

Lockhart River Aboriginal Shire Council



Annual Report 2013 - 2014

TABLE OF CONTENTS

INTRODUCTION..... 2

MAP OF LOCKHART RIVER 3

MAP OF LOCKHART RIVER TOWNSHIP..... 4

COUNCIL VISION, MISSION STATEMENT AND GUIDING VALUES..... 5

MAYOR’S REPORT 6

CHIEF EXECUTIVE OFFICER’S REPORT..... 7

LOCKHART RIVER HISTORY 8

FACILITIES AND SERVICES..... 12

PRIVATE ENTERPRISES..... 15

OUR COUNCIL 17

 ELECTED MEMBERS..... 18

 COUNCILLORS REMUNERATION 19

 OUR ORGANISATION..... 20

 SENIOR MANAGEMENT TEAM MEMBER 20

 EXECUTIVE REMUNERATION 21

 INVITATION TO TENDERERS TO CHANGE THEIR TENDER DETAILS..... 21

 BENEFICIAL ENTERPRISES..... 21

 SIGNIFICANT BUSINESS..... 21

 INVITATIONS TO PROVIDE EXPRESSIONS OF INTEREST 21

 INTERNAL AUDIT 21

 EXTERNAL AUDIT..... 22

 ASSESSMENT OF CORPORATE PLAN AND OPERATIONAL PLAN..... 22

 ANNUAL REPORT..... 22

 GRANTS TO COMMUNITY ORGANISATIONS 22

 LIST OF REGISTERS AVAILABLE TO THE PUBLIC 22

 OVERSEAS TRAVEL..... 23

 OTHER RELEVANT ISSUES TO MAKING AN INFORMED DECISION..... 23

 CONDUCT AND PERFORMANCE OF COUNCILLORS 23

 COMPLAINTS MANAGEMENT PROCESS – ADMINISTRATION ACTION COMPLAINTS 23

 TRAINING AND DEVELOPMENT..... 24

 EQUAL EMPLOYMENT OPPORTUNITY (EEO) 24

 EMPLOYEES STATISTICS..... 24

 WORK PLACE HEALTH & SAFETY 24

 CODE OF CONDUCT..... 25

 RATES AND CHARGES..... 25

 CONTROLLED ROADS..... 25

COUNCIL PERFORMANCE – THE YEAR IN REVIEW 25

 ENGINEERING SERVICES 25

 BUILDING SERVICES..... 25

 ENVIRONMENTAL MANAGEMENT 26

 LOCKHART RIVER AERODROME COMPANY..... 26

 COMMUNITY DEVELOPMENT SERVICES..... 27

 PUUYA FOUNDATION..... 27

 CORPORATE SERVICES 28

COMMUNITY FINANCIAL REPORT 29

AUDITED FINANCIAL REPORT 40

Lockhart River Aboriginal Shire Council

ANNUAL REPORT 2013 - 2014

Lockhart River Aboriginal Shire Council 2013-14 Annual Report provides a comprehensive account of Council's performance from 1 July 2013 – 30 June 2014.

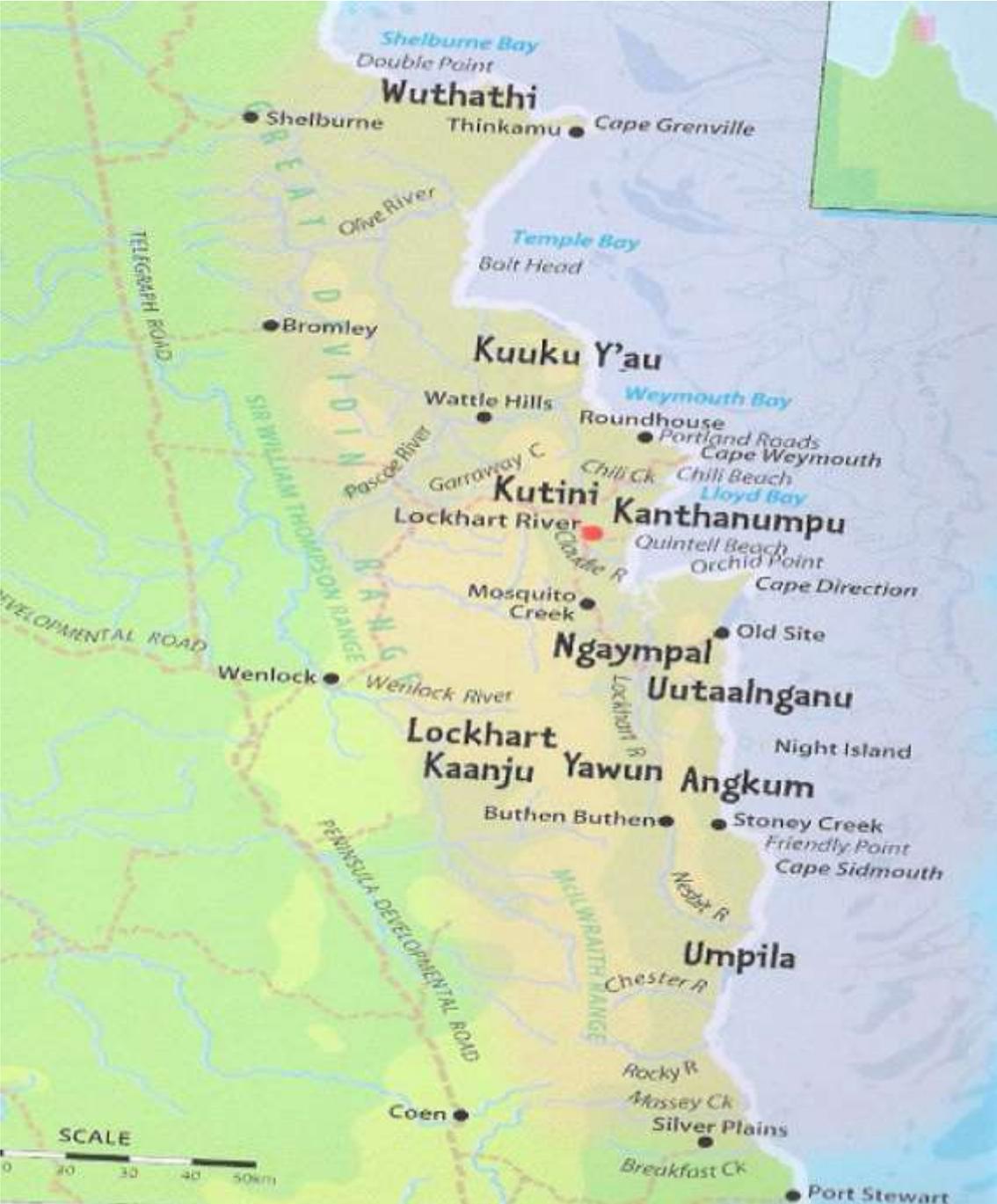
This report details our achievements over the last 12 months, addresses some of the setbacks experienced and also identifies the future challenges that lie ahead for our community.

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

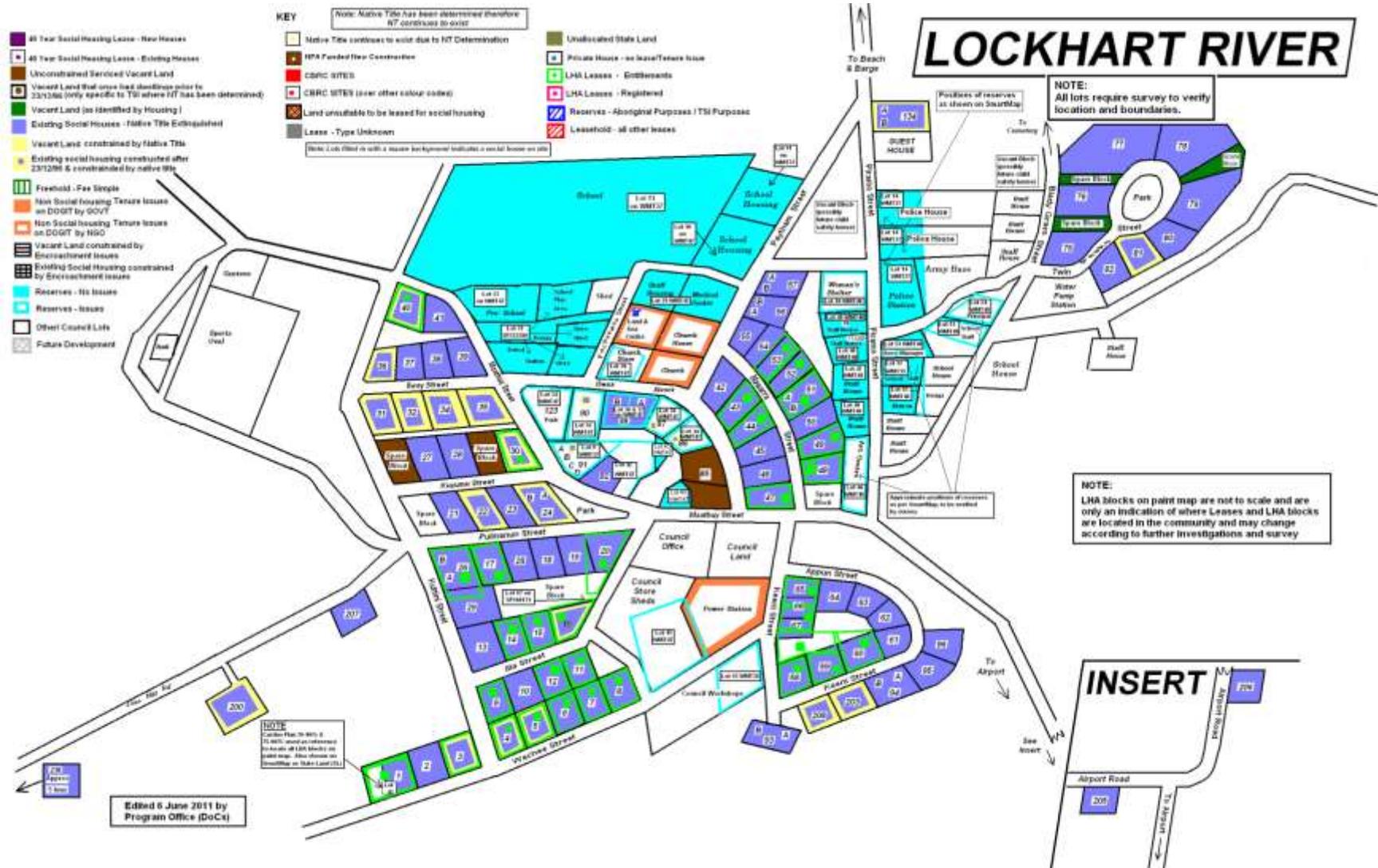
Copies of the 5-Year Corporate Plan, Operational Plan, Annual Report and the Council's Financial Statements are available free of charge electronically on Council website www.lockhart.qld.gov.au.

If you have comments you wish to share, please direct them to Chief Executive Officer by phoning 07 4060 7144 or email ceo@lockhart.qld.gov.au.

MAP OF LOCKHART RIVER



MAP OF LOCKHART RIVER TOWNSHIP



COUNCIL VISION, MISSION STATEMENT AND GUIDING VALUES

Our Vision

- Strong Puuya
- Strong Culture
- Strong Future

Our Mission Statement

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

Our Guiding Principles and Values

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

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

MAYOR'S REPORT



The year was full of good achievement and satisfactory performance. All the activities to fulfil the Community needs and wants were driven by the Corporate and Operational Plans. During the year the Council undertook the review of the 2013-18 Corporate Plan to incorporate any policy changes. I was very encouraged by the spirit of participation from the Council, employees and community members.

New and major construction projects were undertaken at Lockhart River that continued to deliver modern infrastructure. This included completion of the new subdivision, upgrade of the Council warehouse and restoration works on Portland road amongst others still in progress. The delivery of the 6 new community houses has commenced and Council's building crew is to construct 2 of them during the 2014-15 financial year. An opportunity for local workforce capacity building is here for our young talents during the construction phase of these houses. The Council was successful in recruiting senior students during the school holidays to prepare them for work when they graduate.

The Council successfully recruited a new CEO who has injected new enthusiasm and energy into the Council's workforce. Both long term and short term plans and objectives of the Council have been placed under new leadership. Position of Deputy CEO was created and given to a local person who has better understanding of our community needs to back up the Chief Executive Officer.

The Council participated in several regional development issues through CIMA and ROCCY representation during the year.

This year has set a good turning point for good performance in our Council and Community.

Wayne Butcher - Mayor

CHIEF EXECUTIVE OFFICER'S REPORT



Within the short time I have been in this position, I have noted a Council workforce that is relatively stable and disciplined. During the year recruitment of the Council Engineer filled a position that was vacant for a very long time despite its importance to the Council. The mix of talents and skills within the Council employees is exceptional and that has made it easier for me to settle down to work.

The operating results for the year are very encouraging ranging from successful implementation of Operational Plan (2013-14) to achieving unqualified audit report. The Council acquired new grader, CEO's Prado and Mayor's Land-cruiser during the year and other major plant and machines.

The Council's operational and budgeting planning was accomplished within the required timelines. The Asset Management Planning and Long Term Financial Forecasting were easily achieved under coordination of the ever determined Finance and Administration Team.

The Road-works Team tirelessly accomplished the restoration works on our Portland and Pascoe Farm roads while providing maintenance to the town streets. This has increased QRA funding to the community for restoration and emergent works. Exceptional outcome has been achieved by the Building Services Team for the major renovations and upgrades amongst other works.

Training and development of Council employees achieved good results whereby every department had a team of employees attend training. The council workforce is very grateful for the effort the Council has made to improve and upgrade their skills. The Council recruited a full time Training Coordinator who is always on site. We look forward to prepare our team with good skills and professionalism through training and apprenticeships.

David Clarke – Acting Chief Executive Officer

LOCKHART RIVER HISTORY

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 a number of different languages and were not used to living 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 spent one night ashore 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.

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 Giblet. Giblet 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.

Giblet died about 1923. According to oral accounts, his death was caused by an infection (which he refused to have treated) from a woomera blow which broke his jaw during a drinking session.

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

It was not until 1921 that Bishop Newton asked the Government to help set up a mission on the Pascoe River reserve. It had a superintendent and priest to supervise the settling of people in villages with a school, store, medical facility, sailing vessel, fencing and a few dairy cattle. Because the proposed mission was on a mineral belt, Bishop Davies (who replaced Bishop Newton) requested a change of site and the government agreed to transfer the reserve to the Lockhart River region where there were no leases.

Harry Rowan was appointed Lay Missionary and Superintendent and arrived at the Waterhole (Orchid Point) in Lloyd Bay, next to Gibley's old camp in July 1924.

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, pawpaws, 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.

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.

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 'insanitary and poverty-stricken little pesthole' and 'the worst mission of them all'. Warby re-organised the housing to bring people under closer medical and hygiene supervision.

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. 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 1970, were forced to move away from the traditional area of the coast to Iron Range. 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.

In December 2003, the Lockhart River community signed a shared responsibility agreement with the Australian and Queensland Governments to help develop a community plan around economic development and improved community involvement in education. 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.

Cultural revival

A revival of cultural life took place in the 1970s with a number of dance festivals and traditional activities. 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.

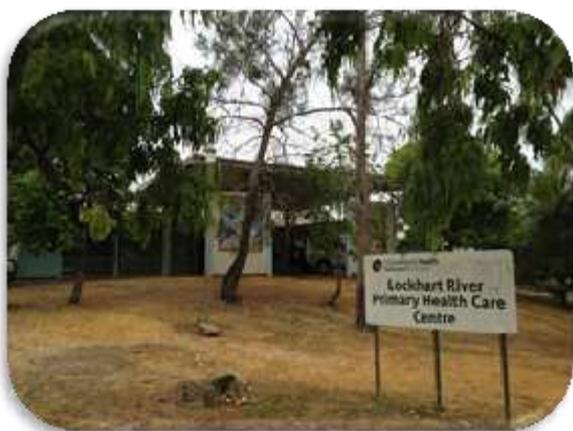
The community would dearly love to see a return of the dance festival to the place where it began some 30 years ago.

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.

A move by some Lockhart people to reoccupy the 'Old Site' has also been considered.

FACILITIES AND SERVICES

Health



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

Education



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

Radio



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

Library

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

Puuya Centre



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

Art and Cultural Centre

Lockhart River boasts of having one of the finest artists and painters in Australia. Some of the paintings from the Community have found their way to big capital cities in the World. If you visit the community, do not miss to buy a painting from here. Telephone Contact: 07 4060 7341.

Air Transport

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

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

Airport Telephone Number: 07 4060 7121

Road Transport



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

Sea Transport



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

Accommodation

Accommodation is available at the following places.

- Airport Cabins Tel: 07 4060 7147 (Preferred)
- Puuchiwu Tel: 07 4060 7134

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



Shopping



There is a retail store run by the Department of Communities that sells food, limited household goods and a few clothes. Good fresh food and vegetables are always available; the store also runs a fuel station. Lockhart River Retail Store Tel: 07 4060 7192.

Jamie Stores is a small privately owned convenience store in the community located across the street from the main retail store.

Banking and Post Office Services



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

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



PRIVATE ENTERPRISES

Lockhart River car hire is a private business owned and run by local person from the community. Business specializes in providing vehicle hire services to visitors to the area.

There is a Piva Cleaning Services to provide domestic and commercial cleaning services within Lockhart River. This is owned and operated by local person.

For both car hire and cleaning services contact Paul on 0427 607 035 (mob).

Other recent businesses owned and operated by the local people are JP Hobson Contracting and PC Ropeyarn Contracting services.

Alcohol Management Plan

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



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

Other Facilities



Women's Shelter



St James Hall



HACC Centre

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

Weather

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

Temperatures averages 29°C

OUR COUNCIL

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

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

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

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

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

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

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

Ordinary meetings of the Council take place on the third Wednesday of the month. Prior to May 2012, meetings were held on the second Thursday of the month. Meetings are generally held in the 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.

ELECTED MEMBERS



MAYOR – CR WAYNE BUTCHER (Email: mayor@lockhart.qld.gov.au)

| | | | |
|---|---|--|---|
|  |  |  |  |
| DEPUTY MAYOR Cr. Norman Bally | COUNCILLOR Paul Piva | COUNCILLOR Veronica Piva | COUNCILLOR Rebecca Elu |

| COUNCILLOR | PORTFOLIO |
|--|--|
| Cr Wayne Butcher (mayor@lockhart.qld.gov.au) | Overall representative, Governance, Employment Training and Leadership & Culture |
| Cr Norman Bally (dmayor@lockhart.qld.gov.au) | Overall representative, Housing, Infrastructure, Parks and Gardens |
| Cr Paul Piva (paulpiva@lockhart.qld.gov.au) | Overall representative, Education, Economic Development Enterprise |
| Cr Veronica Piva (veronica@lockhart.qld.gov.au) | Overall representative, Health, Law Justice and Order |
| Cr Rebecca Elu (rebecca@lockhart.qld.gov.au) | Overall representative, Youth, Sports and Recreation |

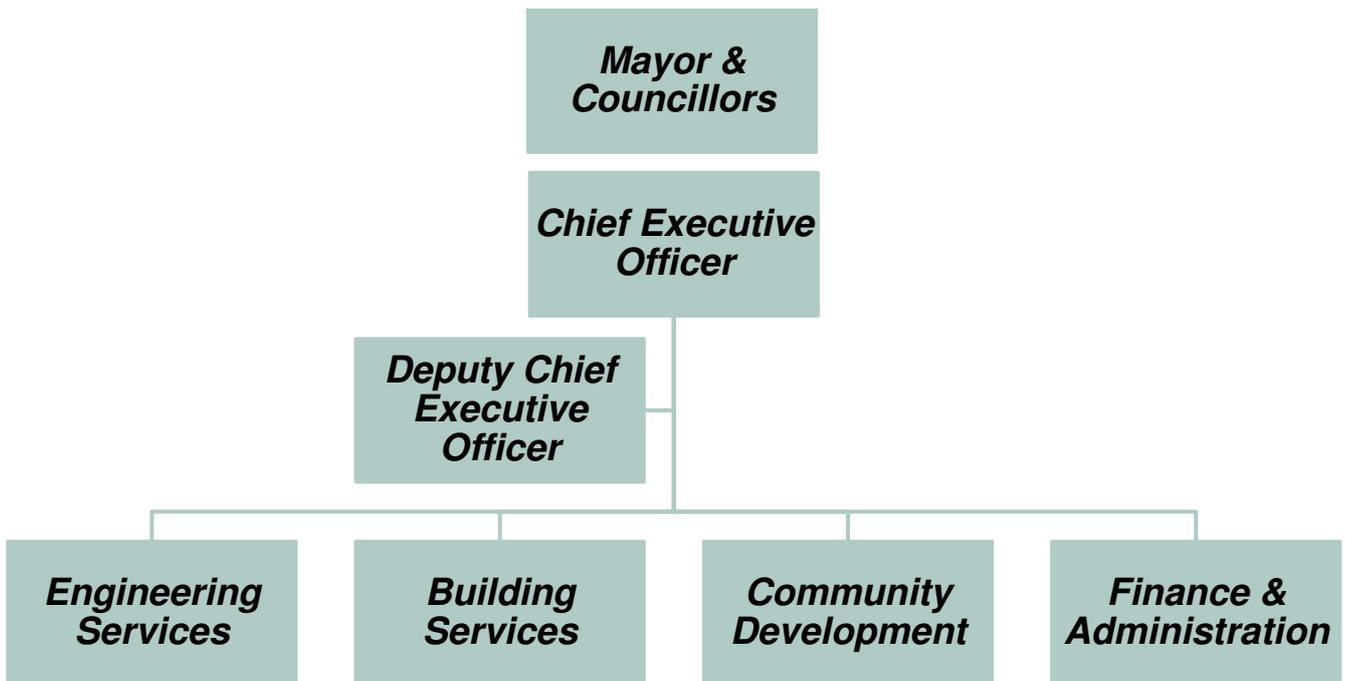
COUNCILLORS REMUNERATION

| Councillor | Ordinary Meetings | Special Meetings | Total Meetings | Remuneration from 1 Jul 2013 – 30 Jun 2014 | Superannuation from 1 Jul 2013 – 30 Jun 2014 |
|-------------------|--------------------------|-------------------------|-----------------------|---|---|
| Cr. Wayne Butcher | 12 | 2 | 14 | \$91,376 | \$10,965 |
| Cr. Norman Bally | 11 | 2 | 13 | \$52,717 | \$6,326 |
| Cr. Paul Piva | 12 | 2 | 14 | \$45,688 | \$5,483 |
| Cr. Veronica Piva | 7 | 2 | 9 | \$45,688 | \$5,483 |
| Cr. Rebecca Elu | 10 | 2 | 12 | \$45,688 | \$5,483 |

OUR ORGANISATION

The structure consists of four sections, namely Leadership and Governance, Engineering Services, Building Services, Community Development Services, Finance and Administration (Corporate Services) all headed by Managers that report to the Chief Executive Officer.

They make up the Council's senior management team responsible for the implementation of the Council policies, resolutions and operational plans. They provide advice to the Council in their key operational areas. The organizational structure was as below:



SENIOR MANAGEMENT TEAM MEMBER

Chief Executive Officer: Mr. Ian Bodill (current Acting CEO - David Clarke)

Deputy CEO Mrs. Dora Accoom

Manager Engineering Services: Mr. Sangarapillai Rajanayagam

Business Services Manager: Mr. Edmond Regis

Manager Community Development: Ms. Dottie Hobson

Manager Finance & Administration: Mr. Stanley Mugwiria

EXECUTIVE REMUNERATION

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

The Senior Executives of Lockhart River Aboriginal Shire Council during the 2013-14 period were:

- Chief Executive Officer
- Deputy Chief Executive Officer
- Finance and Administration Manager
- Community Development Services Manager
- Engineering Services Manager
- Building Services Manager

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

- 3 Senior Contract Officers with a total remuneration package in the range of \$0 - \$99,999
- 3 Senior Contract Officers with a total remuneration package in the range of \$100,000 - \$199,999

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 acknowledge the operations of Puuya Foundation that supported parents and teachers engagement and that will soon establish and operate Early Learning Centre.

SIGNIFICANT BUSINESS

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

INVITATIONS TO PROVIDE EXPRESSIONS OF INTEREST

In May 2014, the Council advertised for tenders for the Panel of Preferred Providers for "Supply of Trade Services 2014-2016" and expressions of interest for "Plant hire services". This process was successfully accomplished though very few applicants responded to the advertisements.

The Council tendered to sell old fleet of 5 vehicles during the year.

INTERNAL AUDIT

During the year the Council engaged Altius Chartered Accountants as internal auditors who are required to report to the newly formed audit committee at least twice per year. The current internal auditors have extensive accounting experience and good special skills in audit work. During the year, the internal auditors prepared two reports that focused on the following:-

- Private works and revenue generation
- Grant funded projects and budgetary control processes
- Review of Aerodrome financial and budgeting processes
- Review of asset revaluation processes and methodology
- Assessment of key operational risks and mitigation plans.

Around June 2014, the Council formed an audit committee of 3 members (Mayor, Deputy Mayor and one person with excellent financial background (former finance consultant). The audit

committee will continue to audit the independence of the internal audit and utilize their report to improve control systems and processes within the Council.

EXTERNAL AUDIT

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

For the financial year 2013-14, the Council received an unqualified audit opinion for the sixth year in a row hence Council's operations have received a clean bill of health.

ASSESSMENT OF CORPORATE PLAN AND OPERATIONAL PLAN

The 5-Year Corporate Plan, 2013-14 Operational Plan and Budget documents were discussed and adopted on 16 July 2013.

The Council prepared and adopted the 2013-18 Corporate Plan aligned to the strategic funding and service level changes.

The progress of 2013-14 Operational Plan was reviewed and discussed by the Council and senior management on a regular quarterly basis.

The budget is under control and departmental managers have been saying "NO" where funds were unavailable.

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 and in preparation and adoption of 2013-14 Annual Report the Council complied in all respect.

GRANTS TO COMMUNITY ORGANISATIONS

According to the requirement of section 189 of Local Government Regulation 2012, the Council did not provide grants to any community organisation during the 2013-14 period except contributions to assist local people with funeral costs of \$13,658.

LIST OF REGISTERS AVAILABLE TO THE PUBLIC

The following registers are held by the Council:

- Register of interests of Councillors
- Conflict of interests of Councillors
- Conflict of interest / materials personal interest declaration register
- Register of Code of Conduct matters
- Register of Election Gifts and Benefits
- Register of Mayoral directives to Chief Executive Officer
- Register of Interest of Chief Executive Officer
- Register of Interest of Senior Contract Employees
- Register of Delegation (including financial)
- Register of Council Meeting Minutes
- Asset Register

- Road Register
- Housing Register
- Prequalified Suppliers
- Register of Regular and Performance Agreements
- Register of Consultants
- Council Local Laws register
- Register of dogs
- Keeping, control and impounding of animals
- Abandoned vehicle register
- Asbestos Register
- Cultural sites
- Register of High School Student
- Register of kids who receive Christmas gifts from Council
- Register of awards and recognition
- Community Engagement Register
- Register of Cemetery

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 | |
|--|-----|
| Orders and recommendations made under S180 (2) or 4 of the Act | Nil |
| Orders made under S181 of the Act | Nil |
| Name of each Councillor for whom on order of recommendation was made | Nil |
| A description of the misconduct or inappropriate conduct engaged in by each Councillor | Nil |
| Complaints about the conduct or performance of 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

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 training and development policy is available at the HR office.

EQUAL EMPLOYMENT OPPORTUNITY (EEO)

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

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

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

EMPLOYEES STATISTICS

Council workforce is dominated by men representing 57 per cent while women are 43 per cent and this is an improvement from previous years as women representation has been increasing. There is a good balance of male and female in the Leadership and Governance area being 60:40 respectively.

Majority of employees are in the age bracket of 32 – 48 years.

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 reviewed every year to ensure currency 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 road and bridge network and it is categorized into formation, pavement and seal. The Council maintains 1 bridge and 38 culverts. 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:

| | |
|--|--------------|
| Rural unformed | 15km |
| Rural formed | 141km |
| Urban roads | 11km |
| Total length of road and bridge network | 167km |

COUNCIL PERFORMANCE – THE YEAR IN REVIEW

ENGINEERING SERVICES

The goal was to manage, maintain and develop Council infrastructure and Plant & Equipment to meet the current and future Community needs. This report provides an overview of the status of engineering services undertaken during the financial year against this goal.

R2R project was undertaken but completed in August 2014 and new subdivision infrastructure completed and construction of new houses commenced.

Quintell beach development was abandoned.

The Road Gang continued with REPA 5.13 (Restoration Works) and partnered with NSC to deliver these works and new submission for Restoration 7.13 works was prepared and lodged. Works on newly approved restoration works commenced in July 2014.

The Council sold a fleet of old heavy plant and vehicles and realized a gain on sale of \$24,502. At the same time we replaced them new Komatsu grader, CEO vehicle and Mayor's Land-cruiser.

Pascoe River Crossing Slab was constructed and completed on schedule. This contract work was awarded to the Cook Shire Council's construction team and in future our Road Gang will do such works.

BUILDING SERVICES

The goal was to provide adequate and quality houses that satisfy the needs of the community today and in the future as well as encourage community members towards home ownership.

The construction of 6 new houses has commenced. The Council was contracted to design and construct 2 new houses and the balance of 4 houses were tendered and awarded to ESW Construction.

More than 10 major upgrades were completed and 19 community houses were fully fenced with more houses to be rolled into the program. Painting program is also on the rise. These improvements increased recoverable works revenue to a record high of about \$3 million.

51 Houses transferred to the Department of Housing and Public Works under the 40 Years Lease Agreement and another lot of 12 may be transferred in 2014-15 financial year. This has reduced Council's rental revenue by more than 50 per cent.

The volume of responsive maintenance works was carried out throughout the year increased significantly. It included works done to the Police, School and Hospital buildings.

ENVIRONMENTAL MANAGEMENT

The key goal was to enhance and protect the wellbeing of the residents of Lockhart River by providing an effective environmental management program and systems.

The Community was provided with reliable, timely and appropriate municipal services by the Council through the following service lines:

- Water supply
- Sewerage
- Parks and gardens
- Refuse collection and waste management
- Feral animal and weed control management
- Fire management

During the financial year, Disaster Management Plan was completed and adopted by the Council and development of the final Community Safety Plan is underway.

Unfortunately, our popular Working-On-Country program ceased from operating after losing the funding from the federal Department of Sustainability, Environment, Water, Population and Communities. Funds are being sought to fund ranger programs.

The first Lockhart River Planning Scheme is in progress and will be ready for community presentation and discussion in October – December 2014 period.

LOCKHART RIVER AERODROME COMPANY

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

During the year under review:

The Skytrans flight schedule was changed for the plane to get to Lockhart late afternoon on Monday (passengers mostly opt for Tuesday morning flight) and get to Lockhart on Friday morning (passengers mostly opt for Thursday evening flight). This leaves only 3 days of providing services to

Lockhart River community. Also, accommodation at the Iron Range Cabins was lost occupancy of at least two nights.

In November 2014, the Company recruited a new Cabins Manager who brought in plenty of new experience.

The Council submitted a funding application of about \$6.2m to carry out runway drainage and pavement works. However, Department of Infrastructure and Regional Development only approved drainage works funding of \$650,000 with balance to be considered later.

The routine repairs and maintenance on the runway and affiliated infrastructure was carried out throughout the year on schedule and budget.

In June 2014, the non-current assets were inspected and valued by APV during the year for accounting and asset management purposes.

The Lockhart River Aerodrome Company recorded another year of operating deficit.

COMMUNITY DEVELOPMENT SERVICES

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

The main goal was to encourage and participate in the continuing development of Community Services and Cultural Activities and to strengthen individual and Community Puuya.

Mens' Group was funded for one year through individual support program by the Department of Communities, Child Safety and Disability Services one year and with high expectation of continued operational funding. New Coordinator (former mayor) Rodney Accoom was appointed to this challenging position.

PaCE program provided benefits to Lockhart River kids and parents but the funding ended on 31 December 2013. We express our gratitude to the Department of the Prime Minister and Cabinet for this funding.

The following regularly funded programs continued to benefit the community members throughout the financial year:

- HACC
- Women Shelter
- Family Together
- Justice Group
- Youth At Risk Initiative
- Primary Health Care – Indigenous Australian's Health Program
- Outside School Hours Care

PUUYA FOUNDATION

It is an independent, non-profit secular foundation, established to strengthen people's *puuya* (life force in Kuuku Ya'u language) at Lockhart River.

The Foundation has secured funding to construct and operate early learning centre that will target the educational needs of kids in their early ages.

During the year the Council granted 99 years lease agreement to the Foundation for the site to construct Early Learning Centre building.

CORPORATE SERVICES

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

The goal was to provide an efficient, effective and accountable financial planning and management by carrying out key roles: payroll, debtors, creditors, purchasing, asset management, long-term forecasting, general accounting and reporting. Administration services include functional areas that include: reception, filing, library, information technology, radio, banking and post office, centrelink services, human resources and housing services.

During the 2013-14 financial year the Council obtained unqualified audit opinion on the financial statements. This good audit opinion has been achieved for six years in a row and it signifies the effectiveness of our internal control systems.

Detailed inspection and valuation of non-current assets for the Council and Aerodrome to determine their fair values was carried out by APV valuers and asset managers. This was a routine inspection that occurs in a cycle of three years and was required for preparation of financial statements and long term asset management plans.

New Centrelink Agency Officer was recruited at the Lockhart Centrelink agency and she has continued to improve the quality of service provided.

During the year, new ATM was scheduled for installation in July 2014 (already done) to replace the old machine in the Council Buildings. With this machine, no more frequent and untimely failures to deliver cash when available and needed.

COMMUNITY FINANCIAL REPORT

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

1. Financial Year 2013/14 Snapshot

Key highlights of the financial year include:

Some of the major acquisitions during the year include:

| | |
|--|-------------|
| Mayor's Vehicle (new) | \$61,385 |
| CEO's vehicle (new) | \$51,222 |
| Komatsu Grader (new) | \$323,915 |
| Warehouse upgrade completed | \$1,380,684 |
| Portland Road – REPA capital expenditure | \$2,440,753 |
| Pascoe Crossing Slab | \$459,390 |

2. About Council's End of Year Financial Statements

What you will find in the Financial Statements

The Audited Financial Statements of Council set out the financial performance, financial position, cash flows and the net wealth of Council for the financial year ended 30 June 2014.

About the Management Certificate

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

About the Financial Statements

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

i) A Statement of Comprehensive Income

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

ii) A Balance Sheet

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

iii) A Statement of Changes in Equity

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

iv) A Statement of Cash Flows

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

v) Notes to the Financial Statements

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

About the Auditor's Reports

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

Where to find a complete version of Council's 13/14 Financial Statements

A complete version of Council's Financial Statements for the 12 months to 30 June 2014 can be found at our website: www.lockhart.qld.gov.au

or at Council's administrative offices at:

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

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

3.1 Council's Statement of Comprehensive Income (Profit & Loss) for 2013/14

Council's headline operating result for the 2013/14 year was **\$7,219,875** deficit compared to the 2013-14 budgeted operating surplus of \$613,457 and this shows that the Council's performance was worse than planned. The main reason was due to loss of \$8,783,349 on transfer of 51 houses to the Department of Housing and Public Works.

This included the following key financial performance highlights:

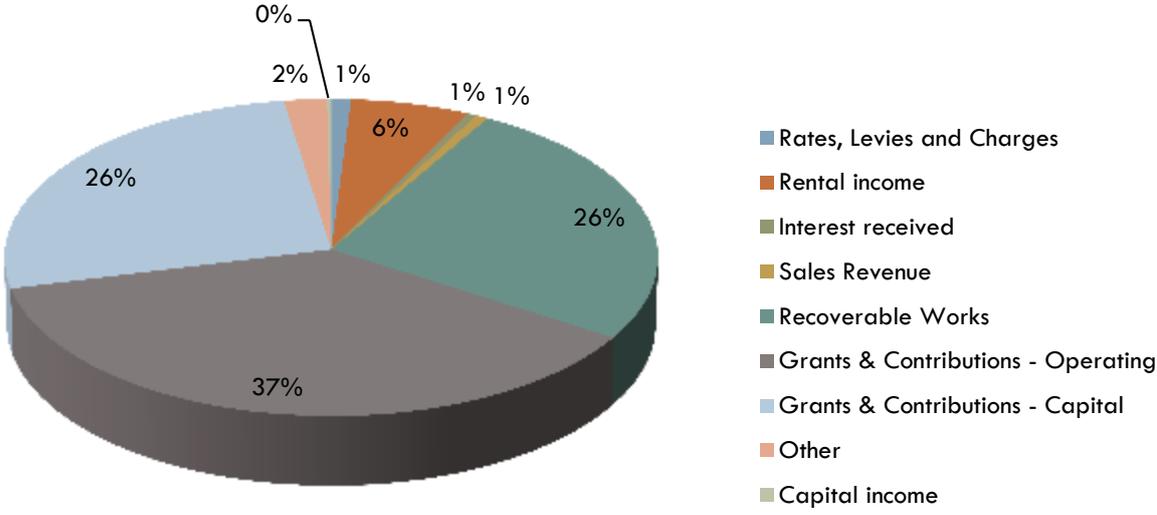
Council's Result

| | Actual \$ 2014 | Budget \$ 2014 | Actual \$ 2013 |
|---|--------------------|--------------------|--------------------|
| Revenues (excl. income for capital purposes) | 8,033,141 | 7,902,131 | 8,714,775 |
| Expenditure | (9,396,657) | (12,810,774) | (10,627,879) |
| Net Result before Capital Grants & Contributions | (1,363,516) | (4,908,643) | - 1,913,104 |
| Capital Grants & Contributions | 2,902,488 | 5,522,100 | 1,151,010 |
| Capital income | 24,502 | - | (43,175) |
| Capital expenses | (8,783,349) | - | - |
| Net Result | (7,219,875) | 613,457 | (805,269) |

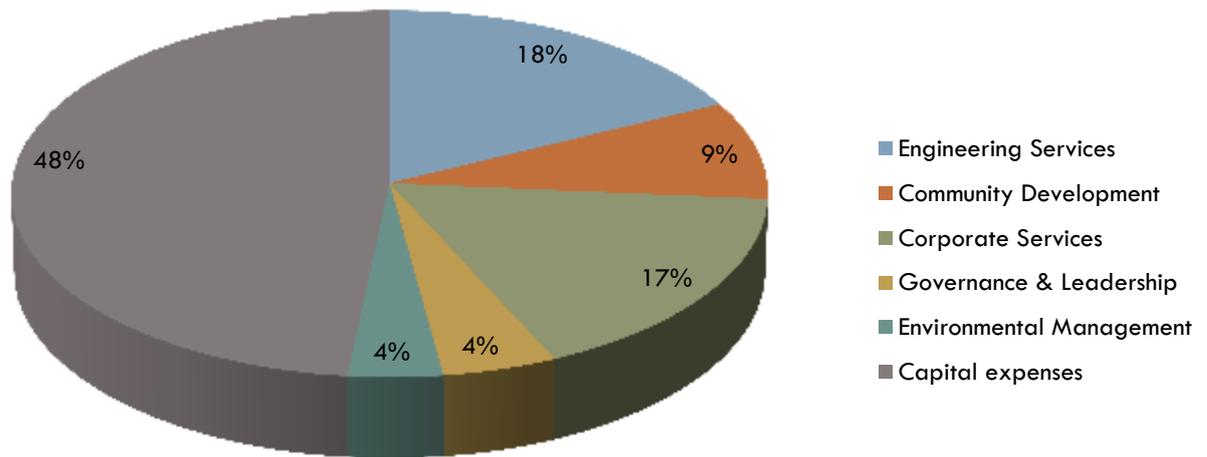
- *Operating grants revenue received fell short of the budget by 12 per cent while the worst result was with capital revenue that was received below the budget/target by more than 48%. The overall recurrent revenue received exceeded budget by about 2 per cent.*
- *The operating expenditure was below budget by more than 27 per cent.*

In the overall, the Council and senior management believe the financial result for 13/14 to be satisfactory.

Council's Revenue Sources for the 13/14 year:



Council's total expenditures by function for the 13/14 year:



3.2 Councils Statement of Financial Position (Balance Sheet) for 2013/14

Council's Net Wealth

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

| | Actual \$ 2014 | Actual \$ 2013 |
|--|---------------------------|---------------------------|
| The major items that make up Council's wealth include the following assets: | | |
| Available Cash & Investments **** | 2,394,262 | 3,434,241 |
| Debtors | 1,015,248 | 616,866 |
| Inventories | 158,423 | 110,312 |
| Other financial assets - Current | 143,619 | - |
| Other financial assets - Non Current | 5,551,946 | - |
| Infrastructure, Property, Plant & Equipment | | |
| - Capital Work in Progress | 120,805 | 713,393 |
| - Land and Improvements | 1,100,000 | 1,000,000 |
| - Buildings | 9,964,897 | 8,513,331 |
| - Housing | 18,935,333 | 32,747,570 |
| - Plant and Equipment | 1,316,058 | 1,215,302 |
| - Furniture and office equipment | 100,346 | 124,099 |
| - Road, Drainage and Bridge Network | 7,480,710 | 6,004,824 |
| - Water | 3,186,793 | 3,034,359 |
| - Sewerage | 3,262,399 | 3,566,913 |
| - Other Infrastructure Assets | 895,942 | 821,541 |
| | 55,626,781 | 61,902,751 |

3.3 Council's Key Financial Figures - A Snapshot

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

| Financial Performance Figures (\$'000) | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------------------|------------------|-------------------|-------------------|------------------|
| Inflows: | | | | | |
| Fees & Charges | 111,821 | 113,851 | 66,045 | 86,350 | 66,980 |
| Other revenue | 244,557 | 115,167 | 5,270 | 5,498 | 70,721 |
| Rental Income | 673,279 | 649,629 | 656,454 | 615,266 | 605,261 |
| Interest Received | 54,713 | 107,569 | 277,382 | 154,761 | 115,518 |
| Sales Revenue | 2,901,423 | 772,829 | 722,452 | 581,509 | 392,640 |
| Grants, Subsidies, Contributions & Donations - Operating & Capital | 6,949,836 | 8,106,742 | 14,212,504 | 13,582,324 | 7,416,848 |
| Total Income from Continuing Operations | 10,935,629 | 9,865,787 | 15,940,107 | 15,025,708 | 8,667,968 |
| Sale Proceeds from PP&E | 57,056 | - | 1,364 | 36,048 | 81,806 |
| Finance lease receipts | 50,860 | - | - | - | - |
| Outflows: | | | | | |
| Employee Benefits | 3,723,923 | 4,216,879 | 4,079,898 | 3,738,323 | 3,609,136 |
| Materials & Services | 3,554,770 | 4,300,724 | 8,838,190 | 10,256,751 | 2,436,522 |
| Finance Costs | - 3,514 | - 4,961 | 13,417 | 22,391 | 5,964 |
| Total Expenses from Continuing Operations | 7,275,179 | 8,512,642 | 12,931,505 | 14,017,465 | 6,051,622 |
| Total Cash purchases of PP&E | 4,620,991 | 1,023,785 | 860,015 | 1,703,733 | 2,092,438 |
| Total Loan Repayments (incl. Finance Leases) | - | - | - | - | - |
| Operating Surplus/(Deficit) (excl. Capital Income & Exps) | 1,363,516 | (805,266) | 1,192,948 | (441,674) | 673,861 |
| Financial Position Figures (\$'000) | | | | | |
| Current Assets | 3,711,552 | 4,161,419 | 9,478,204 | 12,504,886 | 4,278,604 |
| Current Liabilities | 1,519,322 | 1,095,101 | 6,764,595 | 9,386,582 | 519,406 |
| Net Current Assets | 2,192,230 | 3,066,318 | 2,713,609 | 3,118,304 | 3,759,198 |
| Cash & Cash Equivalents | 2,394,262 | 3,434,241 | 3,233,764 | 11,742,170 | 3,518,310 |
| Total Borrowings Outstanding (excl. any overdraft) (Loans, Advances & Finance Leases) | - | - | - | - | - |
| Total Value of PP&E (excl. Land & Improvements) | 63,621,467 | 66,860,923 | 66,151,576 | 60,212,284 | 60,418,024 |
| Total Accumulated Depreciation | 17,258,185 | 11,092,206 | 9,103,035 | 8,614,392 | 24,212,277 |
| Indicative Remaining Useful Life (as a % of GBV) | 73% | 83% | 86% | 86% | 60% |

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

4. Financial Sustainability Measures

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

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

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

Operating Surplus Ratio

Net Result divided by Total Operating Revenue

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

Asset Sustainability Ratio

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

This is an approximation of the extent to which the infrastructure assets managed by the local government are being replaced as 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

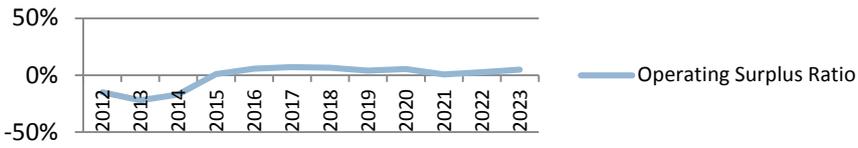
This is an indicator of the extent to which the net financial liabilities of a local government can be serviced by its operating revenues.

Financial Sustainability Indicators

for the year ended 30 June 2014

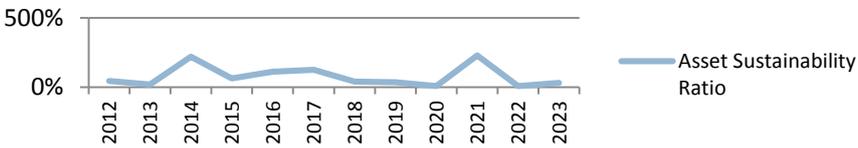
| | Target | Actual | Actual | Actual | Budget | Long Term Financial Plan Projections | | | | | | | |
|---------------------------------|---------|--------|--------|-------------|--------|--------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | 2012 | 2013 | 2014 | 2015 | Yr 1 2016 | Yr 2 2017 | Yr 3 2018 | Yr 4 2019 | Yr 5 2020 | Yr 6 2021 | Yr 7 2022 | Yr 8 2023 |
| Ratio | | | | | | | | | | | | | |
| Operating Surplus Ratio | 0 - 10% | -15% | -22% | -17% | 1% | 6% | 7% | 7% | 4% | 6% | 1% | 3% | 5% |
| Asset Sustainability Ratio | > 90% | 45% | 21% | 220% | 63% | 112% | 127% | 42% | 37% | 9% | 230% | 9% | 32% |
| Net Financial Liabilities Ratio | < 60% | -25% | -34% | -26% | -18% | -26% | -28% | -44% | -22% | -42% | -19% | -36% | -8% |

Operating Surplus Ratio



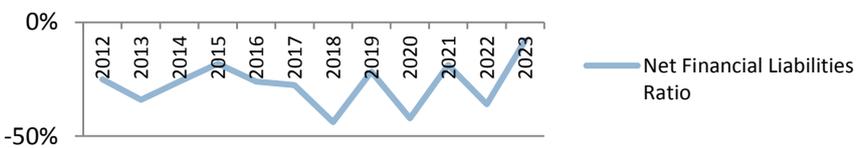
In 2013/14 financial year, the Council reported operating deficit ratio of -17% and that is below the target of between 0% and 10% per annum on average over the long term. The Council was not able to generate sufficient revenue that could cover operating expenses and offset past or future operating deficits or to fund proposed capital expenditure hence need to increase revenues to a current target operating surplus of 1 per cent.

Asset Sustainability Ratio



The Council achieved Asset Sustainability Ratio of 220% that was above the target of >90% implying that the Council sufficiently maintained, replaced or renewed existing infrastructure assets as they are being depreciated. This may increase service levels and useful lives of these assets.

Net Financial Liabilities Ratio



The Council recorded Net Financial Liabilities Ratio of -26% against a target of <60% and this indicates that the current assets exceed the total liabilities. The Council appears to have the capacity to increase its funding.

AUDITED FINANCIAL REPORT

This information is provided electronically through the Council's website as detailed below.

<http://lockhart.qld.gov.au/council/documents/audited-financial-statements/>