

# ANNUAL REPORT 2018-2019



# About this report

This is another prosperous year for Lockhart River Aboriginal Shire Council. During the year more services were delivered that improved the livelihood to Lockhart community. The Annual Report will provide an overview of Council's performance and statement of wealth for the period 1 July 2018 – 30 June 2019.

In this report, Council's achievements for the financial year will be highlighted including the challenges encountered during the same period. Generally, the Council experienced expansion in its operations and construction of new infrastructure assets. The capacity of the Council to undertake this was tested and proven. Several methodologies were used to accomplish such works in collaboration with subcontracting partners. We are proud of the outcome and we will keep doing it.

The role of the Council of being accountable to the community residents did not waiver and the intent of this report is to show how each role was fulfilled. The Council's obligations to other parties like Staff, Councillors, Government Departments and other interested groups was no less during the year.

To achieve its objectives, Council uses a range of tools like our 5-Year Corporate Plan, our Operational Plan, and our Budgeting Tool. We use these to keep us on track and focused on delivery.

Copies of these documents are available in our website along with our Annual Report and the Council's Financial Statements. The can be accessed at any time free of charge electronically on Council website [www.lockhart.qld.gov.au](http://www.lockhart.qld.gov.au).

Like any organisation we are not perfect and can improve. Our Chief Executive Officer encourages feedback and comments on our services and as such they should be directed to him on 07 4060 7144 or email [ceo@lockhart.qld.gov.au](mailto:ceo@lockhart.qld.gov.au).

Please spare a moment of your time to read and enjoy this annual report presented herein.

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## Mayor's Report



The Lockhart River Aboriginal Shire Council has had another successful and productive Financial Year 2018/19, an “Unmodified’ External Audit result has Capitalised on our Capacity to Govern.

Accountability and transparency are critical in “good governance practice” and the credibility goes toward team work in governance, administrations and on the ground staff who are essential to productivity.

Housing funding has been a challenge and will continue to be a challenge. We have put an enormous amount of work towards building homes for our community and at the same time building the people’s capacity in the community by training apprentices. Despite this challenge, we have continued with our commitment to training programs for all staff.

The Council will continue to strive for the best of our community, we aim to live up to our VISION statement and hoping for another greater outcome in the next financial year.

Cr Wayne Butcher  
Mayor  
Lockhart River Aboriginal Shire  
Council



# Our Council

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

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

Councillors are elected every four years in accordance with the Local Government Act. The next election will be held on 28 March 2020.

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

This declaration requires the elected members to fulfill the duties of office by acting faithfully and impartially to the best of their judgment and ability and to uphold the Council Code of Conduct. In addition, Councillors are required to complete register of interests, as a further check to dealing with the issues of conflict of interest and material personal interest.

To represent the community effectively, Councillors are required to attend ordinary meetings at the Council and any special meetings that may be called.

Councillors are required to vote on all matters that require a decision or to abstain from taking part in the discussions and voting issues where they have conflict of interests and material personal interests. The role of the Mayor and Councillors is well spelt out in the Local Government Act 2009. Training has been provided to Councillors to help them understand their roles and responsibilities.

Council authority is exercised as a whole, with decisions being made by the Council in the best interest of the community. In this regard, the Local Government Act 2009 together with Council Policies provides guidance to the Mayor and Councillors on what their roles and responsibilities are, and the Code of Conduct expected of them.

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

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

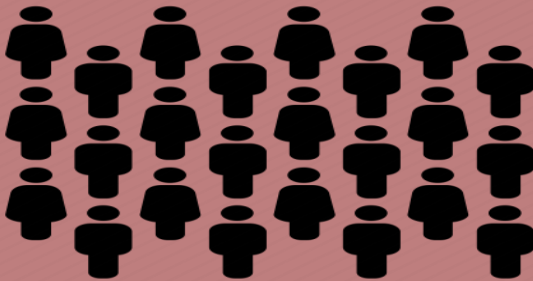
# Overview of Lockhart River



GOVERNANCE TEAM (5)  
3 Male    2 Female



LAND AREA  
3,540.72 km<sup>2</sup>  
WEATHER  
Highest Temp 32.1°  
Lowest Temp 23.7 °



POPULATION  
631 =  
49% Male  
51% Female



STAFF  
DEMOGRAPHICS  
68 FTE employees  
61% Male  
39% Female

## OUR VISION

- Strong Puuya,
- Strong Culture,
- Strong Future

## OUR MISSION STATEMENT

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

## OUR GUIDING PRINCIPLES & VALUES

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

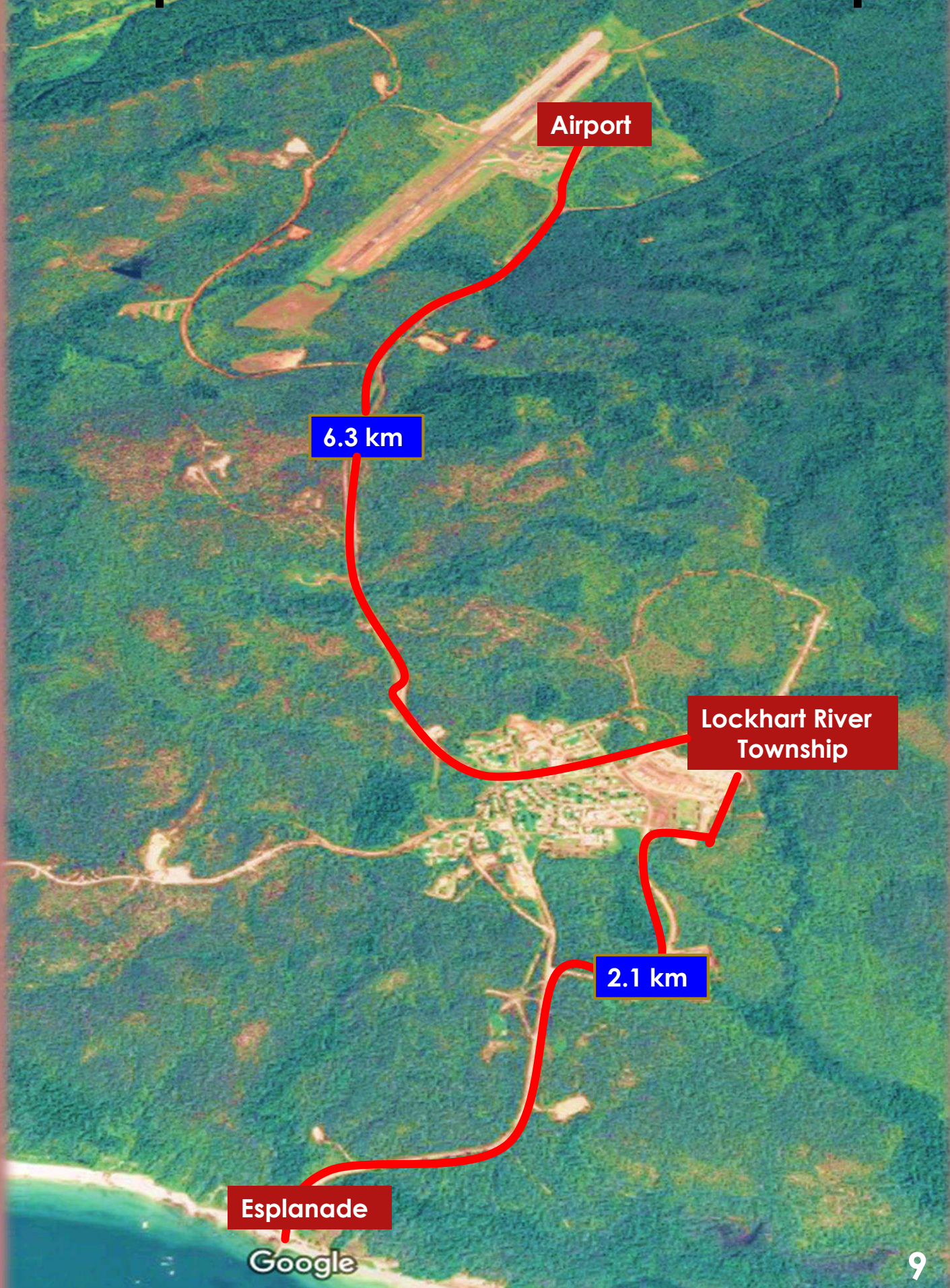
- \*Respect, Honesty Integrity, Working and Learning together.
- \*Fairness, Being positive, Respect of Culture, Accountability

# Map of Lockhart River





# Map of Lockhart River Township



Airport

6.3 km

Lockhart River Township

2.1 km

Esplanade

Google

# History of Lockhart River

Lockhart River was established in 1924 when people from five traditional territories in the area were coerced into a new Anglican mission (now known as the 'Old Site'). They spoke Wuthathi, Kuuku Ya'u, Uuthaalnganu, Umpila, and Kaanju languages and were not used to living close together.

Aboriginal people were not allowed to speak their language or to practise their cultural traditions and they were moved inland away from their sea country.

Marked by the good intentions but often misguided policies of successive governments and missionaries, our history is steeped in the traditional culture of our peoples.

## Early European contact

The first European contact with Lockhart River was by William Bligh in 1789. Most people know of the infamous 'mutiny on the Bounty' but many do not realise after being cast adrift, Captain Bligh's first landfall was close to where the Lockhart River mission would one day be built.

Explorer Edmund Kennedy passed through the traditional lands in 1848, swinging westward across the hills to the upper Pascoe River, in the first European attempt to survey the interior and peninsula of this part of Australia. He left a base party of eight on the Pascoe River, six of whom starved to death after refusing fish and other food from the Kuuku Ya'u people.

No further land exploration took place until William Hann came across from the Holroyd River in 1872, passing just south of the present town of Coen. Lockhart River was named during an exploratory expedition by government geologist Robert Logan Jack in 1880 after a friend of his (Hugh Lockhart), of Edinburgh.

The Claudie River was named after the son of a prospector in Jack's party, Billy Lakeland.

## Early industries

From the 1880s, sailors enlisted Aboriginal family groups to dive for beche-de-mer and pearl shell. Some of the lugger captains paid as little as \$1.50 a month and Aboriginal labour on luggers was later prohibited. This period is known as 'lugger time'.

Early last century, Orchid Point on Lloyd Bay was a centre for the trade of sandalwood. A base camp for gathering sandalwood was set up by Hugh Gibley. Gibley recruited Aboriginal workers to gather sandalwood, protected them from unscrupulous lugger captains and rewarded them with food, clothing and cased liquor for a Christmas party.

Gibley's death in late 1923, opened the way for missionaries to establish a base

## Aboriginal settlement

In 1906, Chief Protector of Aboriginals, RB Howard, recommended an Aboriginal settlement be established at Lloyd Bay. He wrote glowingly of the 'fine stamp of people – strong, healthy, active fellows who seemed delighted at the idea of a settlement being formed in their own country'.

In 1910, Howard noted sandalwood prices were falling and the Aborigines of the region would 'keenly feel hardship' when employment ceased.

He also pointed to problems relating to the supply of intoxicating liquor to the Lockhart Aborigines and referred to the 'urgent necessity of at once placing an officer of this Department at the Pascoe or Claudie River to see that the provisions of the Aboriginals Protection Act are not evaded'.



## A mission is formed

Harry Rowan was appointed Lay Missionary and Superintendent and arrived at the Waterhole (Orchid Point) in Lloyd Bay, next to Gibley's old camp in July 1924. This site was soon abandoned in favour of Bare Hill (*Ba'il*) 7 nautical miles south of Cape Direction. So the area known as *Putchiwu'chi* (*Fawn Breasted Bower Bird*) to the original owners became the site of the original Lockhart River Mission.

This was a difficult time when people were denied access to their country and forced to live with comparative strangers and, in some cases, enemies.

By January 1925, Rowan reported more than 80 Aborigines at the mission. High infant mortality in the previous decade meant the number of children was small but a school started by the end of 1925. In 1928, a church was under construction and cutting sandalwood was still the main income for the mission.

During the early 1930s, Rowan tried cotton, bananas, pawpaw, cassava, sweet potatoes and taro. A new launch was obtained so fish, dugong and turtle as well as garden produce sustained the mission.

An Act passed in 1934 which gave the Queensland Government the right to move Aborigines at will. People of the Flinders Islands area of Princess Charlotte Bay were brought to Lockhart. By 1936 only a few Aborigines in the north-eastern area remained in traditional lands. That same year, 80 older Aborigines were removed from the Coen and Batavia districts to the mission.

In 1937, the mission had a population of 388 but 35 lives were claimed by whooping cough in 1938, and flu claimed so many at the end of the war graves were shallow as there weren't enough healthy men to dig proper graves.

## World War Two

Locals tell how during the Second World War, all outsiders left to go down south and Aboriginal people were advised to 'go bush' to escape air raids. Typical of the era, prior to leaving, and at external instruction, all weapons were taken from the people and dumped at sea for fear of collusion with the Japanese.

Although times were still difficult, people re-established connection with their *ngaachi* (place/land/estates) and spread out like before.

The mission was re-established in 1947 with H Johnson as Superintendent. To try to establish community spirit, Johnson changed the structure from a series of sub-villages (representing tribal grouping) to a single settlement. He saw it as a necessary step in the 'breaking down of old tribal enmity and establishment of community spirit'.

Trochus fishing and other commercial activities were established. Johnson encouraged traditional skills such as language, bushcraft and hunting. His successor, Briggs, noted the 'complete absence of vindictiveness or arrogance' in the Lockhart Aborigines, whose spiritual qualities were 'outstanding'. Briggs resigned in 1950 and was succeeded by John Warby, whose name is commemorated in an era of Lockhart history as 'Warby time'.



## 'Warby Time'

Lockhart by now was in a desperate situation. Author Kylie Tennant described it as an 'unsanitary and poverty-stricken little pesthole' and 'the worst mission of them all'. Warby rebuilt the mission along the waterfront, established a reliable water supply, schooling, medical care, and a new church.

In a couple of years the number of deaths was, for the first time for some years, less than the number of births.

In 1953, Warby reported all people living in Lockhart had embraced Christianity.

With the encouragement of the Anglican Board of Missions, Warby established the Lockhart River Christian Cooperative (the 1<sup>st</sup> of its kind in Australia). Among other things, it aimed to teach people to run their own cooperative business, provide employment, establish a voluntary night school, improve living conditions and foster church activities. For the first time, mission residents were allowed to participate in decision making and play a role in routine administration

Trochus fishing continued to be the major economic enterprise. By 1956, the Cooperative was on a sound basis. Warby reported it was building up initiative, self-respect and self-reliance backed by a dramatically improved health situation. But the trochus market collapsed and evening classes closed due to lack of attendance.

Staff shortages were critical. Warby left in 1959 and his successor JT Currie found it necessary to close the Lockhart River Christian Cooperative in 1961.

## Government control

Financial difficulties and the failure to find permanent church workers led to the church relinquishing its control of the mission. In the early 1960s, the Anglican Bishop of Carpentaria secretly negotiated with the Director of Native Affairs to transfer Lockhart River to the state.

In 1964, the Anglican Church handed over the mission to the Queensland Government who tried to relocate the people to Bamaga. The people refused to go but in 1967 compromised with a move closer to the airport at Quintell Beach. This move was not a good one culturally or geographically. It took the settlement from one reasonably neutral location to one owned by a major group in the community; and from a traditional place on the coast to further inland. Friction resulted and continued.



On 30 March 1985, the Lockhart River community elected five councillors to constitute an autonomous Lockhart River Aboriginal Council. In a then ground-breaking recognition of Aboriginal land rights, the council area, previously an Aboriginal reserve held by the Queensland Government, was transferred on October 29, 1987 to the trusteeship of the council under a Deed of Grant in Trust (DOGIT). Locally elected councillors now provided administration for the Lockhart River DOGIT.

Part of the Lockhart River DOGIT area was transferred to Traditional Owners in September 2001 and placed into the Mangkuma [mung-Kooma] Land Trust.

On January 1, 2005, pursuant to the Local Government (Community Government Areas) Act 2004, Lockhart River Aboriginal Council became the Lockhart River Aboriginal Shire Council.

A successful Native Title determination for an area north of Lockhart River was ruled in favour of the KuukuYa'u [Koo-kooYao] people by the Federal Court of Australia in 2009.

## Culture

In spite of numerous attempts to suppress and destroy our culture over the years we have always understood it is a vital part of who we are personally and collectively and have stood strong. Few people realise Lockhart River was the birthplace of the dance festival which later moved to Laura where it became the longest, continuous cultural festival in Australia. Today, Lockhart River dancers still perform regularly at festivals including the Laura Aboriginal Dance Festival.

The community would dearly love to see a return of the dance festival to the place where it began some 30 years ago.

The community's strong cultural identity – as expressed through its dancers and also internationally-renowned Lockhart River Art Gang – makes Lockhart River a natural place to come together to celebrate the proud cultural heritage of Cape York.

Council provides all the support it can to help keep our culture strong and encourages recognition and residency of homelands.

# Facilities & Services

Hospital



## Lockhart River Primary Health Care

The Shire has got a health care Centre. The Centre provides primary clinical care and primary healthcare services through strong partnerships between nursing staff and Aboriginal and local staff. Routine services are offered weekly with 24 hour emergency services. Services provided include a suite of regular visiting medical, community and allied health services covering diabetes educators, podiatry, pediatricians etc. Contact: 07 4060 7155

Education



The school has about 120 students from pre-prep to year 12. Lockhart River Secondary School has developed a strategic plan to guide its journey towards ensuring all of its students fulfil their potential. 4 key priorities are of the school are:-

- (1) Literacy & Numeracy,
- (2) Student Attendance
- (3) School wide positive behaviour support and
- (4) Connection with community and culture.

Contact: 07 4083 3888 /e: the.principal@lockhartss.eq.edu.au

Early Childhood Development



Puuya Foundation is operating the Early Years Learning and Parenting Program (EYLP) in the community.

Contact: 0419 681 025 – Denise Hagen

Art and Cultural Centre



Lockhart River has an established Art Centre with respected artists who have been recognized nationally and internationally. The Art Centre has painters, weavers and crafters who have taken their art work to a higher level. For further information, contact Enoch Tel: 07 4060 7341

Library & Radio Building



The Indigenous Knowledge Centre has 5 computers set up for use by the community for online banking and communicating with family through online networking. The Radio provides a 24 hour local station broadcasting at 107.7FM. Both offices can be contacted on 07 4060 7050.

# Facilities & Services

Air Transport



Lockhart River boasts a 1500m sealed and secure, all weather run-way. Due to the installation of pilot activated lights, the aerodrome can now be accessed 24 hours a day. During the wet season when road access can be cut off for months, the aerodrome plays a key role in getting vital supplies and services into the community. There is a regular air service between Cairns and Lockhart River. Skytrans also provides flights from Lockhart River to Aurukun and Weipa on selected days. Airport Telephone Number: 07 4060 7121.

Shopping



There is a retail store operated by the Community Enterprise Queensland (CEQ) that sells groceries, limited household goods and a few clothes. Fresh food and vegetables are always available; the store also runs a fuel station. Lockhart River Retail Store Tel: 07 4060 7192.

Sea Transport



The community is serviced by a regular barge service by Seaswift who operates weekly service to Lockhart River. All the barge services are based at the Wharf along Quintell Beach.

Seaswift can be contacted on : 4035 1234

Road Transport



Internal roads within the community are bitumen sealed. Other access roads in the shire are unsealed and pose considerable challenge during the wet (Dec-May) season. Major transporters provide road services to the area during the dry season (Jun-Nov).

Accommodation is available at the following places.

- Iron Range Cabins Airport Tel: 074060 7147 (Preferred)
- Puucheewoo at Piiramo Street Tel: 074060 7134

The Puuya Centre is the focal point of community development, culture and capacity building activities training, counselling meetings, therapy, group work and story sharing. It is a convenient facility for group meetings away from town centre.

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

Accommodation



# Facilities & Services

Post Office



The Australian Post is responsible for the daily banking activities and postal services in the community. Everyday transactions are available. The Bank and Post Office opens between 9:00 am and 3.00 pm each day. There are two ATMs in the Community, one located at the Council Administration office and the other in the Retail Store Complex.

Power



Electricity in the Community is generated by Ergon Energy.

Parks & Beaches



There is Ivy Park with safe playing equipment located near the Retail Store. BMX track is accessible and located near the Council Chambers. Football oval is located next to the Community Hall and suitable for all field sports. Esplanade is located at the Quintell Beach area with a BBQ shelter.

Alcohol Management Plan



Lockhart River is what is considered under the Queensland Government liquor licensing as a restricted area with zero carriage limit. This means that the community including the airport is totally dry and no alcohol is allowed. No local brew is allowed as well. For more information please see <http://www.atsip.qld.gov.au/communities/alcohol-limits/alcohol-reforms/fag.html> There are serious penalties for breaching the alcohol limits. Police have the power to stop and search all vehicles, boats, aircrafts etc. coming into a restricted area.

Church



The Saint James Anglican church has a big hall which is used for most community functions. The church was built by Lockhart River people in 1971-73.



# Facilities & Services

Community Hall



There is a spacious Community Hall for public meetings and other community events and functions. Other facilities include the Kids club, Women's Shelter, Land and sea Centre, Justice Group office, HACC Centre and the Men's Healing Centre.

Cemetery



There is one cemetery facility located within the community operated by the Council.

Quintell Beach Walkway



## Other Facilities

### Private Enterprises

The following are prosperous and potentially expanding local businesses by the local people and for the local people:

- #Lockhart River Car Hire that provide vehicle hire services to visitors to the area.
- W&P Machine Hire to hire heavy plant and equipment for construction works
- JP Hobson Contracting for loader plant services
- PC Ropeyarn Contracting for water truck services
- Puul'u Contracting for fencing services
- D&C Contracting
- Gray Ochre Contracting
- WA Contracting

Private Enterprises



### Other local private enterprises

- Newton Spencer Contracting Services for general construction works
- Tonlay Pty Ltd for building construction works
- ESW Constructions for general construction works.

# Elected Members



**Mayor**

**CR WAYNE BUTCHER**

Ph.: 0428 180 325 E: [mayor@lockhart.qld.gov.au](mailto:mayor@lockhart.qld.gov.au)  
Portfolio: Governance, Employment, Training and Leadership, Land, Sea, Homeland (Land trust)



**D/Mayor**

**CR NORMAN BALLY**

Ph.: 0409 692 172 E: [dmayor@lockhart.qld.gov.au](mailto:dmayor@lockhart.qld.gov.au)  
Portfolio: Housing, Infrastructure, Roads, Parks and Gardens



**Councillor**

**CR DOROTHY HOBSON**

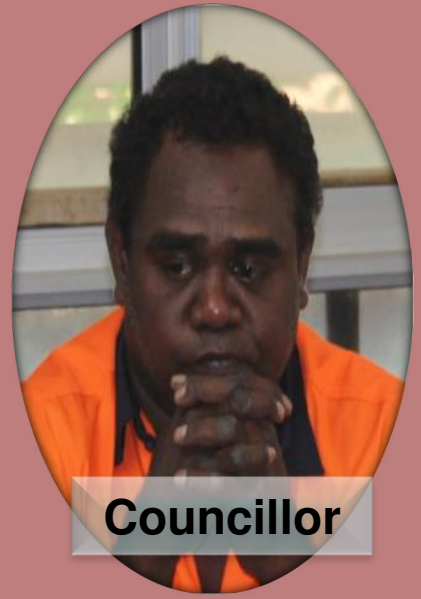
Ph.: 0438 106 160  
e:[Dorothy.hobson2@lockhart.qld.gov.au](mailto:Dorothy.hobson2@lockhart.qld.gov.au)  
Portfolio: Youth, Sports and Recreation



**Councillor**

**CR KAREN KOKO**

Ph.: 0417 422 552  
e:[karen.koko@lockhart.qld.gov.au](mailto:karen.koko@lockhart.qld.gov.au)  
Portfolio: Education, Economic Development and Enterprise



**Councillor**

**CR DARREN MACUMBOY**

Ph.: 07 4060 7144  
e:[darren.macumboy@lockhart.qld.gov.au](mailto:darren.macumboy@lockhart.qld.gov.au)  
Portfolio: Health, Law, Justice and Order

# The Senior Management



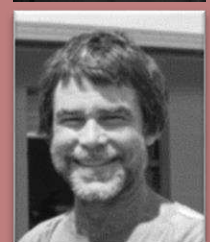
**David Clarke**  
Chief Executive Officer



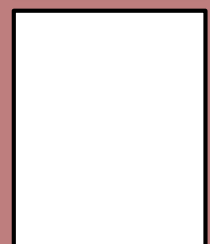
**Stanley Mugwiria**  
Director Corporate Services



**Margaret Barnes**  
Director Community Development  
Services



**Paul Jensen**  
Director Essential Services



**Vacant**  
Director Engineering Services



**Regis Edmond**  
Director Building Services

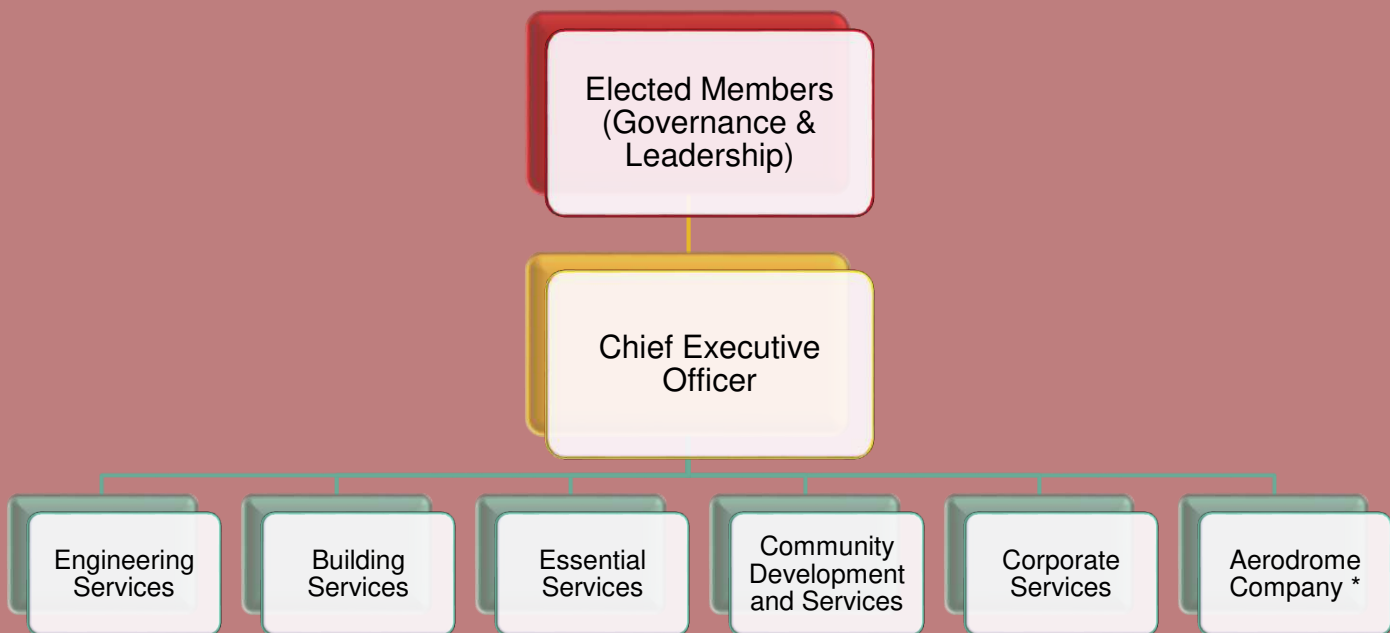


**Robert (Bob) Brown**  
Manager Aerodrome



# Organizational Structure

The structure consists of five departments and Lockhart River Aerodrome Company Pty Ltd. The heads of these departments and Aerodrome Company report to the Chief Executive Officer and they form senior management team. They are responsible for the implementation of the Council policies, resolutions and operational plans and provide advice to the Council in their key operational areas. The organizational structure was as below:



\*The Council is the parent of controlled entity, Lockhart River Aerodrome Company Pty Ltd.

# Disclosures

## Councillors meetings attendance and remuneration

The Councillors' remuneration is reviewed and determined by the Local Government Remuneration Tribunal annually. The following is the schedule of meetings attendance and remunerations for the period July 2018 – June 2019.

Councillor	Ordinary Meeting	Special meetings	Total meetings	Remuneration	Super	Total \$
Cr Wayne Butcher <b>Mayor</b>	11	1	12/12	\$104,718	\$12,461	\$117,179.00
Cr Norman Bally <b>D/Mayor</b>	10	1	11/12	\$60,413	\$7,189	\$67,602.00
Cr Dorothy Hobson <b>Councillor</b>	10	1	11/12	\$52,358	\$6,230	\$58,588.00
Cr Darren Macumboy <b>Councillor</b>	6	1	7/12	\$52,358	\$4,932	\$57,290.00
* Cr Karen Koko <b>Councillor</b>	5	1	6/9	\$36,970	\$3,322	\$40,292.00

Councillor	Expense Claimed
Cr Wayne Butcher <b>Mayor</b>	\$44,244
Cr Norman Bally <b>D/Mayor</b>	\$6,283
Cr Dorothy Hobson <b>Councillor</b>	\$5,450
Cr Darren Macumboy <b>Councillor</b>	\$2,817
* Cr Karen Koko <b>Councillor</b>	\$2,400

Cr Karen Koko sworn in October 2019

Councillors are provided with specific facilities and support as per the following:

### Mayor

- Vehicle, iPhone, iPad and Laptop

### Deputy Mayor

- Vehicle, iPhone and iPad

### Councillors

- Smart Phone and iPad

# Disclosures

## Senior Management Team

During the 2018/19 financial year, the following were the members of Senior Management team:

- Chief Executive Officer Mr. David Clarke
- Corporate Services Mr. Stanley Mugwiria
- Building Services Mr. Edmond Regis
- Community Development & Services Mrs. Margaret Barnes
- Engineering Services Vacant
- Environmental Management Mr. Paul Jensen
- Aerodrome Company Mr. Robert Brown

## Executive Remuneration

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

Section 201 of the Local Government Act 2009 requires that the remuneration salary and super packages of senior contract employees employed by the Council be reported as follows:

Range of total remuneration package	Number of Senior Officers
Less than \$100,000	0
\$100,000 or more	6

## Invitation to tenderers to change their tender details

No actions were taken to amend tender specifications after the tenders were invited.

## Beneficial Enterprises

The Lockhart River Aboriginal Shire Council recognizes the operations of Puuya Foundation that has continued to support parents and teachers by establishing the Early Childhood Learning Centre. The Centre has continued providing very professional early childhood learning to Lockhart River kids. The Centre is mainly employed local people.

## Significant business

The Lockhart River Aboriginal Shire Council did not conduct any significant business activities during the year.

## Invitations to provide expressions of interest

There was no new invitation to provide expressions of interest during the year.

## Internal Audit

Jessups Chartered Accountants were the internal auditors and during the year the internal audit focused on

- ▶ Related Party Transactions
- ▶ Contract Management
- ▶ Review of Risk Register
- ▶ Payroll processing.

Two internal audit reports were presented and discussed by the Council during the year.

## External Audit

Council financial reports and operations were audited by the Auditor General of Queensland. The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. In making those risks assessments, the auditor consider internal controls relevant to the entity's preparation and fair presentation of the financial report. An audit also evaluates the appropriateness of the accounting policies used and reasonableness of estimates made by the management.

For the financial year 2018-19, the Council received an **unmodified audit opinion** and that means Council's operations have received a good financial report.

## Assessment of Corporate Plan and Operational Plan

The 5-Year Corporate Plan, Operational Plan and Budget documents were discussed and adopted on 31 July 2018 for implementation. Operational plan reviews and monthly budget performance assessment were agreed.

## Annual Report

Section 104 of the Local Government Act 2009 require the Council to prepare and adopt its annual report within the required legislative timeframe. The audited 2018/19 financial statements were signed by the Auditor-General on 30 October 2019 but the 2018-19 Annual Report was approved by the Council on 19 February 2020.

## Community donations and support

According to the requirement of section 189 of Local Government Regulation 2012, the Council did not provide grants to any community organisation during the year except for contributions to assist local people with funeral expenses and support of cultural and sporting activities. During the year, the Council spent \$111,932 on these contributions.

## List of Registers available to the public

- ▶ The following registers are held by the Council:
  - Register of interests of Councillors
  - Register of Election Gifts and Benefits
  - Register of Interest of Chief Executive Officer & Senior Contract Employees
  - Register of Delegation (including financial)
  - Asset Register
  - Road Register
  - Prequalified Suppliers Register
  - Council Local Laws register
  - Fraud Register
  - Complaints Register

## Overseas travel

Neither the Councillors nor the employees made any overseas travel on official arrangement during the financial year.

## Other relevant issues to making an informed decision

During the financial year, there are no known issues relevant to making informed assessment of the Council's operation and performance.

## Conduct and performance of Councillors

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

## Compliance Requirements

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



## Complaints Management Process – Administration Action Complaints

Where there are administrative complaints, under section 187 of the Local Government Regulation 2012, the Council has established and maintained effective policy and process for resolving them. This policy and complaints handling framework is fairly consistent in resolving complaints.

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

Further information of Council's Complaints Policy and Process can be obtained at [www.lockhart.qld.gov.au](http://www.lockhart.qld.gov.au)

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

No administrative action complaints were recorded during the reporting year.

## Training and Development

Council has a developed comprehensive policy on staff training and development to support and foster competent and safe workforce. Council provides study time and travel expenses to employees in order to attend all work related training. Council's staff training and development policy is available at the HR office.

## Equal Employment Opportunity (EEO)

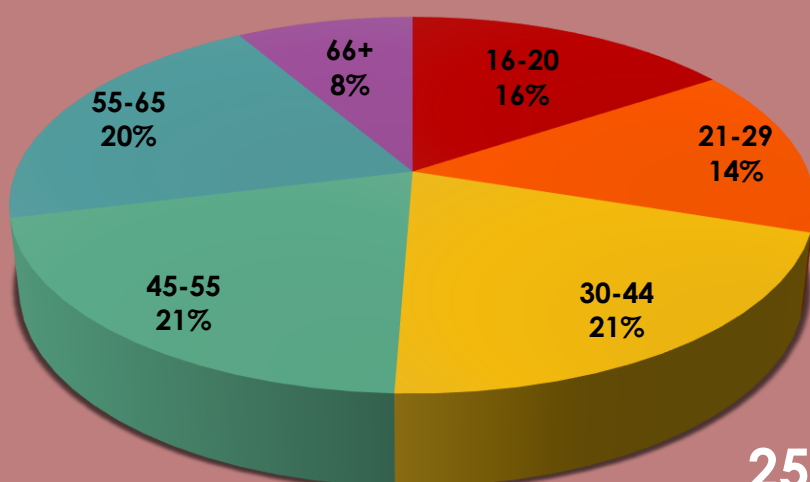
Council has developed and implemented an Equal Employment Opportunity Policy (EEO) and Management Plan. The EEO and Management plan has been adopted in all areas of Council operations and to ensure that the workforce is free of discrimination, that all vacant positions are advertised openly; that appointments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

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

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

## Employees statistics

Council workforce is dominated by men representing 61 per cent while women are 39 per cent. These figures are consistent with last year's report The balance of male and female in the Leadership and Governance is 60:40 with 3 male councilors and 2 female councilors. Employees by age category is reflected on this chart.





## Work Place Health & Safety

The Council is responsible for ensuring safe working environment for all its employees. Also, the Council is obliged to comply with requirements under Work Health & Safety Act and Regulation 2011.

Staff safety awareness has increased through training and robust incidence reporting system to ensure appropriate actions are carried out to reduce risk of incidents occurrence. Council encourages employees to acquire safety knowledge around workplace and outside working environment for their own safety benefits.

### **Code of conduct**

The Council developed and implemented Code of Conduct for employees that provide guidelines to employee professional behavior and practices. This policy document is updated annually due to changing employee behavior. The policy is part of the human resources set of policies.

## Rates and Charges

In accordance with requirement under section 190(1)(g) of the Local Government Regulation 2012, the annual report must prepare a summary of all concessions for rates and charges granted by the local government. Lockhart River Aboriginal Shire Council did not grant any concessions during the financial year.

## Controlled Roads

At Lockhart River, the Council controls the entire 222km of road and bridge network. This infrastructure requires dedicated Council's road gang resources to maintain in order to achieve the service level expected by the community members and visitors. At the date of this report the following was the make-up of the network:

Description	#
<b>Bridges</b>	<b>1</b>
<b>Storm-water culverts and floodways</b>	<b>115</b>
<b>Rural/Urban roads – unsealed</b>	<b>182 km</b>
<b>Rural/Urban roads – sealed</b>	<b>40 km</b>
<b>TOTAL LENGTH OF ROAD AND BRIDGE NETWORK</b>	<b>222 km</b>



## Governance & Leadership

We had significant achievement of our objectives and strategies during the year. Most notable are as follows

- Expanded local contracting panel made up of local people and this created more jobs within the community
- Delivered internal audit reports for the year focusing on risk management, procurement, payroll and related party.
- Expenditure by Council on donations and support to community and sporting events was \$111,932
- Upgraded Council and Aerodrome website
- Funding for new cabins \$1.080 m approved

## Engineering Services

The Engineering services had a very busy year and the following road works were accomplished

- » Completed construction works on Wachee Crossing, CIMA Works on Portland Road and sealing missing link.
- » NDRRA works on Old Mission Rd, Portland Rd, Line Hill Rd, Yellow Sand Pit Rd, Wachee St, Dean's Creek Rd, Taylors Landing Road and Kuttini East Street.
- » Road register updated and road condition assessment by CT Management Group and Companies.
- » Completion of upgraded Gordon Bridge, airport bridge expanded from one to two lane.
- » Inclusion of Tinta and Puu'lu into council asset register from new subdivisions.



# Council Performance

“The Year in Review”



## Building Services

The Building Services team has seen a very successful year.

- » We have had three apprentices successfully complete their training to become tradesman.
- » There were 5 brand new houses built and 2 major renovations on Council Staff houses and 4 on community houses.
- » Contract and recoverable works revenue make up significant portion of Council's recurrent revenue.



# Council Performance

“The Year in Review”



## Environmental Health Services

The Environmental Management team is involved in the plumbing and garbage collection service lines. They ensure that essential services are reliably available to keep the Community clean and healthy.

- » New water bores installed
- » Recalculation of Landfill, rehabilitation provisions was undertaken.
- » Regular vet visits

## Community Development

Successful Community Programs:

- » HACC
- » Women Shelter
- » Men's Support Services
- » Outside School Care Program
- » LR Cultural Digitisation
- » Youth at Risk
- » Community Radio
- » Family Support Services
- » Indigenous Australian Health Program

DRONE FOOTAGE SUPPLIED BY ALLISTER J WHITE – FEB 2020



# Council Performance

"The Year in Review"



## Corporate Services

- » Training & implementation of Synergy Soft Accounting Software
- » Annual audit completed on 30 October 2019 and unmodified audit opinion
- » Balanced budget was prepared and presented on 19 July 2019
- » Student traineeship program



## Aerodrome Company Pty Ltd

- » Completion of Pavement rehabilitation projects
- » Construction of Helicopter Landing Pad
- » Construction of Light Aircraft Parking Area
- » Construction of new Airport Terminal Building
- » Commencement of construction work for Airport Security Fencing



# COMMUNITY FINANCIAL REPORT

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

## 1.0 Snapshot of financial year 2018/19 (consolidated entity)

Key highlights of the financial year include:

### 1.1 Consolidated Capital expenditure during the year includes:-

Plant and Equipment	\$	139,249
Roads and Bridge Network Infrastructure	\$	4,794,978
Other Infrastructure	\$	248,659
Furniture and office equipment	\$	9,617
Water Infrastructure	\$	3,080
Work in Progress	\$	1,127,775
<b>Total capital expenditure</b>	<b>\$</b>	<b>6,323,358</b>

### 1.2 Net results for the year

**\$7,491,219**

## 2.0 End of Year Financial Statements

### *What you will find in the Financial Statements*

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2019.

### *About the Management Certificate*

The Financial Statements must be certified by both the Mayor and the Chief Executive Officer as "presenting a true and fair view" and are required to be adopted by Council to ensure responsibility and ownership of the Financial Statements by management & elected representatives.

### *About the Financial Statements*

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

## 2.1 Statement of Comprehensive Income

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



## 2.2 Balance Sheet

End of year Council's Financial Position that includes Assets, Liabilities and Community Equity.

## 2.3 Statement of Changes in Equity

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

## 2.4 Statement of Cash Flows

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

## 2.5 Notes to the Financial Statements

Provide more details to the line numbers of the 4 "primary" financial statements.

## About the Auditor's Report

Council's Financial Statements are required to be audited by the Queensland Audit Office. The Auditor provides an audit report which gives an opinion on whether the Financial Statements present a true and fair view of the Council's financial performance and position. Our Council received unmodified audit opinion (good audit report) from Queensland Audit Office.

## Where to find a complete version of 2018/19 Financial Statements (Consolidated)

A complete version of Council's Financial Statements for the 12 months to 30 June 2019 can be found at our website: [www.lockhart.qld.gov.au](http://www.lockhart.qld.gov.au) or at the Council's administrative officers at:

**14 Maathuy Street  
Lockhart River, QLD 4892  
Or  
Unit/7 Anderson Street  
Manunda Street, QLD 4870**





### 3.0 An Overview of this year's Financial Result & Financial Position

#### 3.1 Council's Consolidated Statement of Comprehensive Income for 2018/19

Council's headline consolidated operating result for the year was a net surplus of \$7,491,217. This surplus is mainly due to increase in capital grant funding and other grants that remained unspent. The revenue from recoverable works decreased whereas operating expenses moderately increased.

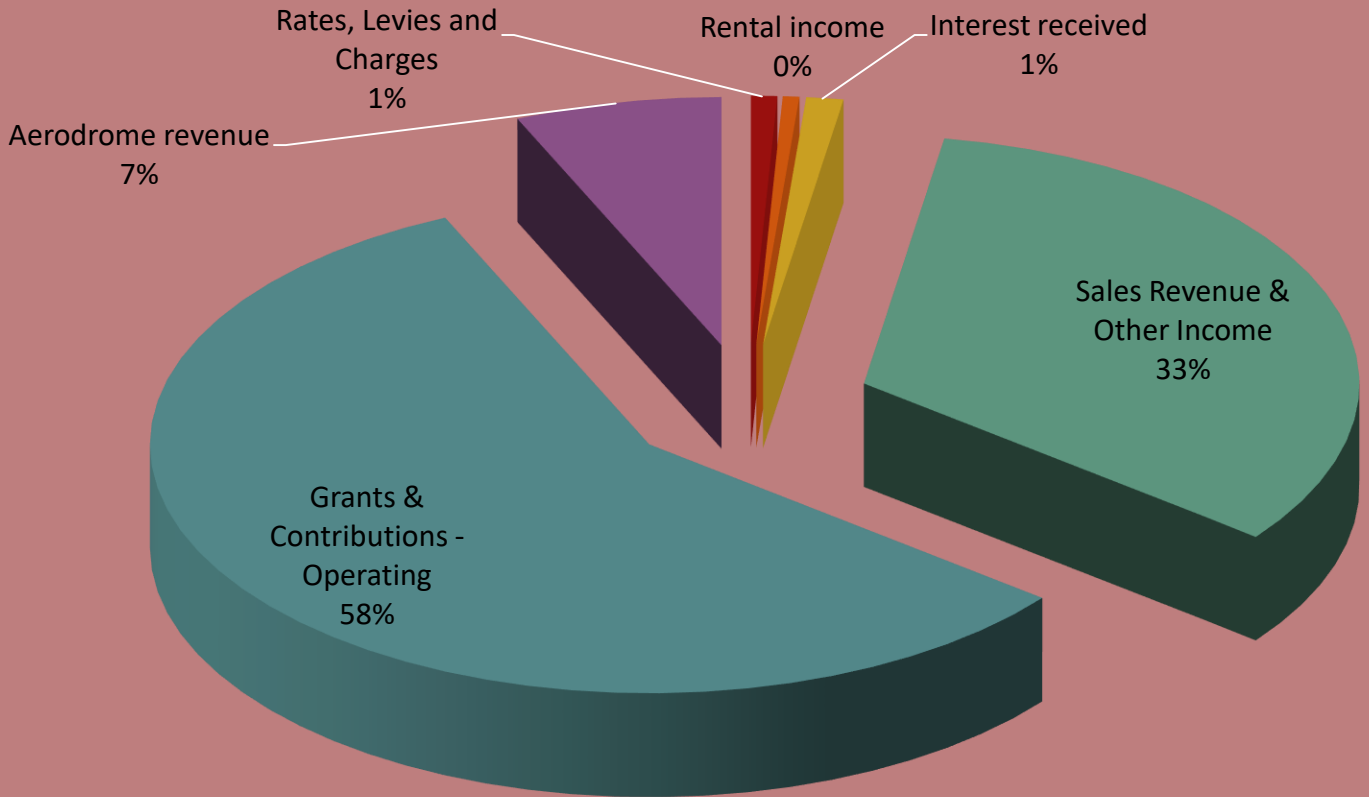
The following are the key financial performance highlights (Consolidated):

In the overall, the Council and senior management believe the financial results for the year to be satisfactory but will endeavour for a better outcome in the current financial year.

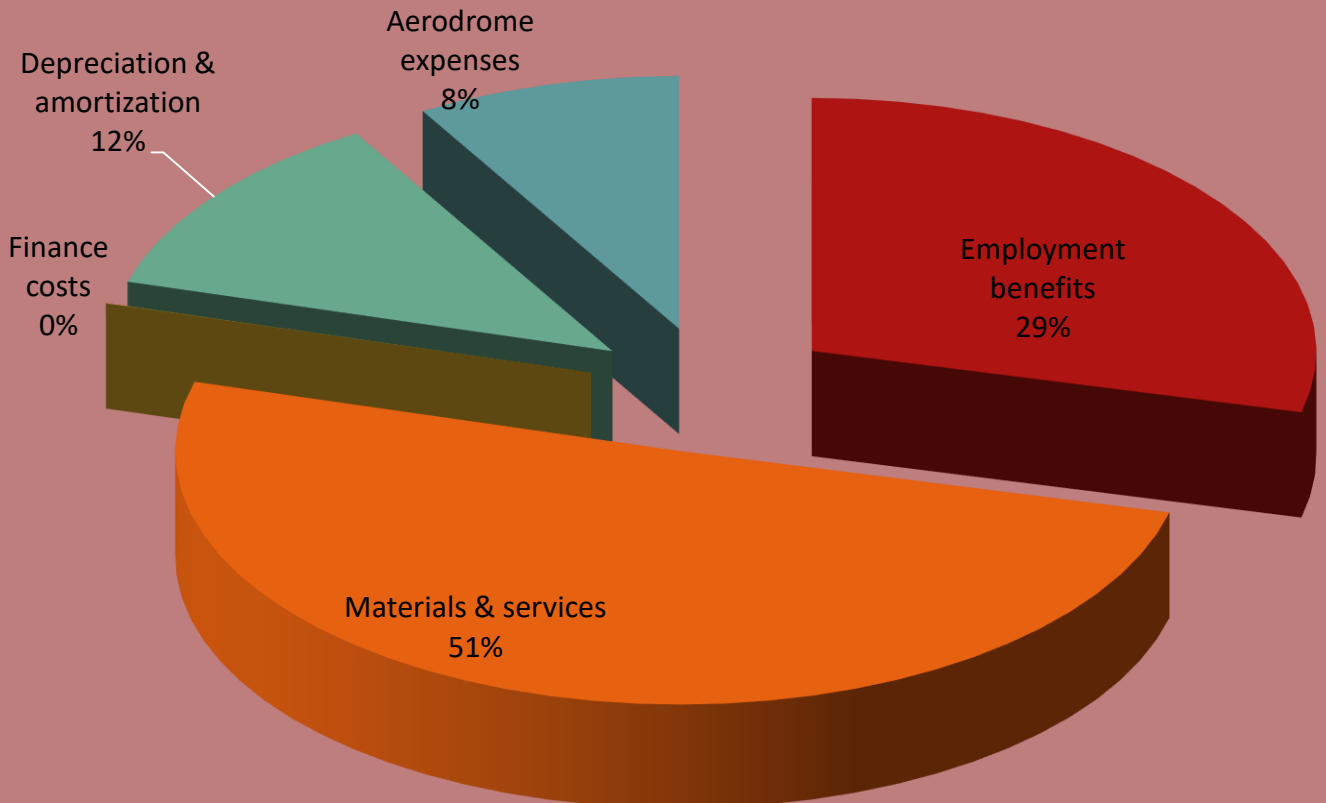
#### Council's Result (Consolidated)

	Actual \$ 2019	Budget \$ 2019	Actual \$ 2018
Revenues (excl. income for capital purposes)	17,346,798	20,587,693	13,892,311
Expenditure (excl. capital expenses)	(16,408,613)	(20,477,750)	(13,087,616)
<b>Net Result before Capital Grants &amp; Contributions</b>	<b>938,185</b>	<b>109,943</b>	<b>804,695</b>
Capital Grants & Contributions	6,787,892	7,835,550	9,626,351
Capital expenses	(234,860)	-	(1,073,896)
<b>Net Result</b>	<b>7,491,217</b>	<b>7,945,493</b>	<b>9,357,150</b>

# Council's recurrent revenue for the year 2018-19



# Council's recurrent expenditure for the year 2018-19



### 3.2 Councils Consolidated Statement of Financial Position (Balance Sheet) – Net Wealth

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

	Actual \$ 2019	Actual \$ 2018
<b>The major items that make up Council's wealth include the following assets:</b>		
Available Cash & Investments ****	12,427,372	10,187,745
Debtors	992,659	1,883,322
Inventories	313,882	306,376
Other financial assets - Current	292,701	288,340
Other financial assets - Non Current	10,829,038	9,659,733
Infrastructure, Property, Plant & Equipment		
- Capital Work in Progress	1,255,247	937,822
- Land	1,000,000	1,100,000
- Buildings	11,268,450	10,428,531
- Housing	10,411,792	8,085,954
- Plant and Equipment	1,299,828	1,447,085
- Furniture and office equipment	338,203	229,842
- Road, Drainage and Bridge Network	48,696,528	44,567,164
- Water	3,640,317	3,391,695
- Sewerage	4,021,912	3,566,109
- Other Infrastructure Assets	3,951,740	3,478,367
	<u>110,739,669</u>	<u>99,558,085</u>
<b>Council has funded some of its operations and assets by the following liabilities:</b>		
Trade and other payables	1,739,716	2,902,328
Current provisions	151,761	69,938
Non-current provisions	1,617,356	1,756,104
	<u>3,508,833</u>	<u>4,728,370</u>
<b>Net Community Equity</b>	<b><u>107,230,841</u></b>	<b><u>94,829,720</u></b>

\*\*\*Cash & Investments "restricted" for future funding purposes

3,584,801

3,506,315

### 3.3 Key Financial Figures - A Snapshot

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

## Key Financial Figures over the past 5 years (Consolidated)

Financial Performance Figures (\$)	2019	2018	2017	2016	2015
<b>Inflows:</b>					
Fees & Charges	147,459	142,823	133,304	121,790	116,069
Other revenue	1,583,620	501,500	98,916	1,681,091	166,166
Rental Income	93,064	205,954	251,055	417,708	418,245
Interest Received	209,604	184,334	121,783	176,110	77,487
Sales Revenue	5,254,007	6,428,169	6,172,982	7,616,782	7,404,352
Grants, Subsidies, Contributions & Donations					
- Operating & Capital	16,846,937	16,055,882	22,954,581	18,189,221	10,144,837
<b>Total Income from Continuing Operations</b>	<b>24,134,691</b>	<b>23,518,662</b>	<b>29,732,621</b>	<b>28,202,702</b>	<b>18,327,156</b>
Sale Proceeds from PP&E	-	-	-	-	42,182
Finance lease receipts	288,340	283,545	272,719	256,814	343,838
<b>Outflows:</b>					
Employee Benefits	5,217,842	4,584,181	4,750,916	4,547,114	3,967,194
Materials & Services	8,916,384	6,454,383	9,903,290	9,800,996	4,453,118
Finance Costs	34,643	(13,682)	(63,152)	37,375	114,719
<b>Total Expenses from Continuing Operations</b>	<b>14,168,869</b>	<b>11,024,882</b>	<b>14,591,054</b>	<b>14,385,485</b>	<b>8,535,031</b>
<b>Total Cash purchases of PP&amp;E</b>	<b>6,276,344</b>	<b>11,763,183</b>	<b>15,688,840</b>	<b>6,445,208</b>	<b>5,028,936</b>
<b>Operating Surplus/(Deficit) (excl. Capital Income &amp; Expenditure)</b>	<b>938,185</b>	<b>804,695</b>	<b>(2,976,240)</b>	<b>3,458,964</b>	<b>7,770,981</b>
<b>Financial Position Figures (\$)</b>					
Current Assets	14,026,613	12,665,782	14,127,744	12,023,689	7,869,023
Current Liabilities	1,891,477	2,972,266	4,727,924	2,064,126	2,538,265
<b>Net Current Assets</b>	<b>12,135,136</b>	<b>9,693,516</b>	<b>9,399,820</b>	<b>9,959,563</b>	<b>5,330,758</b>
Cash & Cash Equivalents	12,427,372	10,187,745	12,156,711	8,842,350	4,855,783
Total Gross Value of PP&E (excl. Land)	117,167,161	107,359,517	94,766,985	80,965,338	76,166,356
Total Accumulated Depreciation	32,283,144	31,226,949	28,602,514	29,559,416	17,117,771
<b>Total Written Down Value of PP&amp;E (excl. Land)</b>	<b>84,884,017</b>	<b>76,132,568</b>	<b>66,164,471</b>	<b>51,405,922</b>	<b>59,048,585</b>
Indicative Remaining Useful Life (as a % of GBV)	72%	71%	70%	63%	78%

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

## 4.0 Financial Sustainability Measures

The Financial Sustainability of Councils is now a requirement by the Local Government Act 2009 and responsibility of individual Councils across Queensland.

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

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

### Operating Surplus Ratio

*Net Result divided by Total Operating Revenue*

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

### Asset Sustainability Ratio

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

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

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

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

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

### Net Financial Liabilities Ratio

*Total Liabilities less Current Assets divided by Total Operating Revenue*

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

## Financial Sustainability Indicators (Consolidated)

for the year ended 30 June

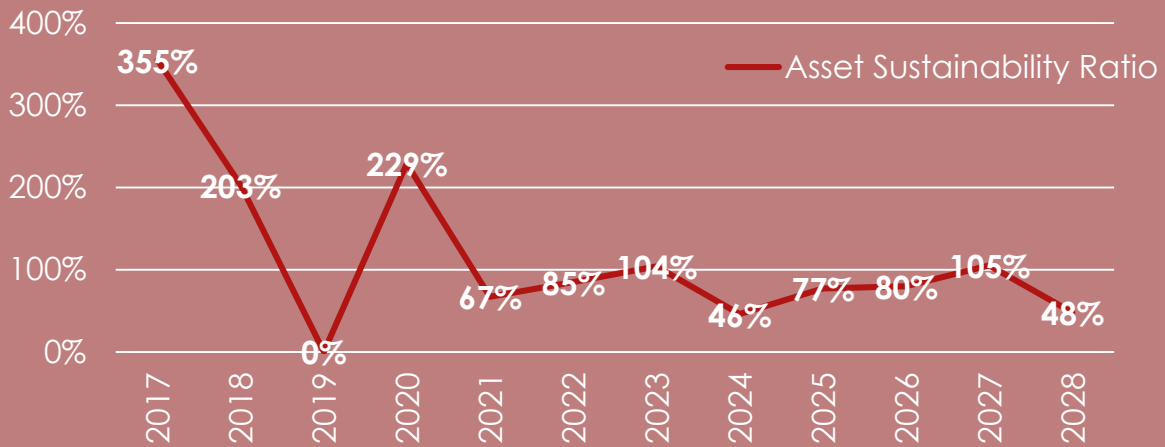
	Target	Long Term Financial Plan Projections											
		Actual 2017	Actual 2018	Actual 2019	Budget 2020	Yr 1 2021	Yr 2 2022	Yr 3 2023	Yr 4 2024	Yr 5 2025	Yr 6 2026	Yr 7 2027	Yr 8 2028
<b>Ratio</b>													
Operating Surplus Ratio	0 - 10%	-21%	6%	5%	-7%	-9%	-7%	-6%	-5%	-3%	-1%	0%	-1%
Asset Sustainability Ratio	> 90%	355%	203%	0%	229%	67%	85%	104%	46%	77%	80%	105%	48%
Net Financial Liabilities Ratio	< 60%	-57%	-57%	-61%	-45%	-40%	-34%	-27%	-22%	-27%	-26%	-35%	-37%

## Operating Surplus Ratio



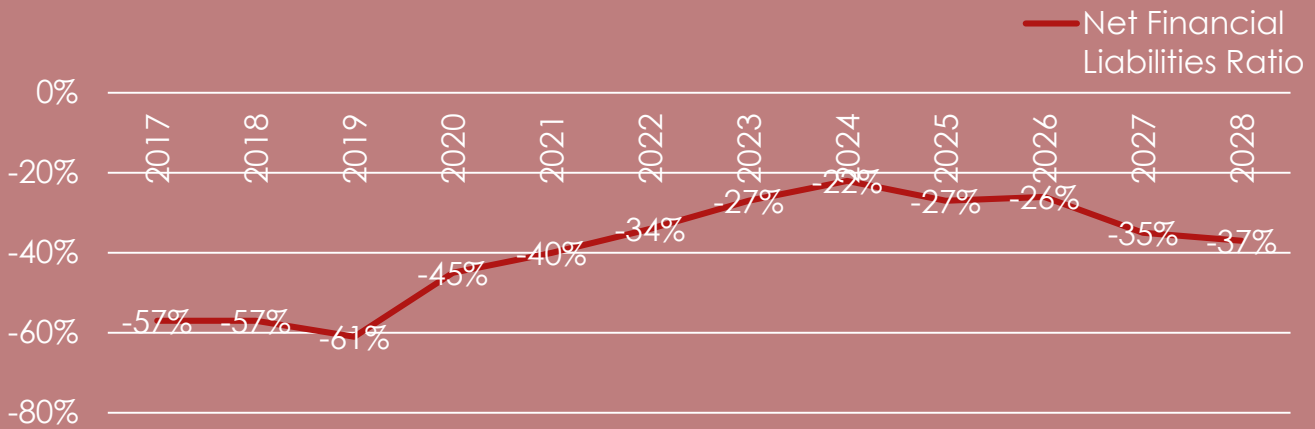
*The Consolidated entity reported operating surplus ratio of 5% for 2018/19 financial year that was within the target of between 0% and 10% per annum on average over the long term. The Council and Aerodrome Company earned sufficient revenue that could cover operating expenses and offset past or future operating deficits or to fund proposed capital expenditure. The management is determined to achieve for better surpluses in all future financial years.*

## Asset Sustainability Ratio



*The Consolidated entity achieved Asset Sustainability Ratio of 0% that was below the target of >90% implying that the Council and Aerodrome Company have sufficiently maintained, replaced or renewed existing infrastructure assets as they are consumed. This may reduce service levels and useful lives of these assets.*

## Net Financial Liabilities Ratio



*The Consolidated entity recorded Net Financial Liabilities Ratio of -61% against a target of <60% and this indicates that the current assets exceed the total liabilities. The Council and Aerodrome Company appears to have the capacity to increase its funding.*

## APPENDIX - ANNUAL FINANCIAL STATEMENTS

To access the Audited Financial Statements for the year ended 30 June 2019, click on the hyperlink below or through the Council's website or obtain a copy from the Council office.

<http://lockhart.qld.gov.au/wp-content/uploads/2018/11/Audited-LRASC-Financial-statements-for-2018-19.pdf>

