Lockhart River Aboriginal Shire Council

Financial Statements

for the year ended 30 June 2025

Lockhart River Aboriginal Shire Council
Financial statements
For the year ended 30 June 2025

Table of contents **Page**

Lockhart River Aboriginal Shire Council

Statement of Comprehensive Income

For the year ended 30 June 2025

		Consolidated		Council	
		2025	2024	2025	2024
	Note	$	$	$	$
Income					
Income					
Recurrent revenue					
Rates, levies and charges		186,878	177,978	186,878	177,978
Sales revenue	3(a)	5,189,712	6,953,851	3,697,530	5,727,499
Grants, subsidies, contributions and donations	3(c)	26,596,747	14,329,227	26,596,747	14,329,227
Total recurrent revenue		31,973,337	21,461,056	30,481,155	20,234,704
Rental income		109,091	107,293	96,982	97,475
Interest received		589,234	269,127	574,674	253,967
Other income	3(b)	160,260	131,625	127,810	130,869
Total operating revenue		32,831,922	21,969,100	31,280,621	20,717,014
Capital income					
Grants, subsidies, contributions and donations	3(c)	4,979,959	10,887,014	4,979,959	10,887,014
Other capital income	3(d)	609,992	1,014,483	609,992	1,014,483
Total capital income		5,589,950	11,901,497	5,589,950	11,901,497
Total income		38,421,872	33,870,598	36,870,572	32,618,512
Expenses					
Recurrent expenses					
Employee benefits	4	(7,436,096)	(7,398,881)	(6,784,531)	(6,805,423)
Materials and services	5	(17,745,417)	(15,836,170)	(16,966,863)	(15,310,971)
Finance costs		(102,269)	(270,629)	(94,638)	(262,726)
Depreciation and amortisation					
Property, plant and equipment	13	(3,379,200)	(3,052,908)	(3,023,850)	(2,697,690)
Right-of-use assets	11	(65,039)	(59,760)	(47,011)	(45,653)
		(28,728,021)	(26,618,346)	(26,916,892)	(25,122,464)
Capital expenses	6	(12,617)	(778,839)	(236,338)	(778,839)
Total expenses		(28,740,639)	(27,397,185)	(27,153,230)	(25,901,302)
Net result		9,681,233	6,473,413	9,717,342	6,717,210
Other comprehensive income					
Items that will not be reclassified to net result					
Increase in asset revaluation surplus	13	11,970,460	6,407,705	11,126,209	5,485,962
Total other comprehensive income for the year		11,970,460	6,407,705	11,126,209	5,485,962
Total comprehensive income for the year		21,651,693	12,881,118	20,843,551	12,203,172

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

Lockhart River Aboriginal Shire Council
Statement of Financial Position
As at 30 June 2025

		Consolidated		Council	
		2025	2024	2025	2024
	Note	$	$	$	$
Current assets					
Cash and cash equivalents	7	19,883,329	9,966,487	18,490,306	8,619,739
Trade and other receivables	8	2,084,675	2,252,180	1,835,864	2,116,455
Inventories	9	370,808	434,206	266,143	303,644
Contract assets	10a	1,829,146	1,800,918	1,829,146	1,800,918
Lease receivable	11	408,882	398,296	408,882	398,296
Total current assets		24,576,840	14,852,086	22,830,340	13,239,052
Non-current assets					
Lease receivable	11	9,152,980	8,951,871	9,152,980	8,951,871
Interest in other entities	12	-	-	100	100
Property, plant and equipment	13	150,743,632	136,114,555	137,128,269	123,213,011
Right-of-use assets	11	114,984	167,821	75,109	120,380
Total non-current assets		160,011,596	145,234,246	146,356,458	132,285,362
Total assets		184,588,436	160,086,332	169,186,799	145,524,413
Current liabilities					
Trade and other payables	14	1,849,433	1,900,122	1,650,092	1,719,067
Contract liabilities	10b	4,373,704	1,465,739	4,373,704	1,465,739
Lease liabilities	11	66,750	61,852	48,089	46,454
Provisions	15	591,671	702,270	534,551	675,419
Total current liabilities		6,881,557	4,129,983	6,606,435	3,906,680
Non-current liabilities					
Lease liabilities	11	53,146	111,215	26,926	73,700
Provisions	15	2,044,401	1,887,497	2,044,401	1,878,549
Total non-current liabilities		2,097,547	1,998,712	2,071,327	1,952,249
Total liabilities		8,979,105	6,128,695	8,677,762	5,858,929
Net community assets		175,609,332	153,957,638	160,509,036	139,665,485
Community equity					
Asset revaluation surplus	13	70,018,553	58,048,093	66,668,799	55,542,590
Retained surplus		105,590,779	95,909,545	93,840,237	84,122,896
Total community equity		175,609,332	153,957,638	160,509,036	139,665,485

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

Lockhart River Aboriginal Shire Council

Statement of Changes in Equity

For the year ended 30 June 2025

Consolidated	**Asset revaluation surplus**	**Retained surplus**	**Total**
	$	**$**	**$**
Balance as at 1 July 2024	58,048,093	95,909,545	153,957,639
Net result	-	9,681,233	9,681,233
Other comprehensive income for the year			
Increase in asset revaluation surplus	11,970,460	-	11,970,460
Total comprehensive income for the year	11,970,460	9,681,233	21,651,693
Balance as at 30 June 2025	70,018,553	105,590,779	175,609,332
Balance as at 1 July 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

Council	**Asset revaluation surplus**	**Retained surplus**	**Total**
	$	**$**	**$**
Balance as at 1 July 2024	55,542,590	84,122,896	139,665,485
Net result	-	9,717,342	9,717,342
Other comprehensive income for the year			
Increase in asset revaluation surplus	11,126,209	-	11,126,209
Total comprehensive income for the year	11,126,209	9,717,342	20,843,551
Balance as at 30 June 2025	66,668,799	93,840,237	160,509,036
Balance as at 1 July 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	139,665,485

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

Lockhart River Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $	Council 2025 $	Council 2024 $
Cash flows from operating activities					
Receipts from customers		5,715,126	8,462,523	4,302,084	7,274,849
Receipts from grantors for non capital grants and contributions	3	26,596,747	14,329,227	26,596,747	14,329,227
Receipts from tenants		109,091	107,293	96,982	97,475
Payments to suppliers and employees		(22,353,970)	(25,615,519)	(20,980,229)	(24,485,037)
		10,066,993	(2,716,476)	10,015,584	(2,783,486)
Interest received		589,234	269,127	574,674	253,967
Net cash inflow/(outflow) from operating activities	19	10,656,227	(2,447,349)	10,590,258	(2,529,519)
Cash flows from investing activities					
Payments for property, plant and equipment	13	(6,052,266)	(11,368,557)	(5,827,346)	(11,223,106)
Payments for property, plant and equipment transferred to subsidiary	7	-	-	(223,720)	-
Proceeds from sale of property plant and equipment		-	-	-	-
Capital grants, subsidies, contributions and donations	3	4,979,959	10,887,014	4,979,959	10,887,014
Net cash inflow (outflow) from investing activities		(1,072,308)	(481,543)	(1,071,108)	(336,092)
Cash flows from financing activities					
Proceeds of finance leases	11	398,296	418,936	398,296	418,936
Repayment made on leases (principal only)	11	(65,373)	(61,635)	(46,880)	(46,400)
Net cash inflow (outflow) from financing activities		332,922	357,301	351,416	372,536
Net increase (decrease) in cash and cash equivalents held		9,916,842	(2,571,591)	9,870,566	(2,493,075)
Cash and cash equivalents at the beginning of the financial year		9,966,487	12,538,076	8,619,739	11,112,814
Cash and cash equivalents at end of the financial year	7	19,883,329	9,966,487	18,490,305	8,619,739

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

1 Information about these financial statements

(a) Basis of preparation

These general purpose financial statements are for the period 1 July 2024 to 30 June 2025 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 Council and the entity controlled by the Lockhart River Aboriginal Shire Council as at 30 June 2025 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 2024. The relevant standards for Lockhart River Aboriginal Shire Council were:

- AASB 101 *Presentation of FInancial Statements* (amended by AASB 2020-1, AASB 2020-6, AASB 2022-6, AASB 2023-3) relating to current/non current classification of liabilities.

- AASB 13 *Fair Value Measuremen* t (amended by AASB 2022-10).

Lockhart River Aboriginal Shire Council has confirmed that non of the new standards have had a material impact to Council's reported financial position, performance or cash flows.

(e) Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not mandatorily effective at 30 June 2025. 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 2025

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	11,727,119	202,137	2,735,897	-	-	14,665,154	(15,449,930)	-	-	(15,449,930)	(3,520,673)	(784,776)	86,093,593
Building Services	-	3,222,164	681,155	-	-	3,903,319	(3,391,769)	-	-	(3,391,769)	(169,605)	511,550	-
Community Development	3,369,723	12,590	-	-	-	3,382,314	(2,987,174)	-	-	(2,987,174)	395,140	395,140	-
Corporate Services	10,603,876	1,670,097	1,182,334	-	-	13,456,307	(2,933,333)	-	-	(2,933,333)	9,340,640	10,522,974	68,146,775
Governance & Leadership	225,496	-	9,580	-	-	235,076	(1,225,856)	-	-	(1,225,856)	(1,000,359)	(990,779)	-
Environmental Management	670,532	186,878	370,992	-	-	1,228,402	(1,165,168)	-	-	(1,165,168)	(307,758)	63,234	14,946,430
Total Council	26,596,747	5,293,866	4,979,959	-	-	36,870,572	(27,153,229)	-	-	(27,153,229)	4,737,384	9,717,342	169,186,799
Controlled entity net of eliminations	-	1,871,151	223,720	-	(319,850)	1,775,021	(2,130,979)	-	319,850	(1,811,129)	(259,828)	(36,108)	15,400,948
Total consolidated	26,596,747	7,165,017	5,203,679	-	(319,850)	38,645,593	(29,284,208)	-	319,850	(28,964,359)	4,477,556	9,681,234	184,587,747

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				Recurring	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	77,778,946
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	53,713,040
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	145,524,411
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	160,085,642

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	
	2025	2024	2025	2024
	$	$	$	$
Rendering of services				
Contract and recoverable works	3,472,210	5,455,201	3,472,210	5,455,201
Accommodation	11,489	45,266	11,489	45,266
Motor vehicle repairs	40,740	45,312	40,740	45,312
Agency commissions	487	1,076	487	1,076
	3,524,926	5,546,855	3,524,926	5,546,855
Sale of goods				
Gas bottles	109,060	137,265	109,060	137,265
Post office	63,544	43,379	63,544	43,379
Other sales*	1,492,182	1,226,352	-	-
	1,664,786	1,406,996	172,604	180,644
Total sales revenue	5,189,712	6,953,851	3,697,530	5,727,499

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	90,045	130,869	71,102	130,869
Gain on impairment reversed	70,215	756	56,708	-
	160,260	131,625	127,810	130,869

(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	
			2025	2024	2025	2024
			$	$	$	$
(i)	**Operating**					
	State government subsidies and grants		25,189,910	13,436,286	25,189,910	13,436,286
	Commonwealth government subsidies and grants		1,395,666	877,441	1,395,666	877,441
	Donations and contributions		11,170	15,500	11,170	15,500
			26,596,747	14,329,227	26,596,747	14,329,227
(ii)	**Capital**					
	State government subsidies and grants		4,614,921	10,806,270	4,614,921	10,806,270
	Commonwealth government subsidies and grants		365,038	80,744	365,038	80,744
			4,979,959	10,887,014	4,979,959	10,887,014
(iii)	**Timing of revenue recognition for grants, subsidies, contributions and donations**					
	Revenue recognised at a point in time					
	Grants and subsidies	3(c)	12,723,305	3,999,081	12,723,305	3,999,081
	Donations and contributions	3(c)	11,170	15,500	11,170	15,500
			12,734,475	4,014,581	12,734,475	4,014,581
	Revenue recognised over time					
	Grants and subsidies	3(c)	18,842,230	21,201,660	18,842,230	21,201,660
			18,842,230	21,201,660	18,842,230	21,201,660
			31,576,705	25,216,241	31,576,705	25,216,241
(d)	**Capital income**					
	Gain on revaluation of finance leases					
	Increase in revaluation of finance leases	11	609,992	1,014,483	609,992	1,014,483
			609,992	1,014,483	609,992	1,014,483
	Total capital income		609,992	1,014,483	609,992	1,014,483

			Consolidated		Council	
			2025	2024	2025	2024
			$	$	$	$
4	**Employee benefits**					
	Total staff wages and salaries		5,954,227	6,055,343	5,389,004	5,524,615
	Councillors' remuneration		367,162	352,682	367,162	352,682
	Annual, sick and long service leave entitlements		540,778	561,390	519,456	561,390
	Superannuation	18	700,170	689,417	641,937	631,839
			7,562,338	7,658,832	6,917,560	7,070,526
	Other employee related expenses		101,493	77,179	94,705	72,028
			7,663,831	7,736,011	7,012,266	7,142,553
	Less: Capitalised employee expenses		(227,735)	(337,130)	(227,735)	(337,130)
			7,436,096	7,398,881	6,784,531	6,805,423

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

Total Council employees at the reporting date:	2025	2024	2025	2024
Elected members	5	5	5	5
Administration staff	95	85	89	79
Total full time equivalent employees	100	90	94	84

5	**Materials and services**				
	Administration supplies and consumables	2,068,605	1,449,467	1,491,635	1,324,849
	Audit of annual financial statements by the Auditor-General of Queensland*	108,700	106,200	80,000	78,000
	Communications and IT	438,346	374,797	409,484	335,048
	Consultants	238,312	116,745	237,320	114,059
	Donations paid	91,688	157,982	91,688	157,982
	Power	270,949	176,588	219,272	120,648
	Repairs and maintenance	12,975,002	12,006,455	13,006,647	11,856,582
	Rentals - operating leases	4,236	3,077	3,630	2,412
	Subscriptions and registrations	59,082	76,842	59,082	76,842
	Insurance	938,092	711,241	820,299	592,076
	Legal fees	5,660	17,458	5,660	17,458
	Travel	327,188	298,267	322,591	293,964
	Other materials and services	219,556	341,052	219,556	341,052
	Total materials and services	17,745,417	15,836,170	16,966,863	15,310,971

*Total audit fees quoted by the Queensland Audit Office relating to the 2024-25 financial statements for the consolidated entity are $108,700 (2024: $106,200).

6	**Capital expenses**					
	Loss on revaluation of finance leases					
	Decrease in revaluation of finance leases	11	-	637,844	-	637,844
			-	637,844	-	637,844
	Capital works transferred to controlled entity					
	Airport Lighting Upgrade - RAUP Program		-	-	132,754	-
	Airport electric fence and gate - ATSI/TIDS Porgram		-	-	90,966	-
			-	-	223,720	-
	Loss on disposal of non-current assets					
	Wriiten-down value of property, plant and equipment disposed of		14,446	-	14,446	-
	Less: Proceeds from the sale of property, plant and equipment		-	-	-	-
			14,446	-	14,446	-
	Provision for restoration of land					
	Increase/(decreasse) in provision		(1,829)	140,995	(1,829)	140,995
			(1,829)	140,995	(1,829)	140,995
	Total capital expenses		12,617	778,839	236,338	778,839

7 Cash and cash equivalents

	Consolidated		Council	
	2025	2024	2025	2024
	$	$	$	$
Cash at bank and on hand	3,739,461	2,396,503	2,903,711	1,592,469
Deposits at call	16,143,868	7,569,984	15,586,595	7,027,270
Balance per Statement of Financial Position	19,883,329	9,966,487	18,490,306	8,619,739

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.

Unrestricted cash				
Cash and cash equivalents	19,883,329	9,966,487	18,490,306	8,619,739
Less: Externally imposed restrictions on cash	(6,300,498)	(2,087,403)	(6,300,498)	(2,087,403)
Unrestricted cash	13,582,831	7,879,084	12,189,807	6,532,336

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	6,300,498	2,087,403	6,300,498	2,087,403
Total externally imposed restrictions on cash assets	6,300,498	2,087,403	6,300,498	2,087,403

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.

Total cash and cash equivalents	19,883,329	9,966,487	18,490,306	8,619,739

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	
	2025	2024	2025	2024
	$	$	$	$
Current				
Trade debtors	2,221,862	2,468,451	1,976,901	2,314,654
Less allowance for expected credit losses	(170,212)	(240,950)	(160,853)	(217,561)
Prepayments	33,025	24,679	19,816	19,363
Total current trade and other receivables	2,084,675	2,252,180	1,835,864	2,116,455
Movement in accumulated expected credit losses is as follows:				
Opening balance at 1 July	240,950	37,678	217,561	26,419
Additional allowance for expected credit losses	-	203,272	-	191,142
Reversal of allowance for expected credit losses	(70,738)	-	(56,708)	-
Closing balance at 30 June	170,212	240,950	160,853	217,561

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	
	2025	2024	2025	2024
	$	$	$	$
Government Departments & Agencies	1,820,727	1,719,054	1,793,676	1,711,539
Local debtors	131,885	532,105	119,349	521,676
Other debtors	293,651	217,292	63,876	81,440
	2,246,264	2,468,451	1,976,901	2,314,654

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:

		2025		2024	
Consolidated	**Weighted-average loss rate**	**Gross carrying amount**	**Loss Allowance**	**Gross carrying amount**	**Loss Allowance**
	%	$	$	$	$
Not past due	1.46	1,853,560	26,977	1,809,962	7,240
Past due 31-60 days	13.02	98,440	12,819	70,975	781
Past due 61-90 days	45.05	73,136	32,950	17,634	987
More than 90 days	44.31	221,128	97,466	569,880	231,942
Total		**2,246,264**	**170,212**	**2,468,451**	**240,950**

Council	**Weighted-average loss rate**	**Gross carrying amount**	**Loss Allowance**	**Gross carrying amount**	**Loss Allowance**
	%	$	$	$	$
Not past due	1.42	1,654,969	23,501	1,742,538	6,970
Past due 31-60 days	15.84	69,964	11,082	50,583	556
Past due 61-90 days	45.33	72,598	32,909	6,350	356
More than 90 days	52.05	179,371	93,362	515,183	209,679
Total		**1,976,901**	**160,854**	**2,314,654**	**217,562**

No interest is charged on trade receivables.

		Consolidated		Council	
		2025	2024	2025	2024
		$	$	$	$
9	**Inventories**				
	Costs are assigned on the basis of weighted average costs.				
	Inventories held for sale				
	Fuel and motel stock	104,666	130,562	-	-
		104,666	130,562	-	-
	Inventories held for distribution				
	Plant and equipment stores	266,143	303,644	266,143	303,644
		266,143	303,644	266,143	303,644
	Total inventories	370,808	434,206	266,143	303,644
10	**Contract balances**				
(a)	Contract assets	1,829,146	1,800,918	1,829,146	1,800,918
		1,829,146	1,800,918	1,829,146	1,800,918
(b)	Contract liabilities				
	Funds received upfront to construct Council controlled assets	1,393,384	787,750	1,393,384	787,750
	Non-capital performance obligations not yet satisfied	2,980,320	677,989	2,980,320	677,989
		4,373,704	1,465,739	4,373,704	1,465,739
	Current contract liabilities	4,373,704	1,465,739	4,373,704	1,465,739
		4,373,704	1,465,739	4,373,704	1,465,739
	Revenue recognised included in the contract liability balance at the beginning of the year				
	Funds to construct Council controlled assets	758,659	1,960,848	758,659	1,960,848
	Non-capital performance obligations (including deposits received in advance)	255,039	163,225	255,039	163,225
		1,013,697	2,124,073	1,013,697	2,124,073

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 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 100.4 hectares of land at Lockhart River used for Lockhart River Aerodrome services and motel accommodation. The lease period is for 20 years expiring on 22 October 2027 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 2024	47,441	120,380	167,821	120,380
Additions to right-of-use assets	10,462	1,740	12,202	1,740
Depreciation charge	(18,028)	(47,011)	(65,039)	(47,011)
Balance at 30 June 2025	39,874	75,109	114,984	75,109
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)	(59,760)	(45,653)
Balance at 30 June 2024	47,441	120,380	167,821	120,380

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	
	2025	**2024**	**2025**	**2024**
Council and Consolidated	$	$	$	$
<1 year	68,130	64,056	49,030	48,156
1 - 5 years	53,409	112,760	28,343	75,994
Total	121,539	176,816	77,373	124,149
Current lease liability	66,750	61,852	48,089	46,454
Non current lease liability	53,146	111,215	26,926	73,700
Total per statement of financial position	119,896	173,067	75,015	120,154

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	
	2025	**2024**	**2025**	**2024**
Council and Consolidated	$	$	$	$
Interest on lease liabilities	2,321	3,074	1,715	2,409
Depreciation of right-of-use assets	65,039	59,760	47,011	45,653
	67,360	62,834	48,725	48,062
Total cash outflows for leases	65,373	61,635	46,880	46,400

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	
		2025	2024	2025	2024
		$	$	$	$
Current other financial assets					
Finance leases receivable		408,882	398,296	408,882	398,296
		408,882	398,296	408,882	398,296
Non-current other financial assets					
Finance leases receivable		9,152,980	8,951,871	9,152,980	8,951,871
		9,152,980	8,951,871	9,152,980	8,951,871
A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:					
Gross minimum lease payments receivable		11,956,848	12,045,554	11,956,848	12,045,554
Add: Estimated contingent rent		5,527,473	6,052,794	5,527,473	6,052,794
Less: Present value adjustment		(7,922,459)	(8,748,182)	(7,922,459)	(8,748,182)
Fair value of lease payments		9,561,862	9,350,166	9,561,862	9,350,166
The fair value of lease payments is receivable as follows:					
Not later than one year		408,882	398,296	408,882	398,296
Between one and two years		402,190	391,123	402,190	391,123
Between two and three years		395,607	384,080	395,607	384,080
Between three and four years		389,132	377,164	389,132	377,164
Between four and five years		382,762	370,372	382,762	370,372
Later than five years		7,583,289	7,429,131	7,583,289	7,429,131
		9,561,862	9,350,167	9,561,862	9,350,167
Movements in finance leases were as follows:					
Opening balance		9,350,167	9,392,464	9,350,167	9,392,464
Gain due to increase in rent and rates in 2022	3(d)	-	1,014,483	-	1,014,483
Adjusted opening balance		9,350,167	10,406,947	9,350,167	10,406,947
Less: Lease receipts		(398,296)	(418,936)	(398,296)	(418,936)
Add: Gain/(loss) on revaluation	6	609,992	(637,844)	609,992	(637,844)
Closing balance		9,561,862	9,350,167	9,561,862	9,350,167

The calculation of fair value has included an estimate of average annual CPI increases of 2.56% (2024: 2.64%) and a discount rate of 4.27% (2024: 4.52%).

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		Council	
	2025	2024	2025	2024
	$	$	$	$
Interest in controlled entity Lockhart River Aerodrome Company Pty Ltd	-	-	100	100
	-	-	100	100

13 Property, plant and equipment

Consolidated - 30 June 2025	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 3			Level 3	Level 3	Level 3	Level 3		
Asset values		$	$	$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 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	185,715,414
Additions		-	-	-	1,204,168	12,549	1,603,090	-	-	-	3,232,459	6,052,266
Disposals	6	-	-	-	(73,946)	(294,256)	-	-	-	-	-	(368,202)
Revaluation adjustment to other comprehensive income(asset revaluation surplus)		-	1,789,653	1,230,940	-	-	4,589,344	486,279	300,416	1,625,821	-	10,022,452
Transfers between classes		-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025		1,000,000	31,431,667	21,949,260	6,831,123	1,275,709	103,896,569	11,237,080	9,988,925	9,639,281	4,172,317	201,421,930
Accumulated depreciation and impairment												
Opening balance as at 1 July 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
Depreciation expense		-	447,132	305,002	346,750	31,658	1,730,745	169,161	110,551	238,201	-	3,379,200
Depreciation on disposals	6	-	-	-	(73,946)	(279,810)	-	-	-	-	-	(353,755)
Revaluation adjustment to asset revaluation surplus		-	477,107	757,518	-	-	(2,877,406)	(326,295)	(155,429)	176,498	-	(1,948,008)
Transfers between classes		-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2025		-	10,050,746	9,300,457	4,653,185	1,092,474	16,120,679	3,893,538	2,162,139	3,405,080	-	50,678,298
Consolidated book value as at 30 June 2025		1,000,000	21,380,921	12,648,803	2,177,939	183,234	87,775,890	7,343,542	7,826,785	6,234,201	4,172,317	150,743,632
Residual value		-	-	-	-	-	-	-	-	-	-	-
Range of estimated useful life in years		Land: Not depreciat	10 - 130	40 - 90	3 - 15	3 - 10	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	-	-	-	-	-	1,603,090	-	-	-	456,004	2,059,094
Other additions	-	-	-	1,204,168	12,549	-	-	-	-	2,776,455	3,993,172
Total additions	-	-	-	1,204,168	12,549	1,603,090	-	-	-	3,232,459	6,052,266

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	8,398,063	21,062,687	-	-	19,553,204	4,517,109	3,410,252	406,779	-	58,048,094
Increase (decrease) in revaluation surplus	-	1,312,546	473,422	-	-	7,466,751	812,574	455,844	1,449,323	-	11,970,460
Balance at end of financial year	700,000	9,710,609	21,536,109	-	-	27,019,955	5,329,682	3,866,097	1,856,103	-	70,018,554

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 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:

	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	-	-	-	-	-	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:

	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	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

Council - 30 June 2025	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 3	Level 3			Level 3	Level 3	Level 3	Level 3		
Asset values		$	$	$	$	$	$	$	$	$	$	$
Opening gross value as at 1 July 2024		1,000,000	22,231,154	20,718,321	5,271,122	845,877	87,478,875	10,345,351	9,429,303	7,646,598	930,915	165,897,515
Additions		-	-	-	1,204,168.28	12,549.16	1,603,090.16	-	-	-	3,007,538	5,827,346
Disposals	6	-	-	-	(73,945.81)	(294,255.69)	-	-	-	-	-	(368,202)
Revaluation adjustment to other comprehensive income(asset revaluation surplus)		-	1,451,782.57	1,230,939.59	-	-	3,648,238.93	471,729.05	290,271.70	1,608,100.86	-	8,701,063
Transfers between classes		-	-	-	-	-	-	-	-	-	-	-
Closing gross value as at 30 June 2025		1,000,000	23,682,936	21,949,260	6,401,344	564,170	92,730,204	10,817,080	9,719,575	9,254,699	3,938,453	180,057,721
Accumulated depreciation and impairment												
Opening balance as at 1 July 2024		-	6,615,980	8,237,938	4,016,827	725,001	14,418,331	3,765,171	1,977,058	2,928,196	-	42,684,504
Depreciation expense		-	349,610	305,002	329,556	20,328	1,527,462	158,066	102,493	231,333	-	3,023,850
Depreciation on disposals	6	-	-	-	(73,945.81)	(279,809.67)	-	-	-	-	-	(353,755)
Revaluation adjustment to asset revaluation surplus		-	443,911.75	757,517.88	-	-	(3,400,350.03)	(294,183.62)	(118,380.22)	186,337.75	-	(2,425,146)
Transfers between classes		-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2025		-	7,409,502	9,300,458	4,272,438	465,520	12,545,443	3,629,053	1,961,171	3,345,867	-	42,929,452
Total written down value as at 30 June 2025		1,000,000	16,273,434	12,648,802	2,128,906	98,650	80,184,761	7,188,027	7,758,403	5,908,833	3,938,453	137,128,269
Residual value		-	-	-	-	-	-	-	-	-	-	-
Range of estimated useful life in years		Land: Not depreciat	10 - 130	40 - 90	3 - 15	3 - 10	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	-	-	-	-	-	1,603,090	-	-	-	232,284	1,835,374
Other additions	-	-	-	1,204,168	12,549	-	-	-	-	2,775,254	3,991,972
Total additions	-	-	-	1,204,168	12,549	1,603,090	-	-	-	3,007,538	5,827,346

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	6,855,813	21,062,686	-	-	19,036,125	4,258,760	3,420,312	208,894	-	55,542,590
Increase (decrease) in revaluation surplus	-	1,007,871	473,422	-	-	7,048,589	765,913	408,652	1,421,763	-	11,126,209
Balance at end of financial year	700,000	7,863,684	21,536,108	-	-	26,084,714	5,024,672	3,828,964	1,630,658	-	66,668,799

13 Property, plant and equipment

Council - 30 June 2024	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 3	Level 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	22,231,154	20,718,321	5,271,122	845,877	87,478,875	10,345,351	9,429,303	7,646,598	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		-	6,615,980	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:		$	$	$	$	$	$	$	$	$	$	$
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:												
		$	$	$	$	$	$	$	$	$	$	$
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

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.

<u>Deed of Grant in Trust Land</u>

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 and Mines, Manufacturing and Regional and Rural Development 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 compares the carrying amount of its property, plant and equipment on an annual basis to current 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, buildings, housing, road, drainage and bridge network, water, sewerage and other infrastrucuture 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 2025, comprehensive 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* assets 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)	Other interim revaluation adjustment
Land (level 2)	Current Replacement cost	30-Jun-25	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.	Nil
Buildings (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Gross replacement cost . Indexed for subsequent changes in construction costs (CCI/CPI index) . Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs from recently completed buildings)	Nil
Housing (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Gross replacement cost . Indexed for subsequent changes in construction costs (CCI/CPI index) . Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs from recently completed houses)	Nil
Road, drainage and bridge (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Existing supply contract rates for raw materials appropriate for the asset based on age, size, location and condition. Labour rates based on Council's Employment Award Average cost of outsourced projects Remaining life of assets including existing conditions	Nil
Water (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials Remaining useful lives and physical obsolescence	Nil
Sewerage (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Development, soil and depth factors taking into account current condition Gross replacement cost per m2 based on appropriate materials Remaining useful lives and physical obsolescence	Nil
Other infrastructure (level 3)	Current Replacement Cost	30-Jun-25	APV Valuers and Asset Management	Gross replacement cost . Indexed for subsequent changes in construction costs (CCI/CPI index) . Unit rates for construction as at the comprehensive revaluation date (industry standard cost guides, project costs, manufacturer's specifications and other data)	Nil

(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	
	2025	2024	2025	2024
	$	$	$	$
Current				
Creditors	1,224,350	889,556	1,118,921	794,127
Accrued wages and salaries	5,787	2,135	-	-
Accrued expenses	110,564	127,107	69,322	78,000
Other creditors	508,733	881,324	461,849	846,940
	1,849,433	1,900,122	1,650,092	1,719,067

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	
	2025	2024	2025	2024
Current	$	$	$	$
Annual leave	266,724	294,792	231,929	272,712
Long service leave	324,947	330,576	302,622	325,805
Provision for restoration of land	-	76,902	-	76,902
	591,671	702,270	534,551	675,419
Non-current				
Long service leave	62,168	57,063	62,168	48,115
Provision for restoration of land	1,982,233	1,830,434	1,982,233	1,830,434
	2,044,401	1,887,497	2,044,401	1,878,549
Details of movements in provisions:				
Provision for restoration of land				
Balance at beginning of financial year	1,907,336	1,703,288	1,907,336	1,703,288
Change in provision due to time (finance costs-unwinding of discount rate)	76,726	63,053	76,726	63,053
Adjustment for prior provision assumed spend	(78,566)	-	(78,566)	-
Chnage in provision due to change in inflation rates	(395)	12,073	(395)	12,073
Change in provision due to change in discount rate	25,633	(111,221)	25,633	(111,221)
Change in provision due to change in estimated future costs	51,500	240,143	51,500	240,143
Balance at end of financial year	1,982,233	1,907,336	1,982,233	1,907,336

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 $2,664,369 and this cost is expected to be incurred in 2047 after closing the site in 2045 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	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Development of new subdivision	-	227,430	-	227,430
Buildings and Housing	359,879	19,366	359,879	19,366
Road infrastructure	536,759	263,241	536,759	263,241
Other infrastructure	153,278	2,420	153,278	2,420
Roads restoration works	3,406,743	1,797,069	3,406,743	1,797,069
Other costs	481,458	355,685	481,458	355,685
	4,938,117	2,665,211	4,938,117	2,665,211

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 2025 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	
		2025	**2024**	**2025**	**2024**
	Note	**$**	**$**	**$**	**$**
Superannuation contributions made to the Accumulated Benefits Fund	4	700,170	689,417	641,937	631,839
Other superannuation contributions for employees		-	-	-	-
Total superannuation contributions paid by Council for employees:		700,170	689,417	641,937	631,839

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

		Consolidated		Council	
		2025	2024	2025	2024
		$	$	$	$
Net result		9,681,233	6,473,413	9,717,342	6,717,210
Non-cash items:					
Depreciation and amortisation		3,444,239	3,112,667	3,070,861	2,743,343
Allowance for expected credit losses		(70,215)	203,270	(56,708)	191,142
Provision for restoration of land		74,897	204,048	74,897	204,048
Loss/(gain) on revaluation of finance leases		(609,992)	(376,639)	(609,992)	(376,639)
		2,838,930	3,143,346	2,479,059	2,761,894
Investing and development activities:					
Net loss/(gain) on disposal of non-current assets		14,446	-	14,446	-
Capital works contributed in kind to controlled entity		-	-	223,720	-
Capital grants and contributions	3	(4,979,959)	(10,887,014)	(4,979,959)	(10,887,014)
		(4,965,513)	(10,887,014)	(4,741,792)	(10,887,014)
Changes in operating assets and liabilities:					
(Increase)/decrease in receivables		213,320	(456,181)	337,299	(412,758)
(Increase)/decrease in contract assets		(28,227)	1,638,308	(28,227)	1,638,308
(Increase)/decrease in inventory		63,397	16,943	37,501	12,954
Increase/(decrease) in payables		(26,288)	(644,783)	(68,976)	(642,174)
Increase/(decrease) in contract liabilities		2,907,965	(1,804,821)	2,907,965	(1,804,821)
Increase/(decrease) in other provisions		(28,591)	73,441	(49,913)	86,885
		3,101,577	(1,177,094)	3,135,649	(1,121,609)
Net cash inflow/(outflow) from operating activities		10,656,227	(2,447,349)	10,590,258	(2,529,519)

20 Reconciliation of liabilities arising from financing activities

Consolidated

	$	$	$	$
2025	**As at June 2024**	**Cash flows**	**Non-cash changes (new leases)**	**As at 30 June 2025**
Lease liability	173,067	(65,373)	12,202	119,895
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

Council

2025	**As at June 2024**	**Cash flows**	**Non-cash changes (new leases)**	**As at 30 June 2025**
Lease liability	120,154	(46,880)	1,740	75,015
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

21 Events after the reporting period

There were no material 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
		$	$	$	$	$
2025						
Trade and other payables	15	1,849,433	-	-	1,849,433	1,849,433
		1,849,433	-	-	1,849,433	1,849,433
2024						
Trade and other payables		1,900,122	-	-	1,900,122	1,900,122
		1,900,122	-	-	1,900,122	1,900,122

Council

	Note	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
		$	$	$	$	$
2025						
Trade and other payables	15	1,650,092	-	-	1,650,092	1,650,092
		1,650,092	-	-	1,650,092	1,650,092
2024						
Trade and other payables		1,719,067	-	-	1,719,067	1,719,067
		1,719,067	-	-	1,719,067	1,719,067

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		$	$	$	$	$
2025						
QTC cash fund		15,556,595	155,566	(155,566)	155,566	(155,566)
Commonwealth Bank		30,000	300	(300)	300	(300)
Macquarie Bank cash fund		557,273	5,573	(5,573)	5,573	(5,573)
Total	8	16,143,868	161,439	(161,439)	161,439	(161,439)
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		7,569,984	75,700	(75,700)	75,700	(75,700)

		Net carrying amount	Effect on Net Result		Effect on Equity	
			1% increase	1% decrease	1% increase	1% decrease
Council		$	$	$	$	$
2025						
QTC cash fund		15,556,595	155,566	(155,566)	155,566	(155,566)
Commonwealth Bank		30,000	300	(300)	300	(300)
Total	8	15,586,595	155,866	(155,866)	155,866	(155,866)
2024						
QTC cash fund		6,997,270	69,973	(69,973)	69,973	(69,973)
Commonwealth Bank		30,000	300	(300)	300	(300)
Total		7,027,270	70,273	(70,273)	70,273	(70,273)

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 $ 2025	Amount $ 2024
Grants and subsidies provided by Council	223,720	-
Supply of building and mechanical materials and services by Council	127,413	180,929
Purchases of diesel fuel and motel accommodation by Council	192,436	146,069
Total	**543,570**	**326,998**

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 2023-24 and 2024-25 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	2025	2024
	$	$
Short-term employee benefits	1,160,554	1,064,400
Post-employment benefits	136,753	121,046
Long-term benefits	-	16,807
Total	**1,297,308**	**1,202,253**

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	2025	2024
		$	$
Employee expenses for close family members of key management personnel	23(c)(i)	115,837	167,997
Purchase of materials and services from entities controlled by key management personnel	23(c)(ii)	2,052,072	1,398,212
Sales of materials and services to entities controlled by key management personnel	23(c)(iii)	80,086	21,357

(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	2025 $	2024 $
Road construction services	Gray Ochre	-	396,817
Housing construction services	AW Carpentry	112,910	50,024
Road construction services	Wayne Butcher Enterprises	1,939,162	951,371
Total		**2,052,072**	**1,398,212**

(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	80,086	19,841
Sale of materials & services	Alistair Bowie	-	1,517
Sale of materials & services	Wayne Butcher	-	209
Sale of materials & services	Dorothy Hobson	1,538	1,116
Total		**81,624**	**22,683**

(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	1,551	901
Past due 31-60 days	-	-
Past due 61-90 days	-	-
More than 90 days overdue	8,331	2,797
Total owing	**9,882**	**3,698**

Trade and other payables	Amounts owing to entities controlled by KMP	
	$	$
Not past due	38,934	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
More than 90 days overdue	-	-
Total owing	**38,934**	**-**

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 2025

Management Certificate
For the year ended 30 June 2025

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: 30 / 10 / 2025	Date: 30 / 10 / 25

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the councillors of Lockhart River Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Lockhart River Aboriginal Shire Council (the council) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2025, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information and the certificate given by the Mayor and Chief Executive Officer.

In my opinion, the financial report:

a) gives a true and fair view of the council's and group's financial position as at 30 June 2025, and of their financial performance for the year then ended; and

b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

Basis for opinion

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

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

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

Other information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

At the date of this auditor's report, the available other information in Lockhart River Aboriginal Shire Council's annual report for the year ended 30 June 2005 was the current year financial sustainability statement, current year financial sustainability statement - contextual ratios and unaudited long-term financial sustainability statement.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of my auditor's report.

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2025:

a) I received all the information and explanations I required

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

Queensland Audit Office
Better public services

Prescribed requirements scope

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

31 October 2025

Dale Hassell
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Lockhart River Aboriginal Shire Council
Financial statements
For the year ended 30 June 2025

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	6	N/A	6	N/A	Council's liquidity is adequate to undertake any capital or operational funding without cashflow problems in the short term.
Operating Performance	Operating Surplus Ratio	N/A	14.2%	-4.4%	12.7%	-5.8%	Effect of timing of the 2025/26 Financial Assistance received in June 2025 early and noting that Council's operational performance is on an improvement trend.
	Operating Cash Ratio	Greater than 0%	23.9%	7.8%	23.1%	6.4%	Effect of timing of the 2025/26 Financial Assistance received in June 2025 early and noting that Council's operational performance is showing improvement.
Asset Management	Asset Sustainability Ratio	Greater than 90%	68.6%	85.8%	68.6%	84.3%	Most recent capital funding has concentrated on upgrades and new infrastructure assets. In the long term Council is atrting focussing on renewal works on the existing assets.
	Asset Consumption Ratio	Greater than 60%	77.9%	76.1%	76.7%	75.4%	Capital grant funding opportuntiies have enabled to carry out significant upgrades and construct new assets combined renewal of existing infrastructure assets.

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 2025.

Certificate of Accuracy

For the year ended 30 June 2025

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: 30 / 10 / 2025

Chief Executive Officer
David Clarke
Date: 30 / 10 / 2025

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Lockhart River Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Lockhart River Aboriginal Shire Council for the year ended 30 June 2025, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Lockhart River Aboriginal Shire Council for the year ended 30 June 2025 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

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

Other Information

The councillors are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial sustainability statement and our auditor's report thereon.

At the date of this auditor's report, the available other information in Lockhart River Aboriginal Shire Council's annual report for the year ended 30 June 2025 was the general-purpose financial statements, current-year financial sustainability statement - contextual ratios, and the unaudited long-term financial sustainability statement, and annual report.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

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

31 October 2025

Dale Hassell
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Lockhart River Aboriginal Shire Council
Current-year Financial Sustainability Statement - Contextual Ratios
For the year ended 30 June 2025

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	0.6%	0.8%	0.6%	0.8%	Council has limited own revenue due to lack of rates base and Council significantly relies on grants funding for capital and opertaional expenditure.
	Population Growth	N/A	2.6%	-1.0%	2.6%	-1.0%	In the long term the population will increase due to new housing program that will provide more accommodation options for residents and road works employment opportunities.
Asset Management	Asset Renewal Funding Ratio	N/A	N/A	N/A	N/A	N/A	This ratio will be calculated in 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 2025.

Certificate of Accuracy
For the year ended 30 June 2025

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: 30 / 10 / 2025

Chief Executive Officer
David Clarke

Date: 30/ 10/ 25

Lockhart River Aboriginal Shire Council
Unaudited Long-term financial sustainability statement
Prepared as at 30 June 2025

Council

Type	Measure	Target (Tier 8)	Actuals as at 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	30 June 2034
Financial Capacity	Council-Controlled Revenue	N/A	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
	Population Growth	N/A	2.6%	-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	14.2%	1.4%	1.5%	2.0%	2.5%	2.8%	3.1%	3.5%	3.8%	4.2%
	Operating Cash Ratio	Greater than 0%	23.9%	11.5%	11.6%	12.0%	12.3%	12.6%	12.8%	13.1%	13.3%	13.6%
Liquidity	Unrestricted Cash Expense Cover	Greater than 4 months	N/A for long-term sustainability statement									
Asset Management	Asset Sustainability Ratio	Greater than 90%	68.6%	32.8%	201.6%	149.5%	146.2%	94.5%	113.5%	48.2%	106.9%	23.1%
	Asset Consumption Ratio	Greater than 60%	77.9%	76.5%	76.2%	75.7%	75.2%	74.3%	73.4%	72.0%	71.2%	69.8%

Consolidated

Type	Measure	Target (Tier 8)	Actuals as at 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	30 June 2034
Financial Capacity	Council-Controlled Revenue	N/A	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
	Population Growth	N/A	2.6%	-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	12.7%	0.5%	0.8%	1.4%	1.9%	2.3%	2.7%	3.1%	3.5%	3.9%
	Operating Cash Ratio	Greater than 0%	23.1%	11.5%	11.6%	12.1%	12.5%	12.8%	13.1%	13.4%	13.7%	14.0%
Liquidity	Unrestricted Cash Expense Cover	Greater than 4 months	N/A for long-term sustainability statement									
Asset Management	Asset Sustainability Ratio	Greater than 90%	68.6%	95.1%	125.1%	86.7%	90.0%	77.9%	67.4%	36.0%	60.3%	12.0%
	Asset Consumption Ratio	Greater than 60%	76.7%	76.1%	75.8%	75.2%	74.7%	74.0%	72.9%	71.9%	70.9%	69.9%
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.

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2025

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: 30 / 10 / 2025

Chief Executive Officer
David Clarke

Date: 30 / 10 / 25