295) |
| Revaluation adjustment to other comprehensive income(asset revaluation surplus) | | - | 1,702,029 | 1,613,728 | - | - | 4,589,126 | 650,062 | 596,022 | 332,886 | - | 9,483,854 |
| Transfers between classes | | - | 14,782 | 52,449 | - | - | 1,940,182 | - | - | 804,325 | (2,811,738) | - |
| **Closing gross value as at 30 June 2023** | | 1,000,000 | 17,973,292 | 19,729,000 | 5,039,983 | 845,877 | 73,058,284 | 8,452,473 | 6,758,359 | 5,893,486 | 6,051,902 | 144,802,656 |
| | | | | | | | | | | | | |
| **Accumulated depreciation and impairment** | | | | | | | | | | | | |
| Opening balance as at 1 July 2022 | | - | 5,203,451 | 6,739,785 | 3,460,878 | 660,546 | 8,146,282 | 2,859,723 | 1,517,027 | 2,061,092 | - | 30,648,783 |
| Depreciation expense | | - | 302,837 | 276,809 | 356,092 | 44,230 | 1,126,929 | 122,097 | 63,074 | 170,803 | - | 2,462,870 |
| Depreciation on disposals | 6 | - | - | - | (135,295) | - | - | - | - | - | - | (135,295) |
| Revaluation adjustment to asset revaluation surplus | | - | 582,007 | 659,842 | - | - | 788,922 | 267,384 | 162,234 | 164,274 | - | 2,624,664 |
| Transfers between classes | | - | - | - | - | - | - | - | - | - | - | - |
| **Accumulated depreciation as at 30 June 2023** | | - | 6,088,295 | 7,676,436 | 3,681,674 | 704,776 | 10,062,132 | 3,249,204 | 1,742,335 | 2,396,170 | - | 35,601,023 |
| | | | | | | | | | | | | |
| **Total written down value as at 30 June 2023** | | 1,000,000 | 11,884,997 | 12,052,564 | 1,358,309 | 141,101 | 62,996,152 | 5,203,270 | 5,016,024 | 3,497,316 | 6,051,902 | 109,201,634 |
| Residual value | | - | - | - | - | - | - | - | - | - | - | - |
| Range of estimated useful life in years | | Land: Not depreciated. | 10 - 130 | 40 - 90 | 3 - 10 | 3 - 7 | 20 - 140 | 10 - 120 | 20 - 140 | 4 - 130 | - | - |
| | | | | | | | | | | | | |
| **Additions comprise:** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Renewals | | - | 47,321 | 3,300 | - | - | 2,750,818 | 15,240 | - | - | 545,825 | 3,362,503 |
| Other additions | | - | 274,000 | - | 149,413 | - | 2,121,202 | - | - | 95,218 | 3,264,189 | 5,904,022 |
| Total additions | | - | 321,321 | 3,300 | 149,413 | - | 4,872,020 | 15,240 | - | 95,218 | 3,810,014 | 9,266,525 |
| | | | | | | | | | | | | |
| **Movements in the asset revaluation surplus were as follows:** | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Balance at beginning of financial year | | 700,000 | 5,133,774 | 19,384,838 | - | - | 12,836,555 | 2,935,744 | 2,507,764 | (301,238) | - | 43,197,437 |
| Increase (decrease) in revaluation surplus | | - | 1,120,022 | 953,886 | - | - | 3,800,205 | 382,678 | 433,788 | 168,611 | - | 6,859,190 |
| Balance at end of financial year | | 700,000 | 6,253,797 | 20,338,724 | - | - | 16,636,760 | 3,318,422 | 2,941,552 | (132,627) | - | 50,056,627 |

## 13 Property, plant and equipment

### a) Recognition

The asset captalisation thresholds are as follows:

| | |
|---|---|
| - Land | $10,000 |
| - Infrastructure assets | $10,000 |
| - Plant and equipment | $5,000 |

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

Deed of Grant in Trust Land

In addition to Council's freehold land holdings, the Council is also located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the *Land Act 1994* . It comprises an area of approximately 354,072 hectares.

The land is administered by the Department of Natural Resources, Mines and Energy 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.

### b) Measurement

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

### c) Depreciation

Land, work in progress, certain cultural and heritage assets with heritage listing and road formations are not depreciated.

Depreciation, where applicable, is calculated on a straight-line basis. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all the Council assets.

### d) Valuation

**(i) Valuation**

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

In the intervening years, Council undertakes :

- a management valuation using Council CEO, Director Corporate Services, Works Manager, Building Services Manager, Aerodrome Company Manager and CT Management Group Consultant to assess the condition and cost assumptions associated with all infrastructure assets and an appropriate cost index for the region.

- a 'desktop' valuation for land and improvements, buildings and major plant asset classes which involves management providing updated information to the valuer regarding additions, disposals 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.

As at 30 June 2024, 'desktop' revaluation was undertaken for all asset classes held at fair value by APV Valuers and Asset Management.

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.

In accordance with AASB 13 *Fair value measurements* are classified into three levels as follows:

Level 1 - Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Fair value based on inputs that are directly or indirectly observable for the asset or liability

Level 3 - Fair value based on unobservable inputs for the asset and liability

There were no transfers between levels during the year.

## 13 Property, plant and equipment

### (ii) Valuation techniques used to derive fair values

| Asset class and fair value hierarchy | Valuation approach | Last comprehensive valuation date | Valuer engaged | Key assumptions and estimates (related data sources) | Index applied (change in index recognised this year) |
|---|---|---|---|---|---|
| Land (level 3) | Current Replacement cost | 30-Jun-22 | APV Valuers and Asset Management | This property is very remote and it is exceptionally large in size. As such there is no observable market evidence of sales prices for comparable sites in close proximity. This is why the land is valued at the level 2 valuation input hierarchy by using the professional judgement of a registered valuer who adjusts the price per square metre of sales from sites not in close proximity which provide only a low level of comparability. | 0.00% |
| Buildings (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Gross replacement cost<br>. Indexed for subsequent changes in construction costs (CCI/CPI index)<br>. Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs from recently completed buildings) | 4.65% - 6.15% |
| Housing (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Gross replacement cost<br>. Indexed for subsequent changes in construction costs (CCI/CPI index)<br>. Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs from recently completed buildings) | 4.65% - 6.15% |
| Road, drainage and bridge (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition.<br>Labour rates based on Council's Employment Award<br>Average cost of outsourced projects<br>Remaining life of assets including existing conditions | 3.43% - 9.69% |
| Water (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Development, soil and depth factors taking into account current condition<br>Gross replacement cost per m2 based on appropriate materials<br>Remaining useful lives and physical obsolescence | 7.74% - 13.24% |
| Sewerage (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Development, soil and depth factors taking into account current condition<br>Gross replacement cost per m2 based on appropriate materials<br>Remaining useful lives and physical obsolescence | 7.74% - 13.24% |
| Other infrastructure (level 3) | Current Replacement Cost | 30-Jun-22 | APV Valuers and Asset Management | Gross replacement cost<br>. Indexed for subsequent changes in construction costs (CCI/CPI index)<br>. Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs, manufacturer's specifications and other data) | 5.00% - 7.75% |

### (iii) Changes in fair value measurements using significant unobservable inputs (level 3)

The Council has reviewed the current valuation methodology in use and did not identify any instances where highest and best use differ from the current use of its non financial assets and as such did not contribute to changes to fair values.

## 14 Trade and other payables

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

| | Consolidated | | Council | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| | $ | $ | $ | $ |
| **Current** | | | | |
| Creditors | 889,556 | 2,115,926 | 794,127 | 2,026,632 |
| Accrued wages and salaries | 2,135 | 1,789 | - | - |
| Accrued expenses | 127,107 | 114,344 | 78,000 | 80,000 |
| Other creditors | 881,324 | 301,794 | 846,940 | 254,610 |
| | 1,900,122 | 2,533,854 | 1,719,067 | 2,361,242 |

## 15 Provisions

Liabilities are recognised for employee benefits such as annual leave and long service leave in respect of services provided by the employees and provisions for the cost of restoration of refuse dump up to the reporting date.

*Long service leave*

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

*Provision for restoration of land*

A provision is made for the cost of restoration of land in respect of Council's refuse dump where it is probable the Council will be liable, or required, to incur such a cost on the cessation of use of this facility.

The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. The provision recognised for the restoration of dump site is reviewed at least annually and updated based on the facts and circumstances available at the time.

The provision represents the present value of the anticipated future costs associated with the closure of the dump site, decontamination and monitoring of historical residues and leaching on the site.

As the refuse dump is on DOGIT land which the Council does not control, the provision for restoration of land is treated as an expense in the year the provision is first recognised. Changes in the provision are treated as an expense or income.

| | Consolidated | | Council | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Current** | $ | $ | $ | $ |
| Annual leave | 294,792 | 251,900 | 272,712 | 217,338 |
| Long service leave | 330,576 | 251,951 | 325,805 | 249,281 |
| Provision for restoration of land | 76,902 | - | 76,902 | - |
| | 702,270 | 503,852 | 675,419 | 466,619 |
| **Non-current** | | | | |
| Long service leave | 57,063 | 105,138 | 48,115 | 93,128 |
| Provision for restoration of land | 1,830,434 | 1,703,288 | 1,830,434 | 1,703,288 |
| | 1,887,497 | 1,808,426 | 1,878,549 | 1,796,419 |

Details of movements in provisions:

| | Consolidated 2024 | Consolidated 2023 | Council 2024 | Council 2023 |
|---|---|---|---|---|
| **Provision for restoration of land** | | | | |
| Balance at beginning of financial year | 1,703,288 | 1,579,504 | 1,703,288 | 1,579,504 |
| Increase in provision due to unwinding of discount | 63,053 | 64,075 | 63,053 | 64,075 |
| Increase in provision due to change in discount rate | (99,148) | (8,216) | (99,148) | (8,216) |
| Increase/(decrease) in provision due to additions | 240,143 | 67,925 | 240,143 | 67,925 |
| Balance at end of financial year | 1,907,336 | 1,703,288 | 1,907,336 | 1,703,288 |

This is the present value of the estimated cost of restoring the refuse disposal site to a useable state at the end of its useful life. The current cost is $1,860,630 and this cost is expected to be incurred in 2027 after closing the site in 2025 and allowing a period for settlement.

## 16 Commitments for expenditure

Commitments for the construction of assets and other costs contracted for the at the reporting period date but not recognised as liabilities.

| | Consolidated | | Council | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **$** | **$** | **$** | **$** |
| Development of new subdivision | 227,430 | 6,104,056 | 227,430 | 6,104,056 |
| Buildings and Housing | 19,366 | 203,855 | 19,366 | 203,855 |
| Road infrastructure | 263,241 | 1,257,239 | 263,241 | 1,257,239 |
| Sewerage infrastructure | - | 110,737 | - | 110,737 |
| Water infrastructure | - | 370,197 | - | 370,197 |
| Other infrastructure | 2,420 | 37,490 | 2,420 | 37,490 |
| Roads restoration works | 1,797,069 | - | 1,797,069 | - |
| Other costs | 355,685 | 12,624 | 355,685 | 12,624 |
| | 2,665,211 | 8,096,199 | 2,665,211 | 8,096,199 |

These expenditures are payable within one year.

## 17 Contingent liabilities

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

**Local Government Mutual**

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

As at 30 June 2024 the LGM financial statements reported an accumulated surplus and it is not anticipated any liability will arise.

**Rehabilitation of Airport Land**

The controlled entity of the Council (the Company) has entered into a 20 year lease agreement with the Queensland Government to use the land at Lockhart River Airport. In accordance with the lease agreement the Company may be required to remove all improvements to the land at the expiry of the lease in 2027. The likelihood that the Company will be required to rehabilitate the land is low due to the importance of the runway asset to the Lockhart River community and accordingly, no provision has been taken up in these financial statements in that regard.

## 18 Superannuation

Council contributes to the LGIAsuper trading as Brighter Super (the scheme). LGIAsuper is a Multi-employer Plan as defined in Australian Accounting Standard AASB 119 *Employee Benefits* . The scheme has a number of elements including a defined benefits funds and accumulated benefits' accounts for employees. Council does not have any employees who are members of the defined benefits funds and so is not exposed to the obligations, assets or costs associated with these funds. Council has employees who have accumulated benefits' accounts as members of the fund.

| | | Consolidated | | Council | |
|---|---|---|---|---|---|
| | | **2024** | **2023** | **2024** | **2023** |
| | **Note** | **$** | **$** | **$** | **$** |
| Superannuation contributions made to the Accumulated Benefits Fund | 4 | 689,417 | 597,884 | 631,839 | 547,351 |
| Other superannuation contributions for employees | | - | - | - | - |
| Total superannuation contributions paid by Council for employees: | | 689,417 | 597,884 | 631,839 | 547,351 |

## 19 Reconciliation of net result for the year to net cash inflow from operating activities

| | Note | Consolidated 2024 $ | Consolidated 2023 $ | Council 2024 $ | Council 2023 $ |
|---|---|---|---|---|---|
| Net result | | 6,473,413 | 7,733,079 | 6,717,210 | 7,632,840 |
| Non-cash items: | | | | | |
| Depreciation and amortisation | | 3,112,667 | 2,834,360 | 2,743,343 | 2,505,707 |
| Allowance for expected credit losses | | 203,270 | 11,469 | 191,142 | 11,651 |
| Provision for restoration of land | | 204,048 | 123,786 | 204,048 | 123,786 |
| Loss/(gain) on revaluation of finance leases | | (376,639) | 182,210 | (376,639) | 182,210 |
| | | 3,143,346 | 3,151,825 | 2,761,894 | 2,823,354 |
| Investing and development activities: | | | | | |
| Net loss/(gain) on disposal of non-current assets | | - | 30,500 | - | 30,500 |
| Capital works contributed in kind to controlled entity | | - | - | - | 309,274 |
| Capital grants and contributions | 3 | (10,887,014) | (8,234,901) | (10,887,014) | (8,234,901) |
| | | (10,887,014) | (8,204,401) | (10,887,014) | (7,895,128) |
| Changes in operating assets and liabilities: | | | | | |
| (Increase)/decrease in receivables | | (456,181) | (338,887) | (412,758) | (382,914) |
| (Increase)/decrease in contract assets | | 1,638,308 | (879,886) | 1,638,308 | (879,886) |
| (Increase)/decrease in inventory | | 16,943 | (142,906) | 12,954 | (87,699) |
| Increase/(decrease) in payables | | (644,783) | 435,391 | (642,174) | 386,166 |
| Increase/(decrease) in contract liabilities | | (1,804,821) | (2,266,673) | (1,804,821) | (2,257,400) |
| Increase/(decrease) in other provisions | | 73,441 | (59,411) | 86,885 | (13,436) |
| | | (1,177,094) | (3,252,372) | (1,121,609) | (3,235,169) |
| Net cash inflow/(outflow) from operating activities | | (2,447,349) | (571,869) | (2,529,519) | (674,102) |

## 20 Reconciliation of liabilities arising from financing activities

**Consolidated**

| **2024** | As at June 2023 $ | Cash flows $ | Non-cash changes (new leases) $ | As at 30 June 2024 $ |
|---|---|---|---|---|
| Lease liability | 226,804 | (61,635) | 7,897 | 173,067 |

| **2023** | As at June 2022 | Cash flows | Non-cash changes (new leases) | As at 30 June 2023 |
|---|---|---|---|---|
| Lease liability | 267,413 | (56,172) | 15,563 | 226,804 |

**Council**

| **2024** | As at June 2023 | Cash flows | Non-cash changes (new leases) | As at 30 June 2024 |
|---|---|---|---|---|
| Lease liability | 160,774 | (46,400) | 5,780 | 120,154 |

| **2023** | As at June 2022 | Cash flows | Non-cash changes (new leases) | As at 30 June 2023 |
|---|---|---|---|---|
| Lease liability | 189,378 | (41,572) | 12,968 | 160,774 |

## 21 Events after the reporting period

There were no material adjusting events after the balance date.

## 22 Financial instruments and financial risks management

### (a) Financial assets and liabilities

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

- credit risk
- liquidity risk
- market risk

**Risk management framework**

The 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.

The Council's audit committee oversees how management monitors compliance with the Council's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Council. The Council audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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 receivables from customers.

Exposure to credit risk is managed through regular analysis of credit counterparty ability to meet payment obligations.

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 Act 1982* .

No collateral is held as security relating to the financial assets held by Lockhart River Aboriginal Shire Council.

The carrying amounts of financial assets at the end of the reporting period represent the maximum exposure to credit risk for the Council.

**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.

The Council's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Council's reputation.

*Exposure to liquidity risk*
The Council is exposed to liquidity risk through its normal course of business.

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 (excluding lease liabilities - refer to note 12) 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**

| | Note | 0 to 1 year | 1 to 5 years | Over 5 years | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **2024** | | | | | | |
| Trade and other payables | 15 | 1,900,122 | - | - | 1,900,122 | 1,900,122 |
| | | 1,900,122 | - | - | 1,900,122 | 1,900,122 |
| **2023** | | | | | | |
| Trade and other payables | | 2,533,854 | - | - | 2,533,854 | 2,533,854 |
| | | 2,533,854 | - | - | 2,533,854 | 2,533,854 |

**Council**

| | Note | 0 to 1 year | 1 to 5 years | Over 5 years | Total contractual cash flows | Carrying amount |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **2024** | | | | | | |
| Trade and other payables | 15 | 1,719,067 | - | - | 1,719,067 | 1,719,067 |
| | | 1,719,067 | - | - | 1,719,067 | 1,719,067 |
| **2023** | | | | | | |
| Trade and other payables | | 2,361,242 | - | - | 2,361,242 | 2,361,242 |
| | | 2,361,242 | - | - | 2,361,242 | 2,361,242 |

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 result 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.

| | Note | Net carrying amount | Effect on Net Result | | Effect on Equity | |
|---|---|---|---|---|---|---|
| | | | 1% increase | 1% decrease | 1% increase | 1% decrease |
| **Consolidated** | | $ | $ | $ | $ | $ |
| **2024** | | | | | | |
| QTC cash fund | | 6,997,270 | 69,973 | (69,973) | 69,973 | (69,973) |
| Commonwealth Bank | | 30,000 | 300 | (300) | 300 | (300) |
| Macquarie Bank cash fund | | 542,714 | 5,427 | (5,427) | 5,427 | (5,427) |
| **Total** | 8 | 7,569,984 | 75,700 | (75,700) | 75,700 | (75,700) |
| **2023** | | | | | | |
| QTC cash fund | | 10,149,058 | 101,491 | (101,491) | 101,491 | (101,491) |
| Commonwealth Bank | | 33,618 | 336 | (336) | 336 | (336) |
| Macquarie Bank cash fund | | 527,553 | 5,276 | (5,276) | 5,276 | (5,276) |
| **Total** | | 10,710,229 | 107,103 | (107,103) | 107,103 | (107,103) |

| | Note | Net carrying amount | Effect on Net Result | | Effect on Equity | |
|---|---|---|---|---|---|---|
| | | | 1% increase | 1% decrease | 1% increase | 1% decrease |
| **Council** | | $ | $ | $ | $ | $ |
| **2024** | | | | | | |
| QTC cash fund | | 6,997,270 | 69,973 | (69,973) | 69,973 | (69,973) |
| Commonwealth Bank | | 30,000 | 300 | (300) | 300 | (300) |
| **Total** | 8 | 7,027,270 | 70,273 | (70,273) | 70,273 | (70,273) |
| **2023** | | | | | | |
| QTC cash fund | | 10,149,058 | 101,491 | (101,491) | 101,491 | (101,491) |
| Commonwealth Bank | | 33,618 | 336 | (336) | 336 | (336) |
| **Total** | | 10,182,676 | 101,827 | (101,827) | 101,827 | (101,827) |

Lockhart River Aboriginal Shire Council does not have any loans from financial institutions.

**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.

## 23 Transactions with related parties

### (a) Subsidiaries

The group consists of Lockhart River Aboriginal Shire Council and Lockhart River Aerodrome Company Pty Ltd being its only subsidiary. This forms the consolidated entity (Note 12).

The following transactions occurred with the Lockhart River Aerodrome Company Pty Ltd under normal business terms and conditions:

| Type of transaction | Amount $ 2024 | Amount $ 2023 |
|---|---:|---:|
| Grants and subsidies provided by Council | - | 309,274 |
| Supply of building and mechanical materials and services by Council | 180,929 | 82,369 |
| Purchases of diesel fuel and motel accommodation by Council | 146,069 | 255,344 |
| **Total** | **326,998** | **646,987** |

Council provides free general administrative support to the Lockhart River Aerodrome Company Pty Ltd and any funding given to the Company was agreed to by the Council for the 2022-23 and 2023-24 financial years.

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated entity, directly or indirectly, including the Mayor, Councillors, Chief Executive Officer, and members of the senior management team.

The compensation paid to KMP comprises:

| Type of compensation | 2024 | 2023 |
|---|---:|---:|
| | $ | $ |
| Short-term employee benefits | 1,064,400 | 1,044,362 |
| Post-employment benefits | 121,046 | 124,578 |
| Long-term benefits | 16,807 | - |
| **Total** | **1,202,253** | **1,168,940** |

Compensation represents salary, and other allowances in respect of carrying out their duties.

### (c) Transactions with other related parties

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

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

| Details of Transaction | Note | 2024 | 2023 |
|---|---|---:|---:|
| | | $ | $ |
| Employee expenses for close family members of key management personnel | 23(c)(i) | 167,997 | 226,322 |
| Purchase of materials and services from entities controlled by key management personnel | 23(c)(ii) | 1,398,212 | 1,733,621 |
| Sales of materials and services to entities controlled by key management personnel | 23(c)(iii) | 21,357 | 6,067 |

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

The Consolidated entity employs 85 (Council: 79) staff of which 4 are close family members of key management personnel.

(ii) The consolidated entity purchased the following materials and services from entities that are controlled by members of key management personnel. All purchases were at arm's length and were in the normal course of Consolidated entity operations:

| **Type of purchases** | **Entities controlled by KMP** | **2024** **$** | **2023** **$** |
|---|---|---|---|
| Road construction services | Gray Ochre | 396,817 | 245,059 |
| Language services | Puuya Foundation | - | - |
| Housing construction services | AW Carpentry | 50,024 | 78,884 |
| Road construction services | Wayne Butcher Enterprises | 951,371 | 1,409,678 |
| **Total** | | **1,398,212** | **1,733,621** |

(iii) The consolidated entity sold the following materials and services to the entities that are controlled by members of key management personnel. All sales were at arm's length and were in the normal course of Consolidated entity operations:

| **Type of sales** | **Entities controlled by KMP** | **$** | **$** |
|---|---|---|---|
| Sale of materials & services | Puuya Foundation | 19,841 | 2,603 |
| Sale of materials & services | Alistair Bowie | 1,517 | - |
| Sale of materials & services | Wayne Butcher | 209 | - |
| Sale of materials & services | Gray Ochre | - | 3,464 |
| Sale of materials & services | Dorothy Hobson | 1,116 | - |
| **Total** | | **22,683** | **6,067** |

**(d) Outstanding balances**

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

| **Trade and other receivables** | **Amounts owed by entities controlled by KMP** | |
|---|---|---|
| | $ | $ |
| Not past due | 901 | 1,798 |
| Past due 31-60 days | - | 5,137 |
| Past due 61-90 days | - | 1,694 |
| More than 90 days overdue | 2,797 | 3,519 |
| **Total owing** | **3,698** | **12,148** |

| **Trade and other payables** | **Amounts owing to entities controlled by KMP** | |
|---|---|---|
| | $ | $ |
| Not past due | - | 42,995 |
| Past due 31-60 days | - | - |
| Past due 61-90 days | - | - |
| More than 90 days overdue | - | - |
| **Total owing** | **-** | **42,995** |

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

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

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

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

Consolidated entity did not enter into a contract with any related party.

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

Most of the entities and people that are related parties of Consolidated entity live and operate within the Lockhart River Aboriginal Shire. Therefore, on a regular basis ordinary citizen transactions occur at arm's length between Consolidated entity and its related parties that include but are not limited to:

- Payment for general rates, fees and charges
- Purchase of general consumables and services
- Dog registration

Consolidated entity has not included these types of transactions in its disclosure, where they are made on the same terms and conditions available to the general public.

Lockhart River Aboriginal Shire Council
Financial statements
For the year ended 30 June 2024

## Management Certificate
## For the year ended 30 June 2024

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

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

(i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and

(ii) the general purpose financial statements, as set out on pages 1 to 29, 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** | **Chief Executive Officer** |
| **Wayne Butcher** | **David Clarke** |
| Date: 29 / 11 / 24 | Date: 29 / 11 / 24 |

Lockhart River Aboriginal Shire Council
Financial statements
For the year ended 30 June 2024

| Type | Measure | Target (Tier 8) | Actual Current Year | 5-Year Average | Actual Current Year | 5-Year Average | Council Narrative |
|---|---|---|---|---|---|---|---|
| | | | Council | | Consolidated | | |
| Audited ratios | | | | | | | |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | 3.5 | N/A | 4.1 | N/A | Council has sufficient unconstrained liquidity available for operations within targets of current monthly expenses. |
| Operating Performance | Operating Surplus Ratio | N/A | -19.8% | -8.3% | -19.7% | -12.9% | Council reported operating deficit for the year primarily due to the effect of changes to timing of Financial Assistance Grant received in July 2024. However, in the long-term Council need to improve to generate enough to cover operating expenses. |
| | Operating Cash Ratio | Greater than 0% | -6.8% | 4.2% | -5.8% | 0.7% | Council recorded shortage of operating cash in the year but in the long-term (5-year average) there is positive operating cash ratio levels. |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 13.2% | 85.7% | 12.0% | 82.7% | During the year the renewal work was minimal though Council has a very ambitious plan to renew the assets as they approach end of useful lives. In the long-term this is expected to improve as more capital grant funding program are made available by the State and Federal Government. |
| | Asset Consumption Ratio | Greater than 60% | 76.1% | 75.0% | 75.3% | 74.5% | This confirms that Council's assets are being utilized within the capacity of their remaining useful lives. This is above target indicating that assets are in better use. |

The current year financial sustainability statement is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 4 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Certificate of Accuracy**
**For the year ended 30 June 2024**

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

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

Mayor
Wayne Butcher

Date: 29/11/24

Chief Executive Officer
David Clarke

Date: 29/11/24

**Lockhart River Aboriginal Shire Council**
**Current-year Financial Sustainability Statement - Contextual Ratios**
**For the year ended 30 June 2024**

| Type | Measure | Target (Tier 8) | Actual Current Year | 5-Year Average | Actual Current Year | 5-Year Average | Council Narrative |
|---|---|---|---|---|---|---|---|
| | | | Council | | Consolidated | | |
| **Contextual ratios (unaudited)** | | | | | | | |
| Financial Capacity | Council-Controlled Revenue* | N/A | 0.9% | 0.9% | 0.8% | 0.9% | Council's own generated revenue from user fees and charges ($177,978) is very insignificant and not expected to improve in the long-term as Council does not have any rates base and relies on grant funding. |
| | Population Growth* | N/A | 0.5% | -2.0% | 0.5% | -2.0% | Our community population growth is very minimal due to lack of infrastructure and employment opportunities. This trend may continue to be seen for a long period of time. |
| Asset Management | Asset Renewal Funding Ratio* | N/A | N/A | N/A | N/A | N/A | This ratio will be calculated from 2027/28 financial year. |

The current year financial sustainability statement - Contextual Ratios is prepared in accordance with the requirements of the Local Government Regulation 2012 and the Financial Management (Sustainability) Guideline 2024. The amounts used to calculate the 2 reported measures are prepared on an accrual basis and are drawn from the council's audited general purpose financial statements for the year ended 30 June 2024.

**Certificate of Accuracy**
**For the year ended 30 June 2024**

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

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

**Mayor**
**Wayne Butcher**

Date: 29 / 11 / 24

**Chief Executive Officer**
**David Clarke**

Date: 29 / 11 / 24

**Lockhart River Aboriginal Shire Council**

**Unaudited long term financial sustainability statement**

**Prepared as at 30 June 2024**

**Council**

| Type | Measure | Target (Tier 8) | Actuals as at 30 June 2024 | 30 June 2025 | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 | 30 June 2032 | 30 June 2033 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Capacity | Council-Controlled Revenue | N/A | 0.9% | 0.6% | 0.6% | 0.6% | 0.6% | 0.6% | 0.5% | 0.5% | 0.5% | 0.5% |
| | Population Growth | N/A | 0.5% | -1.5% | -0.8% | 0.0% | 0.8% | 0.8% | 1.2% | 1.2% | 1.5% | 1.5% |
| Asset Management | Asset Renewal Funding Ratio | N/A | N/A for long-term sustainability statement | | | | | | | | | |
| Operating Performance | Operating Surplus Ratio | N/A | -19.8% | 2.7% | 2.7% | 2.9% | 3.0% | 2.9% | 2.9% | 2.9% | 3.0% | 3.0% |
| | Operating Cash Ratio | Greater than 0% | -6.8% | 10.4% | 10.2% | 10.2% | 10.2% | 10.0% | 9.8% | 9.7% | 9.6% | 9.4% |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | N/A for long-term sustainability statement | | | | | | | | | |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 13.2% | 13.3% | 55.0% | 174.4% | 170.5% | 110.3% | 132.4% | 78.2% | 124.8% | 27.0% |
| | Asset Consumption Ratio | Greater than 60% | 76.1% | 75.7% | 74.7% | 73.9% | 73.1% | 72.4% | 71.6% | 70.9% | 70.0% | 69.3% |
| Debt Servicing Capacity | Leverage Ratio | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

**Consolidated**

| Type | Measure | Target (Tier 8) | Actuals as at 30 June 2024 | 30 June 2025 | 30 June 2026 | 30 June 2027 | 30 June 2028 | 30 June 2029 | 30 June 2030 | 30 June 2031 | 30 June 2032 | 30 June 2033 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Financial Capacity | Council-Controlled Revenue | N/A | 0.8% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% | 0.5% |
| | Population Growth | N/A | 0.5% | -1.5% | -0.8% | 0.0% | 0.8% | 0.8% | 1.2% | 1.2% | 1.5% | 1.5% |
| Asset Management | Asset Renewal Funding Ratio | N/A | N/A for long-term sustainability statement | | | | | | | | | |
| Operating Performance | Operating Surplus Ratio | N/A | -19.7% | 2.0% | 2.0% | 2.2% | 2.4% | 2.3% | 2.3% | 2.3% | 2.3% | 2.2% |
| | Operating Cash Ratio | Greater than 0% | -5.8% | 10.4% | 10.2% | 10.2% | 10.2% | 9.9% | 9.7% | 9.5% | 9.4% | 9.2% |
| Liquidity | Unrestricted Cash Expense Cover Ratio | Greater than 4 months | N/A for long-term sustainability statement | | | | | | | | | |
| Asset Management | Asset Sustainability Ratio | Greater than 90% | 12.0% | 16.4% | 51.9% | 162.1% | 161.9% | 142.9% | 126.1% | 88.0% | 117.3% | 38.9% |
| | Asset Consumption Ratio | Greater than 60% | 75.3% | 75.1% | 74.2% | 73.3% | 72.5% | 71.9% | 71.0% | 70.3% | 69.4% | 68.7% |
| Debt Servicing Capacity | Leverage Ratio | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Council's long term financial management strategy is to ensure full cost recovery for all our services and maintaining sufficient cash levels to pay debts as they fall due, and this is consistent with council's long term forecast.

The long-term financial sustainability statement that is given to the auditor-general must be accompanied by a signed certificate in the form below:

Financial statements

**Certificate of Accuracy**
**For the long-term financial sustainability statement prepared as at 30 June 2024**

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the regulation).
In accordance with Section 212(5) of the Regulation we certify that this long-term financial sustainability statement has been accurately calculated.

**Mayor**
**Wayne Butcher**

Date: 29 / 11 / 24

**Chief Executive Officer**
**David Clarke**

Date: 29 / 11 / 24