

2023 ANNUAL REPORT





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ACKNOWLEDGEMENT

Pormpuraaw Aboriginal Shire Council acknowledges the Traditional Owners of the land. We pay respects to Elders past, present, emerging and to all members of the Community. We recognize their continuing connection to both land and sea and the strength of a cultural heritage and belief system that spans past, present, and future generations.

Annual Report Adopted by Council as per Resolution # 2023/09/02



MESSAGE FROM THE MAYOR

This will be my 4th Annual Report as Mayor after the 28 March 2020 Council election and covers the full 12-month period from 01 July 2022 to 30 June 2023. This is my final report before heading into the 16 March 2024 Local Government elections.

Council is hopeful that the new election in 2024 will bring new faces, young and committed enough to learn what it is like to be a member of a collective team working under Local Government, so that they can build on the foundations that have been set and lead into the future. Further driving our vision for a well-being, progressive & contributing Pormpuraaw.

We are acutely aware that Pormpuraaw is a community that is dependent on the funding provided to Council utilising public funds.

We will continue implementation and roll out of physical development within community and will continue to work in the true spirit of co-operation and partnership with the company undertaking the CDP program (RISE), PPAC, Education, Hospital, Police and other NGOs in community for the betterment & well-being of our community.

Our Corporate Plan will be reviewed before expiry in Dec 2023 with ideas and a vision that the new incoming Council may utilise, update and run with.

Our Major projects ended in June 2023 have been:

- Airport Fencing.
- Airport Apron Reseal.
- Securing funding for Airport Tarmac Upgrades to be completed in 2024-25
- Admin Store Concrete Access
- Auto Genset for Council Chambers
- Council New Chambers, (development stage, June 2023, WIP)
- ILUA Agreement, continue rollout.
- LED Monsoon Notice Board.
- Pormpuraaw access road along Strathgordon to Musgrave in partnership with Dept of Transport & Main Roads, continue upgrades.
- Paving of town streets (stage 15).
- Social Homes (Tenders appointed, starts late 2023)
- Sports field (continued development, WIP)
- Staff Duplex (development stage, June 2023, WIP)
- Water, Waste & Sewer under ICCIP, WIP.

Again, I would like to acknowledge the hard work of Council's management team, the staff, other NGO's and all State and Federal government departments and in particular our Minister Champion, Hon DP Steve Miles & DG Champion Leon Allen who have assisted us in our efforts for Council and Community.

Richard Tarpencha
Mayor



STATEMENT FROM THE CHIEF EXECUTIVE OFFICER

This will be my 16th CEO Report for Pormpuraaw Aboriginal Shire Council (PASC) and we are back to full management strength at the time of printing, having to manage and cover for the one vacant executive role over recent months, making a collective effort as a team to keep projects and programs on track, on time and keeping within grant funding budgets.

During the vacant period the duties were shared between the Executive Manager of Corporate Services and the CEO for which Council is grateful for.

Our permanent People & Culture Leader (HR) based in community is making good inroads and her presence has started to pay dividends in staff placement. We continue to capacity build skills with training in WHS, risk management, fraud awareness and code of conduct. Our efforts in team building and changing the culture in staff work attitudes, is still a work in

progress throughout Councils various divisions, supported by our own work policy & the CDP host provider RISE, to achieve job readiness. We will strive and encourage each community member to make a difference and have an input for a contributing & wellbeing community.

We continue to address the ever-changing statutory governance compliance & governance issues pertaining to Local Government legislation, working closely with QAO. Our current audits for the 2022-2023 financial year has resulted in Council achieving another good audit report which underpins our financial sustainability and financial maturity march.

Financial management as always remains a very strong focal priority for us and this clearly has been demonstrated in our achievement of our 11th continuous “unqualified audit” for the 2022-2023 financial year. Our thanks and appreciation go to our capable & committed

Executive Manager of Corporate Services and her finance team who have worked tirelessly towards this continued goal.

I thank the elected members of Council headed by Mayor Richard Tarpencha, our executive management team, State and Australian governments, all the NGO’s and in particular our Minister Community Champion, Hon Minister Steve Miles & DG Community Champion, Leon Allen (Under Secretary Qld Treasury) without who’s support we could not have met the challenges of the 2022-2023 year and in many small ways have assisted us in our attempts to “close the gap” and make a contribution for Council, Community & above all Country.

**Edward A Natera, PSM.
MBA.**

Chief Executive Officer





PORMPURAAW HISTORY

Pormpuraaw is on the west coast of Cape York about 500 kilometres from the tip of Australia, just south of the Edward River. It is the home of the Thaayore, Wik, Bakanh and Yir Yoront People.

Pormpuraaw (formerly Edward River) was established as an Anglican Mission in 1938. The Anglicans had established Kowanyama in 1905 but realised that there were conflicts arising as a result of bringing many tribes together from such a large area. The Anglican Missionaries then sought to establish a number of smaller missions in the area. The first mission was located at the present Pormpuraaw site and took hold.

Like all Cape missions, government rationed subsidies for Aboriginal people at Pormpuraaw was about one third of what was required to exist, so most of the men and boys were sent out to work on the cattle stations in the region. This enabled them to stay close to their traditional country. At the same time the Anglicans

removed women and children from the cattle stations in the Gulf of Carpentaria. Dormitories were established to contain the women and children and provide schooling. Erratic rationing meant that most people were still required to hunt and collect food from the surrounding bush which helped maintain cultural connection with the land. The reliance on bush food was especially critical during the war periods when rationing of fuel prevented the mission boat from going to Normanton for supplies.

In 1986, the Pormpuraaw Aboriginal Community Council gained title to the area by way of a Deed of Grant in Trust (DOGIT). This enabled the Council to have full local government authority over the trust area of 466,198 hectares.

In 2004, Pormpuraaw Aboriginal Community Council became a Shire Council incorporated under the Local Government (Community Government Areas) Act 2004.



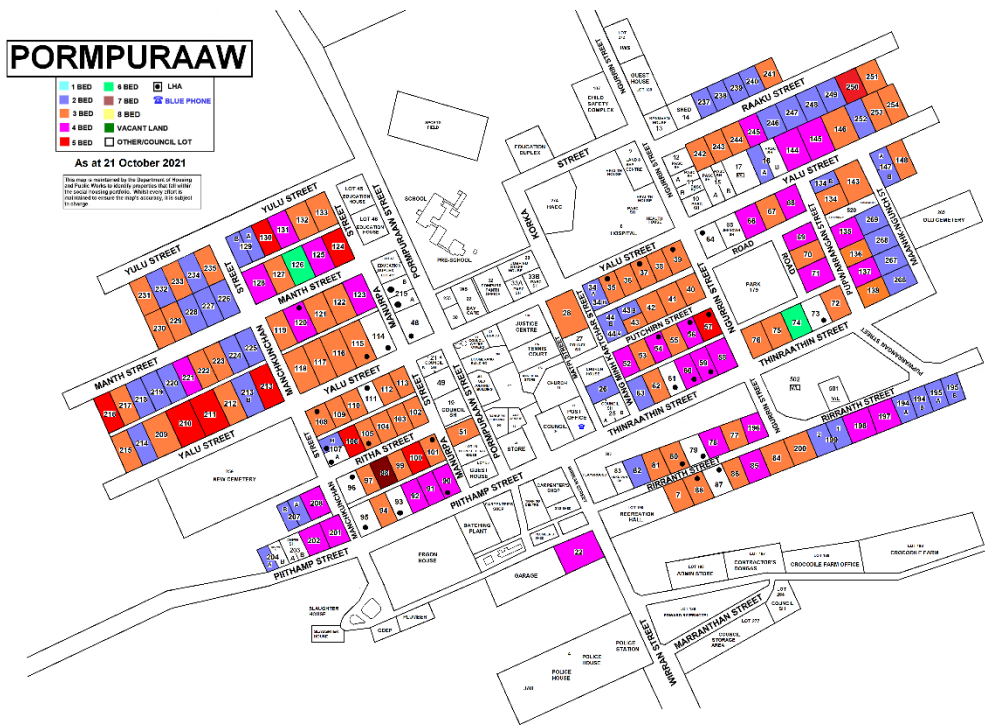
PORMPURAAW TOWNSHIP

Pormpuraaw Township consists of two neighbourhoods known locally as Mungkan side and Thaayore side. They are united by schools, hall, recreational spaces, shops, art centre and community services administrative buildings.

The neighbourhoods originated at the time of mission settlement and reflect traditional linguistic and territorial affiliations. The majority of residents on the Mungkan side originate from along or north of the Edward River. The Thaayore side accommodate speakers of Thaayore,

Yir Yoront and other dialects that lie along or south of the Edward River.

The neighbourhoods of Pormpuraaw broadly reproduce the geographic distribution of clan estates. The entirety of the Pormpuraaw DOGIT boundary encompassing 466,198 hectares and the two neighbourhoods is divided by the Edward River which broadly divides the Wik speaking clans from those to the south.





OUR COUNCILLORS



Richard Tarpencha
Mayor (since 2020)

Dedicated leader who provides assistance, participates in, and oversees all portfolios.



George Conrad
Councillor (since 2016)

Manage several portfolios: Arts & Culture, Enterprise, Essential Services, and Men's Group. Also shares the Land & Sea portfolio with Cr Kingi.



Andrea Foote
Councillor (since 2020)

Responsible for several portfolios: Youth, Education, Housing and Women's Group.



Ronald Kingi
Councillor (since 2020)

Responsible several portfolios: Road & Transport, Land Development and Sport & Recreation as well as sharing the Land & Sea portfolio with Cr Conrad.



Tim Koo-Aga
Councillor (since 2016)

Responsible several portfolios: Planning & Infrastructure, Training & Employment, Elders and Health

The four Councillors have undertaken a rotating Deputy Mayor role over their four-year term to provide optimal experience as an elected member.



REGIONAL DEMOGRAPHICS



POPULATION



FIRST NATIONS



MEDIAN AGE



UNEMPLOYED



LANGUAGES OTHER THAN
ENGLISH SPOKEN AT
HOME



AVERAGE WEEKLY
RENT

Data from Australian Bureau of Statistics based on 2021 Census Data
<https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA36070>
<https://www.abs.gov.au/census/find-census-data/quickstats/2021/IARE303009>

VISION & MISSION

OUR
VISION

• WHAT WE ARE TRYING TO ACHIEVE

A strong, engaged community creating a dynamic future.

OUR
MISSION

• WHY WE ARE HERE

To meet the needs and aspirations of community members by delivering strong leadership together with strategic planning to construct new infrastructure that will deliver new and improved services and facilities.



OUR VALUES

STRONG COMMUNITY

- Council will strengthen the capacity and resilience of Pormpuraaw through partnerships with the Community, business, government and non-government sector groups in pursuing positive social, economic and environmental outcomes.

EXCELLENCE

- Council and staff will strive for innovation, continuous improvement and long term success in management and leadership practice, strategic planning and the performance of Council systems.

ACCOUNTABILITY

- Council is accountable to the Community and will conduct its affairs openly with integrity in consultation with Community, at the same time reflecting the highest level of democratic governance and public administration.

FAIRNESS AND EQUITY

- Council recognizes and values the needs of different sectors and groups within its community and works in partnership with it valued volunteers, community based agencies, State and Commonwealth departments to ensure needs are addressed in a planned and timely manner.

WELCOMING IDEAS

- Council will actively encourage and seek the exchange of ideas and knowledge in finding creative solutions.

INVESTING IN THE FUTURE

- Council will take a long term view as a responsible steward of community assets and finances.



OBJECTIVES & STRATEGIES: FIVE KEY AREAS



COMMUNITY – THE WAY WE WANT TO LIVE TOGETHER

To promote outcomes, which encourage a healthy, supportive, contributing and proactive community, where appropriate services and facilities are available and accessible by all.



BUILT ENVIRONMENT – SHAPING OUR SURROUNDINGS

To plan for the future development of the community in ways which actively value the heritage and the character of our community with access for all.



NATURAL ENVIRONMENT – IT BEGINS WITH EACH OF US

To ensure the natural environment is protected in a way that is not compromised for future generations and is managed so as to minimise our impact on non-renewable resources.



ECONOMY – CREATING OUR FUTURE

To facilitate a vibrant local economy that enjoys sustainable business investments and the benefits of a skilled and diverse workforce. To facilitate a vibrant local economy that enjoys sustainable business investments and the benefits of a skilled and diverse workforce.



ORGANISATION – DEVELOPING OUR CAPACITY

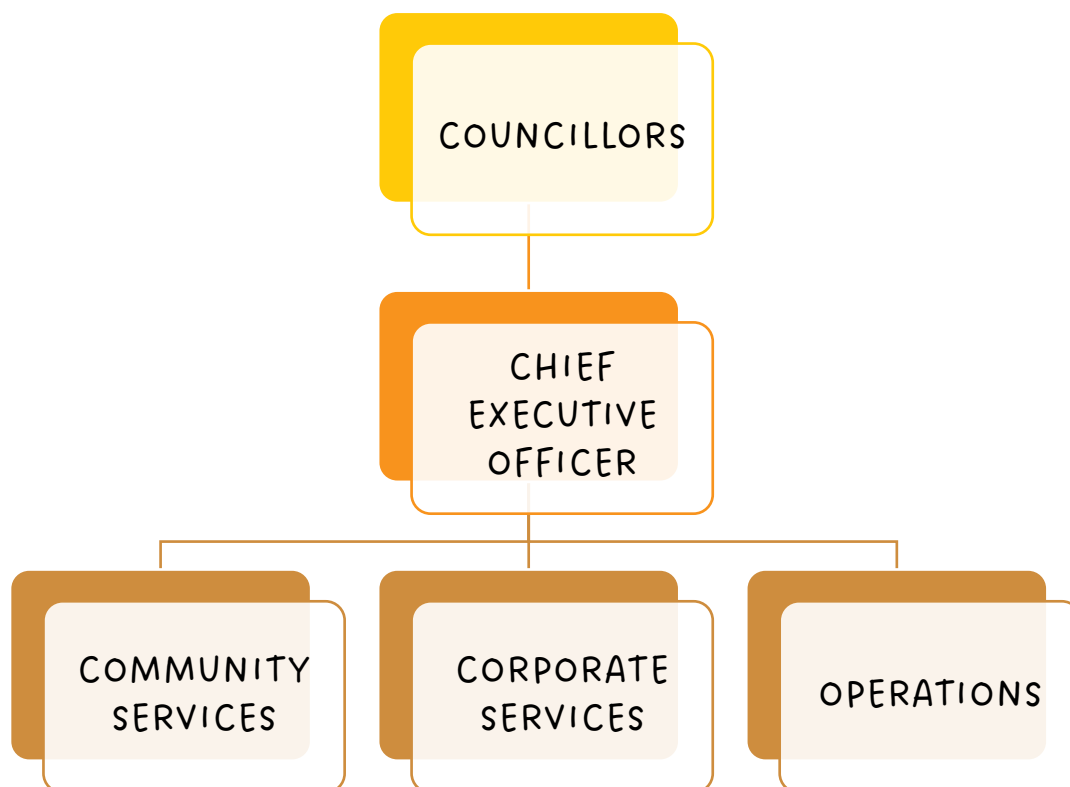
To strengthen the capacity of the Council organisation and its people to serve our community and to pursue positive outcomes in partnership with community business and government bodies.



CORPORATE STRUCTURE

Accountability

All Council executive management staff take direction from and report to the Chief Executive Officer (CEO) of the Pormpuraaw Aboriginal Shire Council. The CEO is responsible for all operational management and co-ordination of Council workplaces including the on-going delivery of services to the Pormpuraaw community residents.



Staff Code of Conduct

All Council staff are required to adhere to the Pormpuraaw Aboriginal Shire Council Code of Conduct, policies and confidentiality agreements. Councillors and staff must also avoid any inappropriate involvement in community activities, business and politics.



ACKNOWLEDGEMENT OF FUNDING BODIES

Pormpuraaw Aboriginal Shire Council would like to acknowledge and thank the following funding bodies for activities funded in the 2022-23 financial year:

Commonwealth

- Department of Infrastructure, Transport, Regional Development, Communications and the Arts
- Department of Health and Aged Care
- Department of Industry, Science and Resources
- Services Australia

State & Other Bodies

- Department of State Development, Infrastructure, Local Government & Planning
- Queensland Reconstruction Authority
- Queensland Health
- Department of Environment and Science
- Department of Transport and Main Roads
- Department of Agriculture and Fisheries
- Department of Education, Skills & Employment
- Department of Housing
- Cape York Natural Resource Management
- State Library of Queensland
- Department of Fire and Emergency Services
- Department of Justice and Attorney-General
- Department of Communities, Housing & Digital Economy
- Department of Tourism, Innovation & Sport
- Department of Seniors, Disability Services and Aboriginal and Torres Strait Islander Partnerships
- Department of Child Safety, Seniors, and Disability Services
- Department of Youth Justice, Employment, Small Business and Training



COMMUNITY SERVICES

AGED CARE & DISABILITY SERVICES

Pormpuraaw Aboriginal Shire Council's Aged Care Centre primary focus is to deliver quality care and Consumer Directed Care Services that are culturally appropriate to our valued clients and services are being delivered by locally trained and employed staff.

Our Aged Care Centre is currently comprised of the following funding programs:

- Home Care Packages – 9 Clients (Level 2)
- Commonwealth Home Support Program – 23 Clients
- Queensland Community Care – 2 Clients
- NDIS – support with meal provision for 2 participants
- Indigenous Employment Initiative – Provisions for 18 Staff

The centre delivers a range of services including Meals, Carer support, Social Support (Group & Individual), Personal Care, Domestic Assistance, Day Respite, Garden Maintenance, Transport to assist with shopping, visiting, banking or medical appointments.

We deliver Breakfast, Lunch & Dessert for up to 30 clients Monday to Friday. During weekends and Public Holidays, we deliver day meal packs.

Aged Care offers a range of stimulating activities to encourage client participation supporting wellness, reablement and ongoing access to continuing cultural activities on country, beach, rivers and at the centre as well as attending community events. We encourage all clients and carers to come to the centre or outings to participate in healthy social activities and stimulation.

Two staff have succeeded in completing their Certificate 111 in Individual Support, building local staff capacity.



One of the many client activities.



Basketball legend Andre Moore recently visited Pormpuraaw and helped deliver Meals on Wheels made sure to have a conversation with the recipients.





A Regional Assessment Service Officer visited Pormpuraaw for two days to conduct face to face assessments for client's access to new services or to apply for a higher level of assistance through a Home Care Package.



CENTRELINK

The Council endeavours to provide essential services to the community during business hours, which span five days a week. The Council is dedicated to fostering employment opportunities for local community members and is committed to providing comprehensive Centrelink training and support for those who pursue essential service roles. Additionally, the Centrelink agent is available to offer guidance and training to community members who seek to utilize self-service facilities, ensuring that they can access these resources with ease and confidence.

LIBRARY

The Indigenous Knowledge Centre receives funding and support from the Queensland Government and the State Library of Queensland. As a result, an educational space is offered for all members of the community to enjoy. The Toy Library in Pormpuraaw provides a variety of toys that encourage children's imagination, skills, and development, promoting quality play time and family bonding.



The Pormpuraaw Indigenous Knowledge Centre offers the First Five Forever Program to children aged zero to five, which focuses on developing literacy skills and fostering lifelong learning. The program also provides resources and support to parents. The library is open from Monday to Friday and offers free use of computers and iPads for those who are tech-savvy. A diverse selection of books is available for borrowing, catering to all ages and interests, including academic study and leisure reading.

COMMUNITY HALL

Pormpuraaw has a Community Hall designated for supporting the community's sports and recreational activities throughout the area. The hall is currently being used by Pormpur Paanthu for early intervention programs aimed at helping young people. Some of the activities the hall is used for are:

- Sport & Recreational Activities for general community such as Futsal and Indoor Cricket
- Youth Development Programs/Activities
- After-school and Vacation Program Activities
- Community Youth Discos
- Community events



JUSTICE GROUP

The Community Justice Group Program provides essential support and services within Pormpuraaw to victims and offenders within the criminal justice system. The Department of Justice & Attorney-General funds the program that develops strategies for dealing with justice related issues and to decrease Aboriginal & Torres Strait Islander peoples contact with the criminal justice system.

The CJG Program provides community members with the opportunity to work collaboratively with the courts, police and staff from other government agencies to address criminal behaviour and provide support and assistance to victims of crime.



Justice Group Member
Sid Bruce Shortice



BBQ and education around the
new carriage license.

DISASTER MANAGEMENT

Local Disaster Management Group meetings are held periodically and at key times leading up to seasonal events. Nadine Oosen and Justin Smith, (Emergency Management Coordinators) support Pormpuraaw Aboriginal Shire Council with training, disaster management and on-the-ground support.

In December 2022, Pormpuraaw Operations conducted a community clean-

up to prepare for the upcoming Cyclone/wet season. As part of this clean-up initiative, community members were offered the opportunity to surrender their vehicles from their yards at no cost to them. However, no one took up the offer. The admin store has been stocked with emergency supplies, including first aid kits, torches, matches, butane cookers, and gas bottles. These items are available for use by the community in an emergency.



ALCOHOL MANAGEMENT PLAN

Pormpuraaw is now an Alcohol Managed Area, and the club has received approval for a carriage license that allows the purchase of up to 12 cans of mid-strength alcohol (up to 4%) as take-away or for driving into Pormpuraaw. There is a limit of one carriage per car. Additionally, the Pormpuraaw Post Office has been granted a Subsidiary Off Premises liquor license, enabling them to receive more than one approved carriage license via Australia Post while maintaining compliance.

The Club offers a space for community members to connect with each other and cultivate a responsible attitude towards alcohol consumption. However, the prices for drinks purchased on-site or for take-away are not competitive with the illegal "Sly Grog" trade. This contributes to negative effects on the community, such as increased crime and domestic violence, higher rates of clinic callouts, lower work ethic, and poor school attendance.

COMMUNITY EVENTS

The family orientated events organised by the Pormpuraaw Aboriginal Shire Council are alcohol-free in nature. This is done to promote healthy recreational activities and cultural celebrations, as well as to enhance the social and emotional well-being of community members. Additionally, these events foster positive relationships between the government, service providers, and the community. Some of the events are funded by the Deadly Sport and Recreation Program or the Service Enhancement program.

- Anzac Day
- Community Fishing competition
- Family Christmas Celebrations
- Support the Youth Summit
- Supporting QLD Youth Week
- Junior Ranger Program
- CROC's NRL Footy Team
- Supporting White Ribbon Day



Family Fishing Competition - enjoyed by many, lots of fish, laughter, and family spending time together.



Anzac Service Pormpuraaw 2023 included a special award ceremony.





ENVIRONMENT

This division has undergone a reorganised structure in the 2022-2023 financial year with the management of this department now falling under the Executive Manager of Operations. This will progress into a more formal structure after the March 2024 Council Elections. Council's Natural Environment is now operationally team led by the two local Coordinators in our efforts to continue the process of our localisation program trialling the capacity & ability of our local staff, particularly into leadership positions.

Council endeavours to protect both the natural and built environments in a way that does not compromise future generations and minimise our impact on non-renewable resources.

Activities delivered in our environment area during the 2022-2023 financial year are as follows:

- **Community Partnership:** continued partnership with Council, Departments, NGO's and Stakeholders to maintain Infrastructure & Vegetation control at various Council Assets throughout Pormpuraaw.
- **Carbon Program:** late seasonal rain continued to May 2023 and impacted on aerial incendiary operations with a later than normal burn. Our Ranger Team have received comprehensive training on Regulation Reporting during the year.
- **Coastal Hazard (QCoast):** we continue to address Coastal Hazard issues with Department Environment & various Stakeholders in this area.
- **Junior Rangers:** Rangers have restarted this program in partnership with our local School.
- **Marine Foreshore-monitoring recovery of Foreshore Mangroves:** Activities continues in this important eco area.
- **Outstation Re-development:** Council continues to assist the Outstations with revenue from the Carbon Project.
- **Weed/Pest Management:** Parkinson & other Weeds maintenance are still in place to control infestation.



Junior Rangers



Tree Lopping



Maintenance



OPERATIONS

The Operations Division of Council covers the Built Environment and ensures that Council programs and projects are rolled out in a timely manner with a very big empathise on timely delivery & budget

control. At the time of printing in September 2023 the Executive Manager of Operations position was recently filled having been vacant since May 2023.

AIRPORT

The Pormpuraaw (Edward River) Airport plays a very important part in providing the Pormpuraaw community essential services. Council continues to ensure that the Edward River Airport meets all of CASA requirements. This not only includes the safety of people but also the safety of all aircraft that use the airstrip, including the RTP services provided by Skytrans & Hinterland.

Council secured funding from the Aust Government in June 2021 to replace external perimeter fencing to enable wild animals to be retained outside of the airport field and runway, providing safety for aircraft.

The Airport landing tarmac took a very damaging hit during the wet season in early Jan 2023 and was compromised. Emergent works were undertaken as a temporary fix and a more permanent upgrade is earmarked with the Aust Government approval of funding for a complete upgrade with drainage and pavement works in the near future.



Airport Apron Resal:
June 2023



Admin Store Driveway, LCRI
Funding: June 2023

BUILDING REPAIRS & MAINTENANCE

Council continues to build capacity in this division with the full-time employment of a Plumbing Supervisor & Building Supervisor and a team of 6. This assists Council in acting as fast as possible when R&M issues are brought to Councils attention.



The R&M division provides the community with a prompt and a professional service covering water, electrical and building requirements.

The majority of requests / issues are brought to Council's attention through the Government organisation QBuild. With well stocked material supplies Council and its subcontractors are able to complete most tasks in a timely manner, ensuring minimal inconvenience to the tenant / client.



R & M Crew

MOBILE CONCRETE BATCHING PLANT

Council's mobile batching plant continues to assist with the many roadworks (including paving), repairs & maintenance along with housing development. Council has placed an order for a new concrete batching plant that will be delivered in Oct 2023. Efforts are still being made to have a local person trained in its operations.



Boomerang Town Centre Paving
Works with Dancing Circle –
June 2023

PARKS & GARDENS

Council maintains two hectares of parklands and gardens throughout the township area of Pormpuraaw. Council maintains all parks in a safe condition for the enjoyment of the community. Apart from the above mentioned, the P & G team also manage the grounds area of Council owned Guesthouses, Contractor camp, Main Roads camp, Community Hall with the addition of the Splash Park grounds. The P & G team also undertakes for a set fee, yard mowing and yard cleaning, these projects can either come from the residence themselves and or by way of a works order from QBuild.



Betterment 3.1km Stabilise &
Seal - June 2023



ROADS

Council maintains and upgrades roads and road-related projects through government funded programs such as the Aboriginal and Torres Strait Islander Transport Infrastructure Development Scheme (ATSI TIDS), Cape York Regional Package (CYRP), Disaster Funding Arrangements (DRFA), Roads to Recovery (R2R) and Local Roads & Community Infrastructure Program (LRCI). Council has completed sealing another 7.635km of Pormpuraaw DOGIT roads for the 2022-2023 FY. We thank the government funding departments (Dept of Transport & Main Roads and Dept of Infrastructure, Transport, Regional Development & Communications) for making these road improvement works possible.

ROADS & DRAINAGE MAINTENANCE

Council is responsible for the maintenance of approximately 20 kilometres of town roads and approximately 500 kilometres of urban and rural roads within the DOGIT area. At all times roads are maintained in a trafficable condition.

In addition to roads, Council carries out required drainage and other civil construction works throughout the Pormpuraaw area which are required for various projects.

Currently, road works (upgrades and improvements) are being carried out on the Pormpuraaw to Kowanyama Road as well as on the Northern Arterial Road.

Council will work with neighbouring shires to ensure that there is good road access to Pormpuraaw for the community residents, for the most part of the year. Heavy wet seasons impact the road access and restoration works can only commence when it is safe and accessible to do so.



Strathgordon Rd to
Musgrave: May 2023



Strathgordon Rd to
Musgrave: June 2023



Roads - Murray Crossing
March 2023



CORPORATE SERVICES

The 2022-2023 financial year has seen Council achieve yet another unqualified audit opinion, the eleventh unqualified audit consecutively. Council met only two of the three measures of financial sustainability for the 2022-2023 financial year. Council did not meet the asset sustainability ratio (based on asset renewals) for the 2022-2023 financial year. Council's focus has been on the delivery of capital funded projects for new assets.

Council's overall financial sustainability risk has been assessed by QAO as **low**. Council is within the 5-year average target range for the operating surplus ratio and net financial liabilities ratio, however, is outside of the 5-year average target range for the asset sustainability ratio. The corporate services department will continue to focus on being a financially sustainable Council in order to bring strong stability to the Pormpuraaw community for the foreseeable future.

The corporate services department has worked tirelessly to ensure that compliance was met in every manner across Council, ensuring another unqualified audit was achieved along with improved processes across the organisation. This was reflected in the 2022-2023 Queensland Audit Office closing external audit report to the Mayor & CEO, where Council has had no significant deficiencies or deficiencies identified. For the 2022-2023 financial year, Council has had 3 matters that have been identified as "Other Matters" in our QAO closing audit reports. The 3 items identified were: register of awarded contracts, tenders & pre-qualified suppliers not being regularly updated on Council's website (corrected when identified by audit), statement of estimated financial position as per the legislative compliance checklist not presented at the same time as the annual budget to Council (corrected for the 2023-2024 budgets) and adjustments maintained outside of the asset register for impairment of road assets that are affected by wet season events (Council disagrees with this matter as the impairment of road assets is identified in the asset register at the time of the restoration works being completed). At the time of writing this report this matter was being discussed further with QAO.

Sound financial practices underpin the foundations of the way Council conducts business. Council manages its financial affairs in accordance with the Local Government Act 2009 (Qld) and the Regulations made under that Act. Council will maintain a capability to perform all necessary functions to properly collect funds owed to it, to pay monies owed to employees and suppliers and to maintain proper accounting records of all financial transactions undertaken by Council.

Council is focused on long-term financial and asset management planning processes while developing strategies to maintain service levels over the long-term. Council's emphasis on long-term planning for infrastructure assets will strengthen the ability for services, service levels and associated costs. Major Council priorities identified in the Corporate and Operational Plans form the focus of financial management strategies.



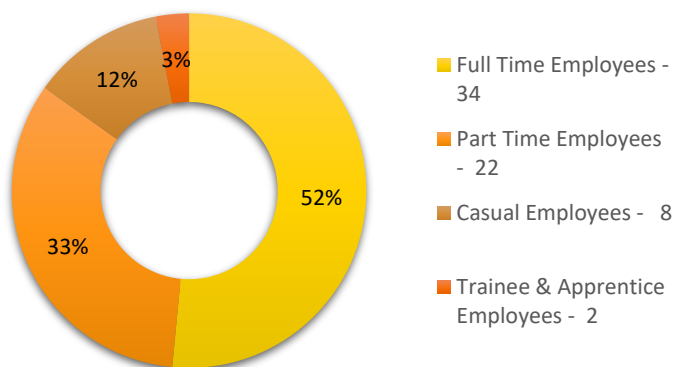
As at 30 June 2023, Council has built up good cash reserves which will see the Council be able to self-fund operational requirements for a period of approx. 39 months, should global economic effects impact grant funding available to Council. Council will also be looking at investing some of their cash reserves into areas that will provide benefits and ongoing returns for the Pormpuraaw Community.

Council receives untied funding to support its overall operations and these funds are accounted for under this function. Council continues to explore opportunities that work towards a business model of income generating enterprises with the intent of reducing grant reliance.

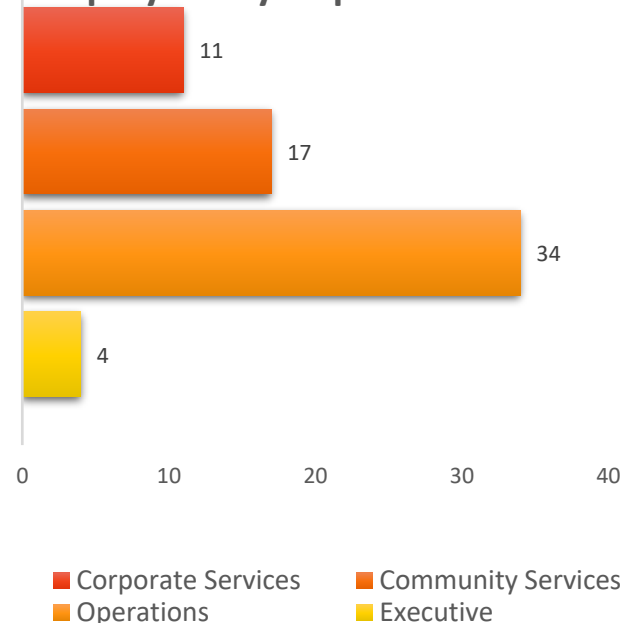
Services provided through the Corporate Services team are as follows:

- Financial (Payables, Receivables, Payroll, Inventory, etc.)
- Human Resources
- Governance & Administration
- IT & Communication Services
- Audits
- Administration Store
- Accommodation Services (Guesthouses & Contractors Camps)

Employee Demographic - Classification



Employees by Department





Corporate Services continues to ensure that the recruitment of local positions in Pormpuraaw remains a priority in the stabilisation of Council's workforce. As at the end of June 2023, local staff made up 70% of the Pormpuraaw based workforce with an additional five staff members located in Cairns. Council's People & Culture Leader has been based in community for 18 months and has worked tirelessly to manage recruitment, organisation training requirements and to focus on local capacity building. Recruitment can be a challenge due to the small pool of local jobseekers and the shortage of available housing for potential staff. The issue of absenteeism continues to be a challenge across the organisation.

Council works together with local employment service provider RISE Ventures, who run the CDP program within Pormpuraaw to improve education, training and employment outcomes for jobseekers within the community.

The Executive Manager of Corporate Services thanks all Council staff for their ongoing efforts and support, in particular the Finance Manager who has managed Council's audit process well for the year. The audit results are a collaborative effort across the organisation and displays our employee's commitment to ensuring that our internal control and processes are complied with. Corporate Services also acknowledges and is extremely grateful to all funding bodies for not only the funding they provide to Council and community, but the ongoing support that is also provided to see our community and its people prosper and move toward a better future.



Cairns Corporate Services Team on the ground in Pormpuraaw in December 2022, participating in the Community Christmas event.



COMMUNITY FINANCIAL REPORT

This community financial report is produced as part of Council's Annual Report. It explains in an understandable format Council's financial position to the community, employees and other interested parties.

It is a summary only. A full set of Council's 2022-23 Audited Financial Statements, including notes to the financial statements is included in this Annual Report, see Appendix A.

FINANCIAL STATEMENTS

The audited financial statements of Pormpuraaw Aboriginal Shire Council set out the financial performance, financial position, cash flows and the wealth of Council for the financial year ended 30 June 2023.

Council has made a retrospective restatement for the financial year ended 30 June 2022 due to a correction of error in relation to the transfer of building assets (Majority being transfer of buildings under homeownership program for LHA leases). In accordance with Australian Accounting Standards AASB 108 and AASB 101, Council has restated the comparative figures.

The formal records of Council's financial performance and position are contained in four sets of financial statements:

1. Statement of Comprehensive Income
2. Statement of Financial Position
3. Statement of Changes in Equity
4. Statement of Cash Flows

The financial statements must be certified by both the Mayor and the Chief Executive Officer as presented accurately, truly & fairly. Pormpuraaw Council's financial results for the year are adopted by the Council – ensuring both the responsibility for and the ownership of the financial statements by management and the elected representatives.

STATEMENT OF COMPREHENSIVE INCOME

Shows all the revenue Council has earned and the expenses incurred for the financial year. There are two main categories of revenue for the financial year, Recurrent Revenue and Capital Revenue.

Council's net surplus in 2022-23 was \$10.89M.

Council made an operating profit of \$1.9M for the 2022-23 financial year. The increase from the previous year's operating results is attributed to a rise in interest received on the QTC cash fund of \$1.3M, which was caused by aggressive increases in the RBA cash rate during 2022-23. Sales revenue has increased by \$573k due to private works. This increase can be attributed to Council's success in securing more tenders and maintenance works contracts.

The largest source of revenue (outside of grant funding) is sales revenue at \$5.9M predominately being from private works that Council undertakes. The greatest expense is the cost of materials and services at \$6.9M.

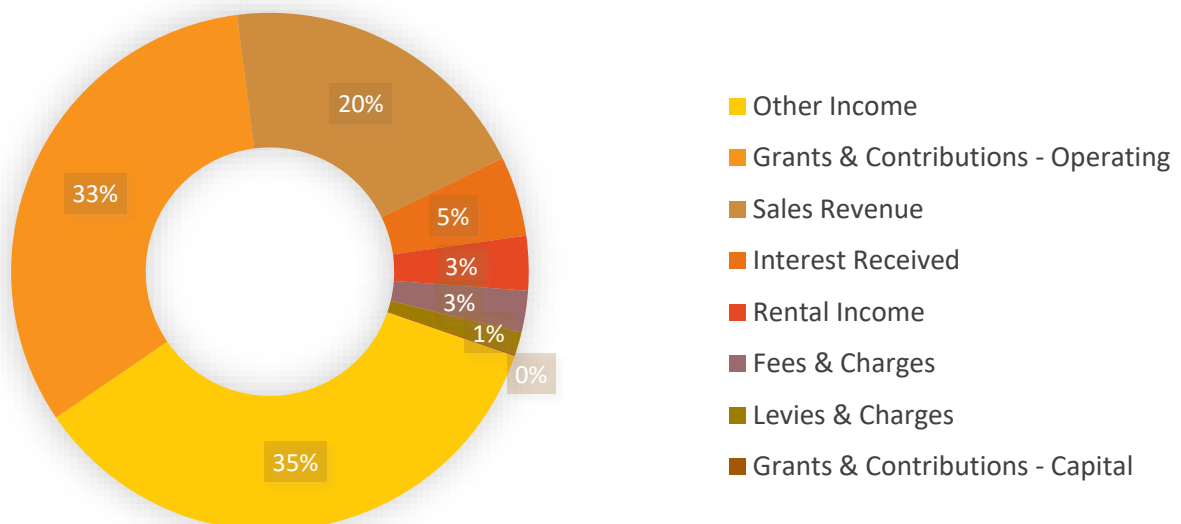
	2023	2022 Restated	2021
	\$,000	\$,000	\$,000
Operating Revenue	\$20,387	\$16,189	\$16,750
Capital Revenue	\$9,832	\$5,027	\$8,674
TOTAL REVENUE	\$30,219	\$21,216	\$25,424
Recurrent Expenditure	\$18,473	\$15,890	\$15,063
Capital Expenditure	\$856	\$657	\$1,766
TOTAL EXPENDITURE	\$19,329	\$16,547	\$16,829
Net Result	\$10,890	\$4,669	\$8,595
+ / (-) in Asset Revaluation Surplus	\$9,193	\$6,295	(\$3,292)
Total Comprehensive Income	\$20,083	\$10,964	\$5,303

SOURCES OF REVENUE – WHERE OUR MONEY COMES FROM

For the 2022-23 financial year, 67.7% of total revenue comes from State and Federal recurrent and capital grants. These include \$3.02M from the Department of State Development, Infrastructure, Local Government & Planning and \$1.2M from Department of Housing and \$2.08M from Department of Transport for roads maintenance and upgrades.

Sales revenue increased from \$5.4M to \$5.9M in 2023, equalling 19.8% of total income. The biggest contributor in sales revenue was private works income of \$3.8M.

REVENUE FOR 2022-23



Revenue	Actual \$'000	%
Grants & Contributions – Operating	\$10,648	35.2%
Grants & Contributions – Capital	\$9,812	32.5%
Sales Revenue	\$5,980	19.8%
Interest Received	\$1,509	5.0%
Rental Income	\$1,038	3.4%
Fees and charges	\$796	2.6%
Levies & Charges	\$415	1.4%
Other Capital Income	\$21	0.1%
TOTAL INCOME	\$30,219	100%

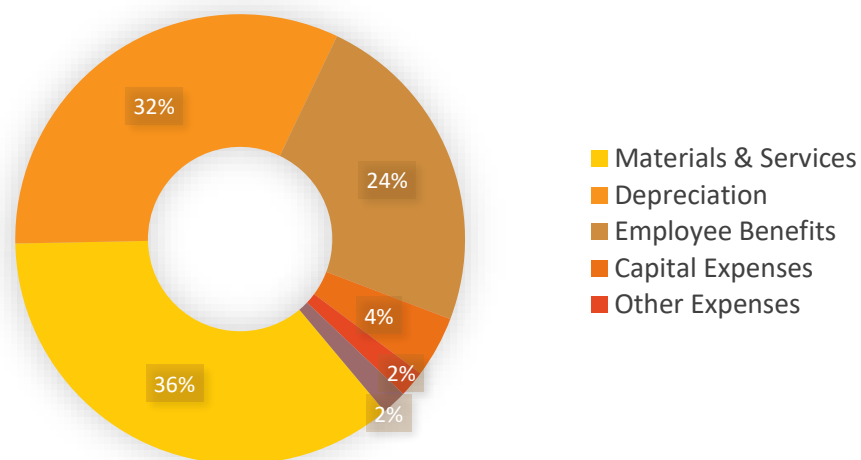
EXPENSES – WHERE OUR MONEY GOES

Council is the largest employer for Pormpuraaw and engages in business with a range of local suppliers and contractors, spending money in the local economy. The cost for materials and services includes the repairs and maintenance recoverable works program and payments for the delivery of essential services such as roads, water, sewerage, building services and airport.

Depreciation is another major component of Council's operating expense. It does not represent cash spent but the estimated reduction in the value of an asset as it is used to provide a service to the community. It provides a guide as to what Council should spend on asset renewals and it is a component of the asset sustainability ratio. As such, Council's ability to reduce this figure is limited.

The chart below shows the breakdown of expenses.

EXPENDITURE FOR 2022-23



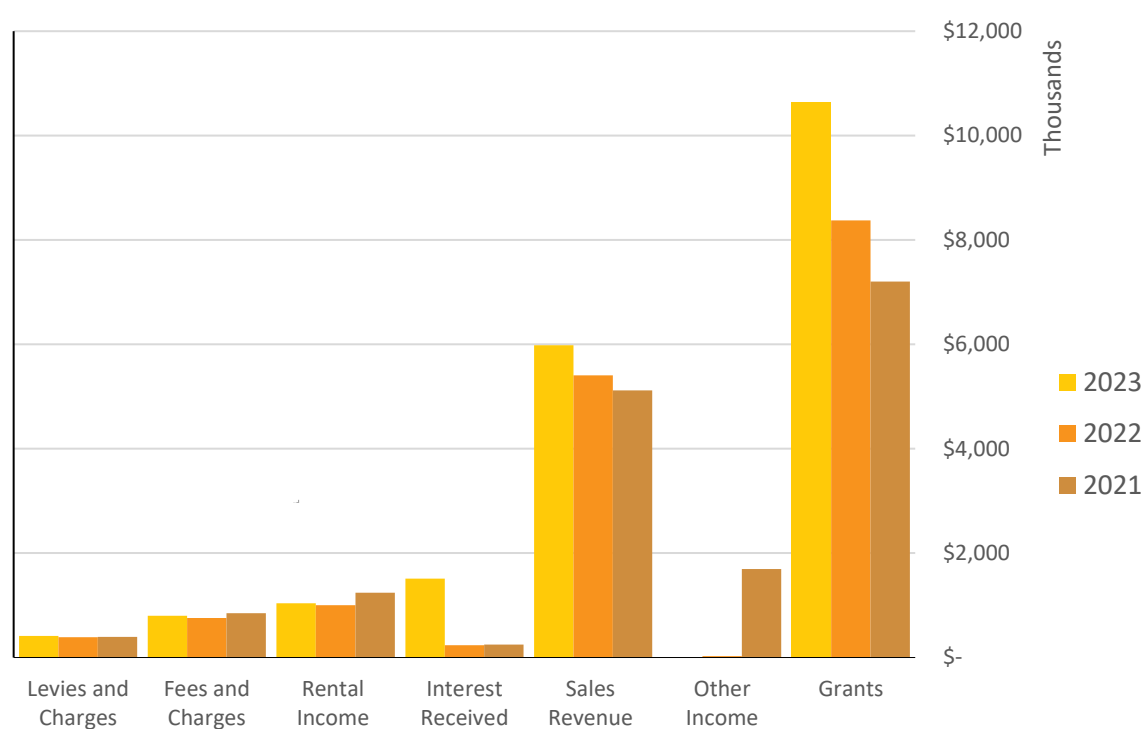
Expense	Actual \$'000	%
Materials & Services	\$6,919	35.8%
Depreciation	\$6,259	32.4%
Employee Benefits	\$4,581	23.7%
Capital Expenditure	\$856	4.4%
Other Expenses	\$367	1.9%
Finance Costs	\$347	1.8%
TOTAL EXPENSES	\$19,329	100%



REVENUE & EXPENDITURE: A SNAPSHOT OF THE PAST THREE YEARS

The below table is a review of the past three years of Council’s earnings and expenditure. Council continues to focus on increasing own source revenue to continue its march towards financial sustainability.

INCOME THREE-YEAR COMPARISON



EXPENSES THREE-YEAR COMPARISON



REVENUE & EXPENDITURE: A SNAPSHOT OF THE PAST THREE YEARS

FINANCIAL PERFORMANCE	2023	2022	2021
		<i>Restated</i>	
	\$'000	\$'000	\$'000
INFLOWS:			
Levies and Charges	\$415	\$386	\$394
Fees and Charges	\$796	\$754	\$851
Rental Income	\$1,038	\$1,002	\$1,241
Interest Received	\$1,509	\$235	\$248
Sales Revenue	\$5,980	\$5,406	\$5,119
Other Income	-	\$29	\$1,694
Capital Income	\$21	-	-
Grants, Subsidies, Contributions & Donations (recurrent & capital)	\$20,460	\$13,404	\$15,877
TOTAL INCOME:	\$30,219	\$21,216	\$25,424
OUTFLOWS:			
Employee Benefits	\$4,581	\$4,055	\$3,756
Materials & Services	\$6,919	\$6,029	\$5,637
Finance Costs	\$347	\$38	\$52
Depreciation	\$6,259	\$5,681	\$5,618
Other Expenditure	\$367	\$87	0
Capital Expenditure	\$856	\$657	\$1,766
TOTAL EXPENSES:	\$19,329	\$16,547	\$16,829
Net Result	\$10,890	\$4,669	\$8,595
+ / (-) in Asset Revaluation Surplus	\$9,193	\$6,295	\$(3,292)
Total Comprehensive Income	\$20,083	\$10,964	\$5,303

STATEMENT OF FINANCIAL POSITION

Shows the assets and liabilities of Council. The difference makes up the community equity.

ASSETS – WHAT COUNCIL OWNS

Council controlled assets at 30 June 2023 was a total value of \$178.6M, with property, plant and equipment making up 66.4% of total assets, followed by cash at 24.7%. The finance leases for the 40-year leases on social housing comprise 7.6% of total assets.

The table below provides a summary of major items that make up Pormpuraaw community's wealth.

Major Items that Make Up Pormpuraaw's Community Wealth:	2023 \$,000	2022 <i>Restated</i> \$,000
Available Cash & Investments	\$51,054	\$45,848
Debtors	\$2,174	\$1,061
Inventories	\$556	\$480
Contract Assets	\$1,484	\$873
Other Assets	\$333	\$22
Buildings	\$32,970	\$28,371
Furniture & Fittings	-	\$4
Plant & Equipment	\$2,463	\$2,376
Water Infrastructure	\$8,000	\$7,354
Sewerage Infrastructure	\$12,431	\$11,088
Other Infrastructure (Roads)	\$75,336	\$67,630
Land	\$422	\$419
Capital Work in Progress	\$739	\$2,581
Finance Leases: 40 Year Leases Social Houses	\$13,385	\$14,196
Less Liabilities	\$(6,110)	\$(7,149)
NET COMMUNITY EQUITY	\$195,237	\$175,154

STATEMENT OF CHANGES IN EQUITY

Shows the change in value of Council's net worth for the financial year.

Community equity is the value of what Council is worth. It is measured as assets (what Council owns) less liabilities (what Council owes).

Council's total community equity as of 30 June 2023 was \$195 million.

	2023 \$'000	2022 <i>Restated</i> \$'000	Changes in Equity \$'000
Asset Revaluation Surplus	\$111,359	\$102,166	\$9,193
Retained Surplus	\$83,878	\$72,988	\$10,890
Total Equity	\$195,237	\$175,154	\$20,083

STATEMENT OF CASH FLOWS

Shows the cash inflows and outflows of Council during the financial year.

The Statement of Cash Flows only reports on cash at the beginning of the reporting period and cash received in the period less cash disbursed in the period.

On 30 June 2023, Council held \$51,054,283 in cash. This is an increase of just over \$5.2M from the prior year. Most of this is invested with the Queensland Treasury Corporation to maximise on interest earned.

	2023 \$'000	2022 \$'000
Cash at the beginning of the year	\$45,848	\$35,751
+ / (-) cash from operating activities	\$6,621	\$7,261
+ / (-) cash from investing activities	\$(1,415)	\$2,836
Cash at the end of the year	\$51,054	\$45,848

MEASURES OF FINANCIAL SUSTAINABILITY

The Financial Sustainability of Councils continues to be a cornerstone of the Local Government Act and a core responsibility of individual Councils across Queensland.

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

1. Operating Surplus Ratio – Net Result (excluding capital items) divided by Total Operating Revenue (excluding capital revenue)
2. Asset Sustainability Ratio – Capital Expenditure on Replacement of Assets (Renewals) divided by Depreciation Expense
3. Net Financial Liabilities Ratio – Total Liabilities less Current Assets divided by Total Operating Revenue (excluding capital revenue)

MEASURES OF FINANCIAL SUSTAINABILITY

	Target	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Operating surplus ratio	Between 0% and 10%	9%	69%	65%	43%	46%	48%	44%	48%	45%	33%	-5%
Asset sustainability ratio	greater than 90%	55%	0%	1%	2%	2%	3%	4%	5%	6%	6%	33%
Net financial liabilities ratio	not greater than 60%	-245%	-249%	-271%	-298%	-318%	-338%	-359%	-380%	-400%	-421%	-594%

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

STATUTORY REPORTING REQUIREMENTS

This annual report has been prepared in accordance with *Chapter 5, Part 3 of Local Government Regulation 2012*. The 'Act' refers to *The Local Government Act 2009*.

COUNCILLOR FINANCIAL DISCLOSURES

The total remuneration including superannuation paid to each Councillor in the financial year 2022-23 is as follows:

Name	Position	Councillor Fees \$	Superannuation \$	Total Remuneration \$	Expenses Incurred \$
TARPENCHA, Richard	Mayor	110,810	11,655	122,466	3,433
CONRAD, George	Councillor	57,475	6,015	63,490	-
FOOTE, Andrea	Councillor	57,475	6,041	63,516	-
KINGI, Ronald	Councillor	55,698	5,860	61,558	3,700
KOO-AGA, Tim	Councillor	57,749	6,044	63,793	3,700
TOTAL		339,207	35,616	374,822	10,833

Current Councillors are serving a rotating role, where each elected Councillor will conduct the Deputy Mayor role for a quarterly period throughout the year. The Councillor fees reported are inclusive of the Deputy Mayor fees payable to each Councillor whilst serving their time in this role.

Expenses incurred by Councillors are set out in the *Councillor Remuneration, Expenses Reimbursement and Resources Policy E001* and include some of the following: travel and accommodation by Councillors relating to Council business, reimbursement for meals and incidental costs related to that travel, professional development deemed essential for the Councillor's role and costs associated with a phone, satellite phone and vehicle for the Mayor.



COUNCILLOR FACILITIES PROVIDED

In accordance with the *Councillor Remuneration, Expenses Reimbursement and Resources Policy E001*, Councillors are provided with the following administrative tools to assist Councillors in their role:

- Office space;
- Meeting rooms;
- Computers;
- Stationery;
- Access to photocopiers/ printers Publications;
- Use of Council landline telephones and internet access in Council offices.

SENIOR MANAGEMENT EMPLOYEE REMUNERATION DISCLOSURE

Five senior management employees have been employed by Council in the 2022-23 year to carry out its statutory functions.

One senior management employee was in the \$200,000 - \$300,000 remuneration bracket and four senior management employees were in the \$100,000 - \$200,000 remuneration bracket. Remuneration reported includes base salary, superannuation, and housing benefits.

Position	Remuneration Bracket
CEO	\$200,000 - \$300,000
Executive Manager of Corporate Services	\$100,000 - \$200,000
Executive Manager of Operations	\$100,000 - \$200,000
Executive Manager of Community Services	\$100,000 - \$200,000
Executive Manager of Environment	\$100,000 - \$200,000



COUNCILLOR ATTENDANCE

Council meetings are currently scheduled to be held on the last Wednesday of each month. Twelve (12) Council meetings were held in 2022-23. Councillor attendance is listed in the table below:

Name	Position	Ordinary Meetings
TARPENCHA, Richard	Mayor	12
CONRAD, George	Councillor	10
FOOTE, Andrea	Councillor	8
KOO-AGA, Tim	Councillor	10
KINGI, Ronald	Councillor	12

COUNCILLOR CONDUCT

In accordance with *section 186 of the Local Government Regulation 2012*, the Annual Report must provide the following information:

Detail	Results
<i>Section 186 (d)</i>	
(i) The total number of orders made under section 150I(2) of the Act;	NIL
(ii) The total number of orders made under section 150AH(1) of the Act;	NIL
(iii) The total number of decisions, orders and recommendations made under section 150AR(1) of the Act;	1
<i>Section 186 (e)</i>	
(i) The name of each Councillor for whom a decision, order or recommendation mentioned in paragraph (d) was made;	T. Koo-Aga
(ii) A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each of the Councillors;	Councillor engaged in physical altercation with a member of the local government area.



Detail	Results
(iii) A summary of the decision, order or recommendation made for each Councillor;	Pursuant to section 150AR(1)(b)(ii) of the Act, Cr T. Koo-Aga was reprimanded.
<i>Section 186 (f)</i>	
(i) The number of complaints referred to the assessor under section 150P(2)(a) of the Act by local government entities for the local government;	NIL
(ii) The number of matters, mentioned in section 150P(3) of the Act, notified to the Crime and Corruption Commission;	NIL
(iii) The number of notices given under section 150R(2) of the Act;	1
(iv) The number of notices given under section 150S(2)(a) of the Act;	NIL
(v) The number of decisions made under section 150W(1)(a), (b) and (e) of the Act;	1
(vi) The number of referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the Act;	NIL
(vii) The number of occasions information was given under section 150AF(4)(a) of the Act;	NIL
(viii) The number of occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the Act for the local government, the suspected inappropriate conduct of a Councillor;	NIL
(ix) The number of applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the Act about whether a Councillor engaged in misconduct or inappropriate conduct;	1

OVERSEAS TRAVEL

No overseas travel in an official capacity was made by any Councillor or Council staff during the reporting period as per *s188 – Local Government Regulations 2012*.



EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

There have not been any grants to community organisations for the 2022-23 financial year.

DISCRETIONARY FUNDS

As the Council does not have ratable land thus general rates, there are no discretionary funds budgeted or allocated.

ADMINISTRATIVE ACTION COMPLAINTS

The Council has a complaints management process in place and is committed to dealing fairly with administrative complaints. The complaints management process is designed to ensure that any member of the public can lodge a complaint about how they have been dealt with by Council staff or how they have been affected by any Council administrative decision.

Council's complaints management process is made available to the public on Council's website under the '*Complaints including Administrative Policy*'. During the 2021-22 & 2022-23 financial year, no complaints were lodged with Council under the complaints management process.

PARTICULAR RESOLUTIONS

The annual report must contain a copy of the resolutions made during the financial year under s250 (1) and s206 (2). Section s250(1) outlines that '*A local Government must adopt an expenses reimbursement policy*' and s206(2) outlines that '*The Local Government must, by resolution, set an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense*'.

A copy of the *Councillor Remuneration, Expenses Reimbursement and Resources Policy* is available on Council's website - Resolution # 2022/06/07.

Pormpuraaw Aboriginal Shire Council did not make any resolutions setting an amount for each different type of non-current physical asset below which the value of an asset of the same type must be treated as an expense.



OTHER CONTENTS

IMPLEMENTING THE CORPORATE PLAN

The Council elected in March 2020, have chosen to run with our current Corporate Plan 2019 – 2023. The Corporate Plan will be extended and will remain in place until the newly elected Council is appointed in 2024. This will give the new elected members an opportunity to put their visions for the community into the next Corporate Plan. Council has made very good progress in delivering the current corporate plan, with most objectives achieved or in planning at the time of writing this annual report.

IMPLEMENTING THE OPERATIONAL PLAN

Council will continue to align our Operational Plan with realistic and achievable goals that link to our budgets and community service requirements. Council has made good progress with the Operational Plan, with the CEO providing quarterly reporting on the Operational Plan to the Council. Some key performance requirements under Built Environment & Natural Environment have not been achieved due to the vacancy within these Executive Management roles.

BENEFICIAL ENTERPRISES AND BUSINESS UNITS

Council does not have any beneficial enterprises. Council did not conduct any significant business activities during the reporting period that fall under section 45 of the Act.

INVITATIONS TO CHANGE TENDERS

There are no instances to report where a company or persons who had submitted a tender to Council were invited to change their tender.

JOINT GOVERNMENT ACTIVITY

There is no joint government activity to report for which another local government supplied goods and/or services for which Council levied special rates and charges in the financial year.



LIST OF REGISTERS

The following registers are held by Pormpuraaw Aboriginal Shire Council and are available for viewing by members of the public on request:

- Registers of Interests of Councillors
- Councillor Conduct Register
- Register of Financial Authority Limit Delegations
- Minutes of Council Meetings
- Register of Council Resolutions
- Council Policy Register
- Register of Delegations
- Register of Contracts/Tenders
- Register of Prequalified Suppliers
- Register of Related Parties
- Risk Register
- Local Laws Register
- Roads Register
- Asset Register
- Fraud Register
- Register of Gifts

INTERNAL AUDIT FUNCTION

The Internal Audit function provides Council an independent assessment and evaluation of the control measures the Council has adopted or plans to adopt and to manage the operational risks to which the Local Government operations are exposed.

Council has a system of internal controls that aim to minimise risk and protect Council's assets. The internal audit function provides Council an independent review of the sufficiency and dependability of established internal controls that aim to safeguard Council's assets from loss, waste and fraud and that Councils activities are governed by the highest operational standards and ethics.

The purpose of the Councils internal audit function is to provide an unbiased evaluation of the systems and processes that underpin Councils internal controls by verifying the effectiveness of Councils risk management, efficiency, control, and governance processes.

The 2022-23 internal audit review encompassed the following areas:

- Review of comprehensive and desktop revaluation of property, plant, and equipment
- Review of systems in place to record and manage carbon credit trading
- Review of the of the existing arrangement with RISE Ventures

COMPETITIVE NEUTRALITY COMPLAINTS

There are no competitive neutrality complaints to report.



APPENDIX A: THE FINANCIAL STATEMENTS



Financial Statements
For the year ended 30 June 2023

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2023

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**Pormpuraaw Aboriginal Shire Council
Statement of Comprehensive Income
For the year ended 30 June 2023**

		2023	2022
			Restated*
	Note	\$	\$
Income			
Revenue			
Recurrent revenue			
Levies and charges	3(a)	415,127	386,470
Fees and charges	3(b)	796,708	753,696
Rental income	16	1,037,979	1,002,310
Interest received		1,509,252	234,527
Sales revenue	3(c)	5,979,882	5,406,161
Other income	3(d)	-	29,330
Grants, subsidies, contributions and donations	4	10,648,259	8,377,219
Total recurrent revenue		20,387,207	16,189,713
Capital revenue			
Grants, subsidies, contributions and donations	4	9,811,579	5,026,844
Capital income	5	20,829	-
Total revenue		30,219,615	21,216,557
Total income		30,219,615	21,216,557
Expenses			
Recurrent expenses			
Employee benefits	6	(4,580,636)	(4,054,532)
Materials and services	7	(6,919,180)	(6,029,483)
Finance costs	8	(347,334)	(38,088)
Depreciation and amortisation			
Property, plant and equipment	13	(6,258,590)	(5,680,566)
Other expenses	16	(367,370)	(87,425)
		(18,473,110)	(15,890,094)
Capital expenses	9	(856,134)	(657,423)
Total expenses		(19,329,244)	(16,547,517)
Net result		10,890,371	4,669,040
Other comprehensive income			
Items that will not be reclassified to net result			
Increase/(decrease) in asset revaluation surplus	19	9,192,926	6,294,529
Total other comprehensive income for the year		9,192,926	6,294,529
Total comprehensive income for the year		20,083,297	10,963,569

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

**Council has made a retrospective restatement as a consequence of correction of error in accordance with AASB 108 and therefore in accordance with AASB 101 has restated the comparative figures as set out in Note 26.*

Pormpuraaw Aboriginal Shire Council
Statement of Financial Position
As at 30 June 2023

		2023	2022	1 July 2021
	Note	\$	Restated*	Restated*
		\$	\$	\$
Current assets				
Cash and cash equivalents	10	51,054,283	45,848,280	35,751,906
Receivables	11	2,173,672	1,061,349	1,568,327
Inventories	12	556,077	480,250	424,734
Contract assets	15	1,483,908	873,260	1,241,164
Other assets		333,051	21,512	31,679
Other financial assets	16	476,525	443,600	418,464
Total current assets		56,077,516	48,728,251	39,436,274
Non-current assets				
Property, plant and equipment	13	132,362,044	119,823,355	114,272,607
Other financial assets	16	12,908,458	13,752,353	14,283,385
Total non-current assets		145,270,502	133,575,708	128,555,992
Total assets		201,348,018	182,303,959	167,992,266
Current liabilities				
Payables	17	2,050,165	2,301,741	1,491,283
Contract liabilities	15	3,243,468	4,071,025	1,545,755
Provisions	18	618,882	571,905	537,981
Total current liabilities		5,912,515	6,944,671	3,575,019
Non-current liabilities				
Provisions	18	198,121	205,203	226,731
Total non-current liabilities		198,121	205,203	226,731
Total liabilities		6,110,636	7,149,874	3,801,750
Net community assets		195,237,382	175,154,085	164,190,516
Community equity				
Asset revaluation surplus	19	111,359,498	102,166,572	95,872,043
Retained surplus		83,877,884	72,987,513	68,318,473
Total community equity		195,237,382	175,154,085	164,190,516

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

**Council has made a retrospective restatement as a consequence of correction of error in accordance with AASB 108 and therefore in accordance with AASB 101 has restated the comparative figures as set out in Note 26.*

**Pormpuraaw Aboriginal Shire Council
Statement of Changes in Equity
For the year ended 30 June 2023**

	Asset revaluation surplus Restated*	Retained Surplus Restated*	Total Restated*
	\$	\$	\$
Balance as at 1 July 2022	102,166,572	72,987,513	175,154,085
Net result	-	10,890,371	10,890,371
Other comprehensive income for the year			
Increase in asset revaluation surplus	9,192,926	-	9,192,926
Total comprehensive income for the year	9,192,926	10,890,371	20,083,297
Balance as at 30 June 2023	111,359,498	83,877,884	195,237,382
Balance as at 1 July 2021	95,872,043	71,161,555	167,033,598
Opening balance adjustment on residential housing assets	-	(2,843,082)	(2,843,082)
Restated balances as at 1 July 2021	95,872,043	68,318,473	164,190,516
Net result	-	4,669,040	4,669,040
Other comprehensive income for the year	-	-	-
Increase in asset revaluation surplus	6,294,529	-	6,294,529
Total comprehensive income for the year	6,294,529	4,669,040	10,963,569
Balance as at 30 June 2022	102,166,572	72,987,513	175,154,085

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

**Council has made a retrospective restatement as a consequence of correction of error in accordance with AASB 108 and therefore in accordance with AASB 101 has restated the comparative figures as set out in Note 26.*

Pormpuraaw Aboriginal Shire Council
Statement of Cash Flows
For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers		5,766,153	7,360,136
Payments to suppliers and employees		(12,340,322)	(9,713,583)
		(6,574,169)	(2,353,447)
Interest received		1,509,252	234,527
Rental income		1,037,979	1,002,310
Non capital grants and contributions		10,648,259	8,377,219
Net cash inflow from operating activities	24	6,621,321	7,260,609
Cash flows from investing activities			
Payments for property, plant and equipment		(6,726,342)	(5,649,526)
Proceeds from sale of property plant and equipment		23,636	-
Finance lease receipts	16	443,600	418,462
Grants, subsidies, contributions and donations		4,843,789	8,066,829
Net cash inflow (outflow) from investing activities		(1,415,318)	2,835,765
Net increase in cash and cash equivalent held		5,206,003	10,096,374
Cash and cash equivalents at the beginning of the financial year		45,848,280	35,751,906
Cash and cash equivalents at end of the financial year	10	51,054,283	45,848,280

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

**Council has made a retrospective restatement as a consequence of correction of error in accordance with AASB 108 and therefore in accordance with AASB 101 has restated the comparative figures as set out in Note 26.*

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

1 Information about these financial statements

1.A Basis of preparation

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

The general purpose financial statements are for the period 1 July 2022 to 30 June 2023. They are prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*.

These financial statements comply with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB). Council is a not-for-profit entity for financial reporting purposes and complies with Australian Accounting Standards as applicable to not-for-profit entities.

These financial statements have been prepared under historical cost convention except for the revaluation of certain classes of property, plant and equipment.

1.B New and revised Accounting Standards adopted during the year.

Pormpuraaw Aboriginal Shire Council adopted all standards which became mandatorily effective for annual reporting periods beginning on 1 July 2022, none of the standards had a material impact on reported position, performance and cash flows.

1.C Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2023, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies the new Australian Accounting Standards that were issued but not yet effective at the time of preparing these financial statements that could be applicable to Council.

	Effective for NFP annual report periods beginning on or after:
AASB 2021-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2021-6 and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants)	1 January 2023
AASB 2021-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2021 and Other Amendments	1 January 2023
AASB 2022-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2022-6)	1 January 2023
AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards	1 January 2023
ASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non Financial Assets of Not-for-Profit Public Sector Entities	1 January 2024

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

1 Information about these financial statements

1.D Estimates and judgements

Council make a number of judgements, estimates and assumptions in preparing these financial statements. These are based on the best information available to Council at the time, however, due to the passage of time, these assumptions may change and therefore the recorded balances may not reflect the final outcomes.

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

Valuation and depreciation of property, plant and equipment - Note 13 and Note 14

Impairment of property, plant and equipment - Note 14

Contract assets and liabilities - Note 15

Provisions - Note 18

Contingent liabilities - Note 21

Revenue recognition - Note 3 and 4

1.E Rounding and comparatives

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

Comparative information is generally restated for reclassifications, errors and changes in accounting policies unless permitted otherwise by transition rules in a new Accounting Standard / Comparative information is prepared on the same basis as the prior year.

1.F Financial assets and financial liabilities

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

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

1.G Taxation

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

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

2 Analysis of results by function

2 (a) Components of Council functions

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

Community Services – The Way We Want To Live Together

The key objective is to promote outcomes which encourage a healthy, supportive, contributing and proactive community where appropriate services and facilities are available and accessible by all. This function advocates and supports: participation of men in community programs; sport, art & culture; aged community members are provided with quality of life; and community access to justice through an active Justice Group.

The community function includes:

- Work and support programs of education, training and rehabilitation;
- Increase community awareness and engagement in public activities and special events;
- Encouraging leadership and stewardship through regular community discussions; and
- Providing quality aged care facilities by highly trained staff.

Built Environment – Shaping Our Surroundings

The key objective is to plan for the future development of the community in ways which actively value the heritage and the character of our community with access for all.

This function manages and provides, to a standard that ensures a minimum legislative compliance and equitable standard:

- Development and maintenance of urban and rural roads;
- Maintain and extend the program for roads, drainage and pathways;
- Advocate and supports the development of housing & the refurbishment of existing housing.

Natural Environment – It Begins With Each Of Us

The key objective is to ensure the natural environment is protected in a way that is not compromised for future generations and is managed so as to minimise our impact on non renewable resources.

This function manages and provides:

- The Land & Sea Ranger programs;
- Supports and develops feral animal and plant pest control;
- Public Health programs;
- The development and monitoring of the West Coast Turtle Threat Abatement Program; and
- Water, waste and sewerage services.

Economy – Creating Our Future

The key objective is to facilitate a vibrant local economy which enjoys sustainable business investments and the benefits of a skilled and diverse workforce.

The goal of this function is to advocate and develop:

- Tourism infrastructure, a local tourism economy and employment opportunities;
- Diverse sustainable business opportunities;
- New businesses are established and/or developed in Pormpuraaw which generate a substantial flow of funds into the community; and
- the increase of training and employment opportunities for residents.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

2 Analysis of results by function

2 (a) Components of Council functions (continued)

Organisation – Developing Our Capacity

The key objective is to strengthen the capacity of the council organisation and its people to serve our community and to pursue positive outcomes in partnership with community business and government bodies.

This function manages and provides:

- The longevity and sustainability of local government and its benefits to the community;
- Councillors that are actively engaged in the affairs of the community;
- Value the benefits of good financial management and accountability; and
- Community benefits which result from good governance.

The organisation function achieves its objectives by: transparency and accountability in business dealings, probity in purchasing; adhering to reporting timeframes and active communication to our stakeholders.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

2 Analysis of results by function

(b) Income and expenses defined between recurring and capital are attributed to the following functions:

Year ended 30 June 2023

Functions	Gross Program Income			Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital							
	Grants	Other	Grants		Other					
	\$	\$	\$		\$					
Community Services	2,238,226	670,241	3,757,770	-	6,666,237	(1,915,810)	-	992,657	4,750,427	9,303,503
Built Environment	38,381	5,103,159	5,778,231	-	10,919,771	(12,031,320)	(856,134)	(6,889,780)	(1,967,683)	94,258,342
Natural Environment	940,182	261,771	20,278	-	1,222,231	(1,323,445)	-	(121,492)	(101,214)	23,207,830
Economy	-	2,111,154	245,578	-	2,356,732	(2,200,486)	-	(89,332)	156,246	19,813,710
Organisation	7,431,470	1,592,623	9,722	20,829	9,054,644	(1,002,049)	-	8,022,044	8,052,595	54,764,633
Total	10,648,259	9,738,948	9,811,579	20,829	30,219,615	(18,473,110)	(856,134)	1,914,097	10,890,371	201,348,018

Year ended 30 June 2022

Functions	Gross Program Income					Total income	Gross program expenses		Total expenses	Net result from recurrent operations	Net Result	Assets
	Recurrent		Capital									
	Grants	Other	Grants	Other	Capital							
							\$	\$				
Community Services	2,357,435	805,118	24,965	-		3,187,518	(1,887,750)	-	(1,887,750)	1,274,803	1,299,768	5,444,435
Built Environment	220,215	4,745,237	5,825,076	-		10,790,528	(10,259,332)	(649,495)	(10,908,827)	(5,293,880)	(118,299)	87,870,500
Natural Environment	998,413	251,548	(528,367)	-		721,594	(968,269)	-	(968,269)	281,692	(246,675)	21,800,161
Economy	-	1,712,169	(294,830)	-		1,417,339	(2,082,388)	-	(2,082,388)	(370,219)	(665,049)	18,407,006
Organisation	4,801,156	298,422	-	-		5,099,578	(692,355)	(7,928)	(700,283)	4,407,223	4,399,295	48,781,857
Total	8,377,219	7,812,494	5,026,844	-		21,216,557	(15,890,094)	(657,423)	(16,547,517)	299,619	4,669,040	182,303,959

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

3 Revenue	2023	2022
	\$	\$
(a) Levies and charges		
Service levies	415,127	386,470
	<u>415,127</u>	<u>386,470</u>

Service levies are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate. Prepaid service levies are recognised as a financial liability until the beginning of the rating period.

(b) Fees and charges		
Fees and charges	35,947	2,681
RISE community contribution	348,922	456,867
Airline fees and charges	194,827	116,663
Commissions	83,044	84,664
Other revenue	133,968	92,821
	<u>796,708</u>	<u>753,696</u>

Revenue arising from fees and charges is recognised at the point in time when the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

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

(c) Sales revenue		
Rendering of services		
Private work revenue	3,846,234	3,024,252
Concrete batching revenue	295,347	700,114
Aged care	312,365	331,296
Plant and equipment services	236,969	292,890
	<u>4,690,915</u>	<u>4,348,552</u>
Sale of goods		
Fuel	923,743	632,290
Carbon credit sales	213,525	245,762
Other	151,699	179,557
	<u>1,288,967</u>	<u>1,057,609</u>
Total sales revenue	<u>5,979,882</u>	<u>5,406,161</u>

The Council generates revenues from a number of services including housing maintenance, fuel sales and powercard sales. Revenue from housing maintenance generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Revenue is measured at the fair value of consideration received or receivable in relation to that activity. Where consideration is received for the service in advance it is included in other liabilities and is recognised as revenue in the period when the service is performed.

Revenue from sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of goods and the cessation of all involvement in the goods.

(d) Other income		
Insurance claim	-	29,330
	<u>-</u>	<u>29,330</u>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

4 Grants, subsidies, contributions and donations

	2023	2022
	\$	\$
(i) Operating		
State government subsidies and grants	4,420,720	4,436,736
Commonwealth government subsidies and grants	6,203,289	3,852,494
Other operating grants	18,000	81,000
Contributions	6,250	6,989
	<u>10,648,259</u>	<u>8,377,219</u>
(ii) Capital		
Commonwealth government subsidies and grants	628,186	551,022
State government grants	5,443,658	4,475,822
Donated assets & non cash grants	3,739,735	-
	<u>9,811,579</u>	<u>5,026,844</u>

(iii) Timing of revenue recognition for grants, subsidies, contributions and donations

	2023		2022	
	Revenue recognised at a point in time	Revenue recognised over time	Revenue recognised at a point in time	Revenue recognised over time
Note	\$	\$	\$	\$
4				
Government grants and subsidies	10,477,234	6,218,619	7,944,278	5,371,796
Other operating grants	18,000	-	81,000	-
Contributions	6,250	-	6,989	-
Donated assets and non-cash grants	3,739,735	-	-	-
	<u>14,241,219</u>	<u>6,218,619</u>	<u>8,032,267</u>	<u>5,371,796</u>

Grant income under AASB 15

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

The performance obligations are varied based on the agreement but include events, disability support services, purchase of a property, plant and equipment, etc. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Grant income under AASB 1058

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

4 Grants, subsidies, contributions and donations (Continued)

Capital grants

Capital grant received to enable Council to acquire or construct an item of property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

Contributions and donations

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

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

	Note	2023 \$	2022 \$
5 Capital income			
Gain on disposal of non-current assets			
Proceeds from Sale Property, plant & equipment		23,636	-
Less: Carrying value of property, plant & equipment disposed of		(2,807)	-
Total capital income		<u>20,829</u>	<u>-</u>
		2023 \$	2022 \$

6 Employee benefits

Employee benefit expenses are recorded when the service has been provided by the employee.

Total staff wages, salaries and entitlements		3,818,593	3,356,269
Councillors' remuneration		374,822	367,525
Superannuation	22	411,689	364,559
		<u>4,605,104</u>	<u>4,088,353</u>
Other employee related expenses		219,456	199,724
		<u>4,824,560</u>	<u>4,288,077</u>
Less: Capitalised employee expenses		(243,924)	(233,545)
		<u>4,580,636</u>	<u>4,054,532</u>

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

Total Council employees at the reporting date:

	2023 Number	2022 Number
Elected members	5	5
Administration staff	25	26
Depot and outdoors staff	41	43
Total full time equivalent employees	<u>71</u>	<u>74</u>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

7 Materials and services

Expenses are recorded on an accruals basis as Council receives the goods or services.

	2023	2022
	\$	\$
Cost of fuel	790,645	534,429
Cost of enterprise sales	49,826	76,602
Freight	116,808	152,851
Administration supplies and consumables	433,886	427,409
Audit of annual financial statements by the Auditor-General of Queensland*	60,600	57,500
Communications and IT	230,097	215,016
Consultants	241,345	188,765
Contractors	86,514	207,339
Private works expenditure	2,578,836	2,143,740
Insurance	806,191	762,330
Vehicle operating costs	79,016	65,163
Power and utility	162,363	174,956
Repairs and maintenance - Other	133,036	124,088
Repairs and maintenance - Building	176,408	184,157
Repairs and maintenance - Infrastructure	184,698	121,828
Carbon Abatement Fee	140,000	-
Travel cost	18,751	6,854
Other materials and services	561,808	586,456
Grants repaid	68,352	-
	<u>6,919,180</u>	<u>6,029,483</u>

* Total audit fees quoted by the Queensland Audit Office relating to the 2022-23 financial statements are \$60,600 (2021-22 actual: \$57,500).

8 Finance cost

	2023	2022
	\$	\$
Bank Charges	69,249	61,625
Landfill Expense	(647)	(23,537)
Bad/Doubtful Debts	278,732	-
	<u>347,334</u>	<u>38,088</u>

9 Capital expenses

	2023	2022
	\$	\$
Loss on disposal of non-current assets		
Proceeds from the sale of property, plant and equipment	-	-
Less: Carrying value of disposed property, plant and equipment	856,134	657,423
Total capital expenses	<u>856,134</u>	<u>657,423</u>

10 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	4,873,535	1,479,687
Deposits at call	46,180,748	44,368,593
Balance per Statement of Cash Flows	<u>51,054,283</u>	<u>45,848,280</u>
Cash and cash equivalents	51,054,283	45,848,280
Less: Externally imposed restrictions on cash	(4,527,948)	(5,124,363)
Unrestricted cash	<u>46,526,335</u>	<u>40,723,917</u>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

Cash and cash equivalents (continued)

Council's cash and cash equivalents are subject to a number of external restrictions that limit amounts available for discretionary or future use. These include:

	2023 \$	2022 \$
(i) Externally imposed expenditure restrictions at the reporting date to the following cash assets:		
Unspent government grants and subsidies	(4,527,948)	(5,124,363)
Total unspent restricted cash	<u>(4,527,948)</u>	<u>(5,124,363)</u>

Cash and cash equivalents in the statement of cash flows includes cash on hand, all cash and cheques receipted but not banked at the year end and deposits held at call with financial institutions.

The Council may be exposed to credit risk through its investments in the QTC Cash Fund or other financial institutions in Australia. The QTC Cash Fund is an asset management portfolio that invests with a wide range of high credit rated counterparties. Deposits with the QTC Cash Fund are capital guaranteed. Other bank accounts are held with financial institutions, which are rated AA- based on rating agency Fitch Ratings, and whilst not capital guaranteed, the likelihood of a credit failure is assessed as remote. All investments are required to have a minimum credit rating of "A-", therefore the likelihood of the counterparty having capacity to meet its financial commitments is strong.

11 Receivables	2023 \$	2022 \$
Receivables	2,102,076	952,396
Less: Loss allowance	(278,732)	-
Accrued income	350,328	108,953
	<u>2,173,672</u>	<u>1,061,349</u>

Receivables are amounts owed to Council at year end. They are recognised at the amounts due at the time of sale or service delivery or advance. Settlement of these amounts is required within 30 days from invoice date.

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

Debts are regularly assessed for collectability and allowance is made, where appropriate, for impairment. All known bad debts were written-off at 30 June. If an amount is recovered in a subsequent period it is recognised as revenue.

The impairment loss is recognised in finance costs. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated cash flows discounted at the effective interest rate.

No interest is charged on receivables.

Expected credit loss assessment

Council reviews the expected credit losses of trade and other receivables from individual customers. Receivables comprise relatively small number balances which can be reviewed and assessed on a case by case basis. Council believes the impact to be not material due to the current impairments of the trade and other debtors balance.

12 Inventories	2023 \$	2022 \$
Inventories held for sale		
Fuel	293,441	272,430
Other trading stocks	19,908	27,051
	<u>313,349</u>	<u>299,481</u>
Inventories held for distribution		
Plant and equipment stores	242,728	180,769
	<u>242,728</u>	<u>180,769</u>
Total inventories	<u>556,077</u>	<u>480,250</u>

Stores, fuel and other inventory are valued at the lower of cost and net realisable value and include, where applicable, direct material, direct labour and an appropriate portion of variable and fixed overheads. Costs are assigned on the basis of weighted average cost.

Inventories held for distribution are:

- goods to be supplied at no or nominal, charge, and
 - goods to be used for the provision of services at no or nominal, charge.
- These goods are valued at cost, adjusted, when applicable, for any loss of service potential.

Pompuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

13 Property, plant and equipment

30 June 2023

Basis of measurement Fair value category Asset values	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
	Cost	Fair Value Level 3	Cost Level 2 & 3	Fair Value Level 3	Fair Value Level 3	Fair Value Level 3	Fair Value	Cost	
Opening gross value as at 1 July 2022									
Additions									
- Renewals	-	53,340	-	-	-	3,124,335	-	-	3,177,675
- Other additions	-	3,580,190	567,741	-	-	2,851,529	-	288,942	7,288,402
Disposals	-	(1,680,800)	(36,891)	-	-	(511,782)	-	-	(2,229,473)
Revaluation adjustment to asset revaluation surplus	-	3,564,697	-	506,076	1,667,491	8,067,921	2,517	-	13,808,702
Impairment adjustment to asset revaluation surplus	-	-	-	-	-	(2,768,266)	-	-	(2,768,266)
Transfers from work in progress	-	66,965	-	-	777,533	1,286,126	-	(2,130,624)	-
Write off operating expenses capitalised	-	-	-	-	(2,782)	-	-	-	(2,782)
Closing gross value as at 30 June 2023	416,116	74,967,312	8,196,419	10,462,620	16,403,430	105,333,624	421,926	739,160	216,940,607

Note

Accumulated depreciation and impairment

Opening balance as at 1 July 2022	411,707	41,012,463	5,289,123	2,602,723	2,872,903	25,654,075	-	-	77,842,994
Depreciation expense	4,409	2,445,686	477,924	192,678	264,271	2,873,622	-	-	6,258,590
Depreciation on disposals	-	(1,054,935)	(34,084)	-	-	(281,511)	-	-	(1,370,530)
Revaluation adjustment to asset revaluation surplus	-	(405,514)	-	(333,110)	835,157	1,886,075	-	-	1,982,608
Impairment adjustment to asset revaluation surplus	-	-	-	-	-	(135,099)	-	-	(135,099)
Accumulated depreciation as at 30 June 2023	416,116	41,997,700	5,732,963	2,462,291	3,972,331	29,997,162	-	-	84,578,563

Carrying amount as at 30 June 2023

Range of estimated useful life in years	-	32,969,612	2,463,456	8,000,329	12,431,099	75,336,462	421,926	739,160	132,362,044
	3 - 5	15 - 80	5 - 15	10 - 80	15 - 120	10 - 100	-	-	-

(i) The adjustment of \$135,099 accumulated depreciation and \$2,768,266 cost relate to road damage as a result of weather events in early 2021 and 2023. As at 30 June 2022, an impairment adjustment was recognised for \$6,722,039 based on the assessment provided at that time by the Queensland Reconstruction Authority. Capital work was undertaken to repair the damage of \$2,768,266 during the year. The remaining work to restore the roads had not been completed prior to a further significant weather event occurring in early 2023. A revised estimate has been provided by QRA to quantify the damage as at 30 June 2023 at \$6,586,941. The movement between the prior year and current assessments and the capital work done has been adjusted against the revaluation reserve to reflect the fair value of road assets as at 30 June 2023.

Pompuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

13 Property, plant and equipment (continued)

30 June 2022

Basis of measurement

Fair value category

Asset values

Opening gross value as at 1 July 2021

Correction of error on lease holding housing

Restated opening gross value as at 1 July 2021

Additions

- Renewals

- Other additions

Disposals

Revaluation adjustment to asset revaluation surplus

Transfers from work in progress

Write off of work in progress

Closing gross value as at 30 June 2022

Note	Furniture & Fittings	Buildings	Plant & Equipment	Infrastructure assets - Water	Infrastructure assets - Sewerage	Infrastructure assets - Other	Land	Work in Progress	Total
	Cost	Fair Value	Cost	Fair Value	Fair Value	Fair Value	Fair Value	Cost	
		Level 3	Level 2 & 3	Level 3	Level 3	Level 3			
26	\$	\$	\$	\$	\$	\$	\$	\$	\$
	416,116	72,697,804	7,300,907	9,238,332	12,961,896	83,855,173	385,486	1,739,193	188,594,907
	-	(8,448,646)	-	-	-	-	-	-	(8,448,646)
	416,116	64,249,158	7,300,907	9,238,332	12,961,896	83,855,173	385,486	1,739,193	180,146,261
5 / 9 19	-	446,502	-	-	-	62,000	-	227,812	736,314
	-	259,717	341,368	14,250	11,572	3,081,041	-	1,205,262	4,913,210
	-	(3,345,361)	(23,776)	-	-	-	-	-	(3,369,137)
	-	7,309,744	-	703,962	986,400	6,260,998	33,923	-	15,295,027
	-	463,160	47,070	-	1,320	24,549	-	(536,099)	-
	-	-	-	-	-	-	-	(55,326)	(55,326)
	416,116	69,382,920	7,665,569	9,956,544	13,961,188	93,283,761	419,409	2,580,842	197,666,349

Accumulated depreciation and impairment

Opening balance as at 1 July 2021

Correction of error on lease holding housing

Restated opening balance as at 1 July 2021

Depreciation expense

Depreciation on disposals

Revaluation adjustment to asset revaluation

Impairment adjustment to asset revaluation surplus

Accumulated depreciation as at 30 June 2022

407,299	42,474,587	4,809,222	2,241,834	2,425,076	19,121,200	-	-	-	71,479,218
-	(5,605,564)	-	-	-	-	-	-	-	(5,605,564)
407,299	36,869,023	4,809,222	2,241,834	2,425,076	19,121,200	-	-	-	65,873,654
4,408	2,267,223	495,750	176,386	244,383	2,492,416	-	-	-	5,680,566
-	(2,513,042)	(15,849)	-	-	-	-	-	-	(2,528,891)
-	4,389,259	-	184,503	203,444	1,318,421	-	-	-	6,095,627
-	-	-	-	-	2,722,038	-	-	-	2,722,038
411,707	41,012,463	5,289,123	2,602,723	2,872,903	25,654,075	-	-	-	77,842,994

Carrying amount as at 30 June 2022

Range of estimated useful life in years

4,409	28,370,457	2,376,446	7,353,821	11,088,285	67,629,686	419,409	2,580,842	119,823,355
3 - 5	15 - 40	5 - 15	5 - 80	10 - 120	10 - 100	-	-	-

(i) The adjustment of \$2,722,039 relates to road damage as a result of weather events in early 2021. As at 30 June 2021, an impairment adjustment was recognised for \$4,000,000 based on the draft estimate provided at that time by the Queensland Reconstruction Authority. The final level of damage was finally assessed at \$6,722,039. The work to restore the roads has not yet been undertaken as at 30 June 2022 therefore the additional impairment has been recognised to reflect the reduced fair value of the assets at the year end.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

13 Property, plant and equipment (Continued)

(a) Recognition

Purchases of property, plant and equipment are recognised as assets unless they are below the asset recognition threshold or maintenance expenditure.

Individual assets valued below the asset recognition threshold are recognised as an asset if connected to a larger network, for example the components of parks.

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

Acquisition of assets

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

Property, plant and equipment received in the form of contributions, are recognised as assets and revenues at fair value by Council valuation where that value exceeds the recognition thresholds for the respective asset class. Fair value is the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date.

Capital and operating expenditure

Direct labour and materials and an appropriate proportion of overheads incurred in the acquisition or construction of assets are treated as capital expenditure. Assets under construction are not depreciated until they are completed and commissioned, at which time they are reclassified from work in progress to the appropriate property, plant and equipment class.

Routine operating maintenance, repair costs and minor renewals to maintain the operational capacity and useful life of the non-current asset is expensed as incurred, while expenditure that relates to replacement of a major component of an asset to maintain its service potential is capitalised.

Expenditure incurred in accordance with Disaster Recovery Funding Arrangements on road assets is analysed to determine whether the expenditure is capital in nature. The analysis of the expenditure requires Council engineers to review the nature and extent of expenditure on a given asset. For example, expenditure that patches a road is generally maintenance in nature, whereas a kerb to kerb rebuild is treated as capital. Material expenditure that extends the useful life or renews the service potential of the asset is capitalised.

Deed of Grant in Trust Land

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 34I of the Land Act 1994. It comprises an area of approximately 466,000 hectares.

The land is administered by the Department of Resources and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

(b) Measurement

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

Capital work in progress

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

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

13 Property, plant and equipment (Continued)

(c) Depreciation

Assets are depreciated from the date of acquisition or when an asset is ready for use.

Land is not depreciated as it has an unlimited useful life. Depreciation, where applicable, is calculated on a straight-line basis such that the cost of the asset less its residual value is recognised progressively over its estimated useful life to Council. Management believe that the straight-line basis appropriately reflects the pattern of consumption of all Council assets.

Where assets have separately identifiable components, these components have separately assigned useful lives.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment assets are reviewed at the end of each reporting period and adjusted where necessary to reflect any changes in the pattern of consumption, physical wear and tear, technical or commercial obsolescence, or management intentions. The condition assessments performed as part of the annual valuation process for assets measured at depreciated current replacement cost are used to estimate the useful lives of these assets at each reporting date. Details of the range of estimated useful lives for each class of asset are shown in the first table to this note on page 17.

Key judgments and estimates:

Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Council.

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical or physical obsolescence that may change the utility of infrastructure assets.

(d) Impairment

Property, plant and equipment held at cost is assessed for indicators of impairment annually. If an indicator of possible impairment exists, the Council determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

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

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

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

13 Property, plant and equipment (Continued)

(e) Valuation

Key judgments and estimates:

Some of the Council's assets are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

Buildings, Land, Water, Sewerage and Other Infrastructure are measured on the revaluation basis, at fair value, in accordance with *AASB 116 Property, Plant & Equipment* and *AASB 13 Fair Value Measurement*. Plant & Equipment, Furniture & Fittings and Work in Progress are measured at cost.

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

In the intervening years, management engage independent, professionally qualified valuers to perform a desktop valuation. A desktop valuation involves management providing updated information to the valuer regarding additions, deletions and changes in assumptions such as useful life, residual value and condition rating. The valuer then determines suitable indices which are applied to each of these asset classes.

Any revaluation increment arising on the revaluation of an asset is credited to the appropriate class of the asset revaluation surplus, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense to the extent it exceeds the balance, if any, in the revaluation surplus of that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

When an asset is disposed of, the amount reported in surplus in respect of that asset is retained in the asset revaluation surplus and not transferred to retained surplus. Refer to Note 19 for further details.

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

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

14 Fair value measurements

Key judgements and estimates:

Some of the Council's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Council uses market-observable data to the extent it is available and other inputs as necessary.

(i) Recognised fair value measurements

In accordance with AASB 13 fair value measurements are categorised on the following basis:

- Fair value based on quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Fair value based on inputs that are directly or indirectly observable for the asset or liability (level 2)
- Fair value based on unobservable inputs for the asset and liability (level 3)

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Council buildings and infrastructure assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

Accordingly all Council assets included in property, plant and equipment classes shown at fair value are categorised as level 3, with the exception of the Cairns land and office space. There were no transfers between categories during the year (2022: Nil). Council's policy is to recognise transfers in and out of the fair value hierarchy as at the end of the reporting period.

(ii) Valuation techniques used to derive fair values for level 2 and level 3 valuations

Specific valuation techniques used to value Council assets comprise:

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Buildings (level 2 and 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The cost to replace the asset is calculated and then adjusted to take account of any obsolescence.</p> <p>Assets been componentised for which they consider the asset to meet the definition of "Complex asset". 'Complex assets' were disaggregated into the different parts with a different useful life and depreciated separately.</p> <p>The components were further split into the short-life and long-life parts. The value of each part was determined based on the inter-relationship between a range of factors which include set condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and useful life.</p>	N/A

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

14 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - other (level 3)	Current replacement cost (CRC)	30-Jun-19	Australis Asset Advisory Group	<p>There is no market for Council's water and sewerage assets and other infrastructure assets (including roads) as these are held to provide essential services to the community. For the purpose of assessing the fair value for financial reporting purposes value has been determined primarily by using the current replacement cost methodology. Considerations in the calculations have been the type and the size of the individual infrastructure assets, construction materials used, level of finish, fixtures installed within, and the location of the assets. As the subject assets are located in a regional area, somewhat removed from the nearest provincial city of Cairns, and far removed from Queensland's capital city of Brisbane, a cost increase over and above that applicable to the nearest provincial city or in relation to a Brisbane Cost Index is necessary to account for the increase in replacement cost due to transportation of labour and materials from the nearest supply centre, and also the cost of specialised labour and contractors necessary for the construction work.</p> <p>In determining the most appropriate replacement cost of an asset, the nature of the asset, the nature of available comparative cost data and the purpose of the valuation has been taken into consideration along with the application of Greenfield unit rates and project cost assumptions.</p> <p>Replacement cost has been calculated with reference to unit rates by the valuers in consultation with Council. The rates have been developed from a combination of sources, cost guides, contractor rates, future works and regional information.</p>	<p>8.67% Roads</p> <p>8.50% Airport assets</p>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - water (level 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The water assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.</p> <p>The remaining useful life was used in the depreciation calculations are estimated using three different methods such as condition, known age and estimated age. The physical condition score combined with obsolesce factor to arrive an adopted remaining life.</p>	N/A

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

14 Fair value measurements (Continued)

Asset class and fair value hierarchy	Valuation approach	Last comprehensive valuation date	Valuer engaged	Key assumptions and estimates (related data sources)	Index applied (change in index recognised this year)
Infrastructure assets - sewerage (level 3)	Current replacement cost (CRC)	30-Jun-23	Australis Asset Advisory Group	<p>The sewer assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains and pipes. Unit rates were applied based on similar recent project costs, unit rate databases, indices, Rawlinson's Construction rates and quotations.</p> <p>The remaining lives used in the depreciation calculations are estimated using three different methods such as condition, known age and estimated age.</p>	N/A
Land (level 2)	Fair Value Index model	30-Jun-19	Australis Asset Advisory Group	<p>Land was acquired in the year ended 30 June 2019 and fair values were determined by reference to the market value. A comprehensive valuation has been performed independently by Australis Asset Advisory Group, registered valuers for the year ended 30 June 2023.</p> <p>Level 2 valuation inputs were used to value land. Sales prices of comparable land are adjusted for differences in key attributes such as property size, location, topography, and other inherent attributes.</p>	0.60%

Finance lease assets (Level 3)

Finance leases are recognised at the present value of the expected future lease payments receivable (fair value). Council's current policy for the valuation of finance leases is set out in Note 16.

(iii) Changes in Fair Value Measurements using significant unobservable inputs (level 3)

There have been no transfers between level 1, 2 or 3 measurements during the year.

(iv) Valuation

Council's valuation policies and procedures are set by the executive management team. They are reviewed annually taking into consideration an analysis of movements in fair value and other relevant information. Council's current policy for the valuation of property, plant and equipment (recurring fair value measurements) is set out in Note 14. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

15 Contract balances

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

	2023	2022
	\$	\$
(a) Contract assets	<u>1,483,908</u>	<u>873,260</u>
(b) Contract liabilities		
Funds received upfront to construct or acquire Council controlled assets	3,153,517	3,919,301
Non-capital performance obligations not yet satisfied	<u>89,951</u>	<u>151,724</u>
	<u>3,243,468</u>	<u>4,071,025</u>
Current contract liabilities	<u>3,243,468</u>	<u>4,071,025</u>
	<u>3,243,468</u>	<u>4,071,025</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct or acquire Council controlled assets	2,514,049	1,187,937
Non-capital performance obligations (including deposits received in advance)	<u>117,028</u>	<u>206,755</u>
	<u>2,631,077</u>	<u>1,394,692</u>
Satisfaction of contract liabilities		

The contract liabilities in relation to capital grants relate to funding received prior to the work being performed since revenue is recognised as Council constructs the assets. Council expects to recognise the contract liability as income in the next 1-2 years.

(c) Significant changes in contract balances

Significant movements in contract assets and contract liabilities that have occurred during the year were due to the change in the timing of the work, impairment of a contract asset and significant monies received in advance.

16 Leases

Council as a lessee

Where Council assesses that an agreement contains a lease, a right of use asset and lease liability is recognised on inception of the lease. Council does not separate lease and non-lease components for any class of assets and has accounted for lease payments as a single component.

There are currently no existing leases in place.

Exception to lease accounting

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

Leases at significantly below market value - Concessionary / peppercorn leases

Council is the lessee of a number of Deed of Grant in Trust leases, for which no or little lease payments are made. These have been identified as peppercorn leases which are currently not recognised in Council's financial statements. Council does not intend to apply the fair value measurement requirements to these leases until such time as this requirement is mandated.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

16 Leases (Continued)

Council as a lessor

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

If the lease contains lease and non-lease components the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

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

Finance leases

Leases of property under which the Council as lessor transfers substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases.

Council has leased 128 dwellings and 1 lot as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year ranged between \$3,243 and \$3,695 (\$2,847 and \$3,245 for 2021-22) and \$7,185 (\$6,310 for 2021-22) for the Pormpuraaw Women's Centre. These lease payments are required to be adjusted each year by the change in the Consumer Price Index (All Groups) for Brisbane. As the gross lease payments are insufficient to cover the fair value (current replacement cost) of the leased properties, there is no interest rate implicit in the leases and therefore no finance income will arise from the leases. Consequently, the leases are recognised at the present value of the expected future lease payments receivable (fair value).

	2023	2022
	\$	\$
Current		
Finance leases	476,525	443,600
	<u>476,525</u>	<u>443,600</u>
Non-current		
Finance leases	12,908,458	13,752,353
	<u>12,908,458</u>	<u>13,752,353</u>

A reconciliation between the gross investment in the lease and the fair value of lease payments is as follows:

Gross minimum lease payments receivable:	14,444,279	13,889,872
Add: Estimated contingent rent	10,622,644	9,785,134
Less: Present value adjustment	(11,681,940)	(9,479,054)
Fair value of lease payments	<u>13,384,983</u>	<u>14,195,953</u>

The fair value of lease payments are receivable as follows:

Not later than one year	476,525	443,600
Between one and two years	474,026	444,234
Between two and three years	471,541	444,870
Between three and four years	469,069	445,506
Between four and five years	466,610	446,143
Later than five years	11,027,212	11,971,599
	<u>13,384,983</u>	<u>14,195,953</u>

Movements in finance leases were as follows:

Opening balance	14,195,953	14,701,840
Add: Initial recognition of new leases	-	-
Less: Lease receipts	(443,600)	(418,462)
(Less) /Add: (Loss) / Gain on revaluation	(367,370)	(87,425)
Closing balance	<u>13,384,983</u>	<u>14,195,953</u>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

16 Leases (Continued)

The calculation of fair value has included an estimate of average annual CPI increases of 3.5% (2022: 3.28%) and a discount rate of 4.05% (2022: 3.13%).

Finance leases are to the State of Queensland, represented by the Department of Housing and Public Works. The likelihood of this counterparty not having capacity to meet its financial commitments is considered low.

Movements on revaluation of finance lease assets are recognised as other income/expenses.

Operating leases

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases. Rent from Council's commercial buildings and offices is recognised as income on a periodic straight line basis over the lease term.

	2023 \$	2022 \$
Property income (excluding variable lease payments not dependent on an index or rate)		
Rent - Commercial Property	169,804	160,973
Rent - Community Housing	164,447	174,565
Rent - Staff Housing	133,029	167,582
Accommodation Revenue	570,699	499,190
	<u><u>1,037,979</u></u>	<u><u>1,002,310</u></u>

There is nil unearned finance income, unguaranteed residual values accruing to the benefit of Council or accumulated allowance for uncollectible minimum lease payments receivable recognised as income applicable to the leases.

Lease income in the prior year related to commercial building leased to Jobfind Centres Australia Pty Ltd. The original term of the contract was from 1 July 2018 to 30 June 2022 that was signed in FY2020-21. The lease was renewed until 30 June 2023 with the agreement of Council. As at 30 June 2023, Jobfind Centres Australia Pty Ltd had not committed to resign the lease.

Not later than one year	-	35,803
	<u><u>-</u></u>	<u><u>35,803</u></u>

17 Payables

Current

Creditors and accruals	1,877,245	2,211,638
Others	172,920	90,103
	<u><u>2,050,165</u></u>	<u><u>2,301,741</u></u>

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

Salaries and wages

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

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

	2023 \$	2022 \$
18 Provisions		
Current		
Annual leave	280,856	250,006
Long service leave	338,026	321,899
	<u>618,882</u>	<u>571,905</u>
Non-current		
Landfill restoration	177,702	178,349
Long service leave	20,419	26,854
	<u>198,121</u>	<u>205,203</u>
Landfill restoration		
Balance at beginning of financial year	178,349	201,886
Increase/(decrease) due to change in discount rate	(647)	(23,537)
Balance at end of financial year	<u>177,702</u>	<u>178,349</u>

Annual leave

A liability for annual leave is recognised. Short-term benefits which are expected to be wholly settled within 12 months are calculated on current wage and salary levels and include related employee on-costs. Amounts not expected to be wholly settled within 12 months are calculated on projected future wage and salary levels and related employee on-costs, and are discounted to present values, if considered material. As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability. This liability represents an accrued expense and is reported as a provision.

Long service leave

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

Where employees have met the prerequisite length of service and council does not have an unconditional right to defer this liability beyond 12 months, long service leave is classified as a current provision. Otherwise it is classified as non-current.

Landfill restoration provision

A provision is made for the cost of rehabilitation of assets and other future restoration costs where it is probable Council will be liable, or required, to incur costs on the cessation of use of these facilities.

The provision represents the present value of the anticipated future costs associated with the closure of landfill sites in accordance with environmental licence conditions. The calculation of this provision requires assumptions such as application of environmental legislation, site closure dates, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from amounts currently provided. Because of the long-term nature of the liability, the most significant uncertainty in estimating the provision is the costs that will be incurred. The provision recognised for landfill sites is reviewed at least annually and updated based on the facts and circumstances available at the time.

The total projected cost of \$177,702 is expected to be incurred between 2037 and 2067. The figure excludes rehabilitating landfill cells on existing sites that are yet to be constructed or used.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

	2023 \$	2022 \$
19 Asset revaluation surplus		
The closing balance of the asset revaluation surplus comprises the following asset categories:		
Land	47,747	45,230
Furniture & Fittings	434,944	434,944
Buildings	43,130,971	39,160,760
Infrastructure assets - Other	59,386,680	55,838,002
Infrastructure assets - Water	1,698,992	859,806
Infrastructure assets - Sewerage	4,437,259	3,604,925
Plant & equipment	2,222,905	2,222,905
	<u>111,359,498</u>	<u>102,166,572</u>

20 Commitments for expenditure

Contractual commitments

Contractual commitments at end of financial year but not recognised in the financial statements are as follows:

IT management services	16,885	46,752
	<u>16,885</u>	<u>46,752</u>

Council has a contractual commitment to the Clean Energy Regulator (CER) until June 2025 that can be settled by either the delivery of 10,000 ACCU's or a payment of \$140,000 per annum. The remaining commitment to CER, not recognised in the financial statements as at 30 June 2023, is 20,000 ACCUs or \$280,000.

Capital commitments

Commitment for the construction of the following assets contracted for at the reporting date but not recognised as liabilities:

Batching plant	192,893	-
	<u>192,893</u>	<u>-</u>

This expenditure is payable within one year.

21 Contingent liabilities

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

Local government mutual

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

As at 30 June 2023 the financial results reported an accumulated surplus and it is not anticipated any liability will arise.

22 Superannuation

Council contributes to the LGIASuper Regional Defined Benefits Fund (the scheme), at the rate of 12% for each permanent employee who is a defined benefit member. This rate is set in accordance with the LGIASuper trust deed and may be varied on the advice of an actuary. The Regional Defined Benefits Fund is a complying superannuation scheme for the purpose of the Commonwealth Superannuation Industry (Supervision) legislation and is also governed by the Local Government Act 2009. The scheme is managed by the LGIASuper trustee as trustee for LGIASuper trading as Brighter Super.

The scheme is a pooled defined benefit plan and it is not in accordance with the deed to allocate obligations, plan assets and costs at the Council level.

Council may be liable to the scheme for a portion of another local governments' obligations should that local government be unable to meet them. However the risk of this occurring is extremely low and in accordance with the LGIASuper trust deed changes to Council's obligations will only be made on the advice of an actuary.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

22 Superannuation (Continued)

The last completed actuarial assessment of the scheme as required under Superannuation Prudential Standard 160 was undertaken as at 1 July 2021. The actuary indicated that "At the valuation date of 1 July 2021, the net assets of the scheme exceeded the vested benefits and the scheme was in a satisfactory financial position as at the valuation date." The Council is not aware of anything that has happened since that time that indicates the assets of the scheme are not sufficient to meet the vested benefits, as at the reporting date.

No changes have been made to prescribed employer contributions which remain at 12% of employee salary or wages and there are no known requirements to change the rate of contributions.

The next actuarial investigation is recommended to be conducted prior to 1 July 2024.

The most significant risks that may result in LGIA super increasing the contribution rate, on the advice of the actuary, are:

Investment risk - The risk that the scheme's investment returns will be lower than assumed and additional contributions are needed to fund the shortfall.

Salary growth risk - The risk that wages or salaries will rise more rapidly than assumed, increasing vested benefits to be funded.

	Note	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund	6	411,689	364,559
Total superannuation contributions paid by Council for employees		<u>411,689</u>	<u>364,559</u>

23 Trust funds

Trust funds held for outside parties	60,490	12,712
	<u>60,490</u>	<u>12,712</u>

In accordance with the *Local Government Act 2009* and *Local Government Regulation 2012*, a separate trust bank account and separate accounting records are maintained for funds held of outside parties. The funds held in trust relate to building retention amounts and commercial lease bonds. The Council performs only a custodian role in respect of these monies and because the monies cannot be used for Council purposes, they are not brought to account in the financial statements since Council has no control over the assets.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

	2023	2022
	\$	Restated \$
24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities		
Net result	10,890,371	4,669,040
Non-cash items:		
Depreciation and amortisation	6,258,590	5,680,566
Impairment of receivables	278,732	-
Landfill restoration revaluation	(647)	-
(Gain)/Loss on revaluation of finance leases	367,370	87,425
Impairment of non-current assets	(135,099)	-
	<u>6,768,946</u>	<u>5,767,991</u>
Investing and development activities (non-cash):		
Net (profit)/loss on disposal of non-current assets	835,307	657,423
Loss on WIP write off	2,782	55,326
Capital grants and contributions	(9,832,409)	(5,026,844)
	<u>(8,994,320)</u>	<u>(4,314,095)</u>
Changes in operating assets and liabilities:		
(Increase)/ decrease in receivables	(1,391,055)	506,978
(Increase)/decrease in inventory	(75,827)	(55,516)
(Increase)/decrease in contract assets	7,552	91,247
(Increase)/decrease in other assets	(311,539)	10,167
Increase/(decrease) in payables	(251,576)	810,458
(Increase)/decrease in contract liabilities	(61,773)	(238,059)
Increase/(decrease) in other provisions	40,542	12,396
	<u>(2,043,676)</u>	<u>1,137,671</u>
Net cash inflow from operating activities	<u><u>6,621,321</u></u>	<u><u>7,260,607</u></u>

25 Events after the reporting period

There were no material adjusting events after the reporting date.

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2023

26 Correction of prior period errors

Residential housing transferred to beneficiaries under Land Holding Act Leases

It has been identified that a number of residential houses have been transferred to beneficiaries under the Land Holding Act 2013 "the Act" (intended to protect and continue all perpetual leases under the Aborigines and Torres Strait Islander (Land Holding) Act 1985 or "Katter Leases"). The transfers were completed on various dates over the period from 2017 until the current time.

Under the arrangement, the correct accounting treatment for the residential houses transferred under the Act should be the removal of the houses from the Council assets register. As these transfers had not previously been identified the houses have remained in the balance of property, plant and equipment.

It has also been identified that a further three houses are not Council assets and should never have been included in the asset register.

The impact of this error results in an overstatement of property, plant and equipment, depreciation expense, revaluation reserve and opening retained earnings as at 1 July 2021 and an understatement of capital expenses as a result of the disposal of residential housing assets. The adjustments are as follows:

	Audited FS	Correction	Correction	Restated
	2022	30 June 2021	30 June 2022	2022
	\$	\$	\$	\$
Statement of comprehensive income				
Expenses				
Depreciation expense	(5,983,174)	-	302,608	(5,680,566)
Total recurrent expense	<u>(16,192,702)</u>	<u>-</u>	<u>302,608</u>	<u>(15,890,094)</u>
Capital expense	<u>(7,928)</u>	<u>-</u>	<u>(649,495)</u>	<u>(657,423)</u>
Total expenses	<u>(16,200,630)</u>	<u>-</u>	<u>(346,887)</u>	<u>(16,547,517)</u>
Net result	<u>5,015,927</u>	<u>-</u>	<u>(346,887)</u>	<u>4,669,040</u>
Other comprehensive income				
Items that will not be reclassified to net result				
Increase in asset revaluation surplus	6,604,044	-	(309,515)	6,294,529
Total comprehensive income for the year	<u>11,619,971</u>	<u>-</u>	<u>(656,402)</u>	<u>10,963,569</u>
	2022	Correction	Correction	Restated
	\$	30 June 2021	30 June 2022	2022
	\$	\$	\$	\$
Statement of Financial Position				
Non-current assets				
Property plant and equipment	123,322,839	(2,843,082)	(656,402)	119,823,355
Total non-current assets	<u>137,075,192</u>	<u>(2,843,082)</u>	<u>(656,402)</u>	<u>133,575,708</u>
Total assets	<u>185,803,443</u>	<u>(2,843,082)</u>	<u>(656,402)</u>	<u>182,303,959</u>
Net community assets	<u>178,653,569</u>	<u>(2,843,082)</u>	<u>(656,402)</u>	<u>175,154,085</u>
Community Equity				
Asset revaluation surplus	102,476,087	-	(309,515)	102,166,572
Retained surplus	76,177,482	(2,843,082)	(346,887)	72,987,513
Total community equity	<u>178,653,569</u>	<u>(2,843,082)</u>	<u>(656,402)</u>	<u>175,154,085</u>

Pormpuraaw Aboriginal Shire Council
Notes to the financial statements
For the year ended 30 June 2023

26 Correction of prior period errors

Reconciliation of restated balances as at 1 July 2021

	Audited FS 2021 \$	Correction 30 June 2021 \$	Correction 30 June 2022 \$	Restated 1 July 2021 \$
Statement of Financial Position				
Non-current assets				
Property, plant and equipment	117,115,689	(2,843,082)	-	114,272,607
Total non-current assets	<u>131,399,066</u>	<u>(2,843,082)</u>	<u>-</u>	<u>128,555,984</u>
Total assets	<u>170,835,340</u>	<u>(2,843,082)</u>	<u>-</u>	<u>167,992,258</u>
Net community assets	<u>167,033,598</u>	<u>(2,843,082)</u>	<u>-</u>	<u>164,190,516</u>
Community equity				
Asset revaluation surplus	95,872,043	-	-	95,872,043
Retained surplus	71,161,555	(2,843,082)	-	68,318,473
Total community equity	<u>167,033,598</u>	<u>(2,843,082)</u>	<u>-</u>	<u>164,190,516</u>

Statement of Changes in Equity

	2022	Correction 1 July 2021	Correction 30 June 2022	Restated 2022
	Retained surplus \$	Retained surplus \$	Retained surplus \$	Retained surplus \$
Balance as at 1 July 2021	71,161,555	-	-	71,161,555
Opening adjustment on residential housing	-	(2,843,082)	-	(2,843,082)
Restated balance at 1 July 2021	<u>71,161,555</u>	<u>(2,843,082)</u>	<u>-</u>	<u>68,318,473</u>
Net result 2022	5,015,927	-	(346,887)	4,669,040
Total comprehensive income for the year	<u>5,015,927</u>	<u>-</u>	<u>(346,887)</u>	<u>4,669,040</u>
Balance as at 30 June 2022	<u>76,177,482</u>	<u>(2,843,082)</u>	<u>(346,887)</u>	<u>72,987,513</u>

	2022	Correction 1 July 2021	Correction 30 June 2022	Restated 2022
	Revaluation reserve \$	Revaluation reserve \$	Revaluation reserve \$	Revaluation reserve \$
Balance as at 1 July 2021	95,872,035	-	-	95,872,035
Net movement during the year	-	-	-	-
Correction on	6,604,052	-	(309,515)	6,294,537
Total comprehensive income for the year	<u>6,604,052</u>	<u>-</u>	<u>(309,515)</u>	<u>6,294,537</u>
Balance as at 30 June 2022	<u>102,476,087</u>	<u>-</u>	<u>(309,515)</u>	<u>102,166,572</u>

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

27 Transactions with related parties

(a) Transactions with key management personnel (KMP)

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

KMP include the Mayor, Councillors, Council's Chief Executive Officer and executive management. The compensation paid to KMP for 2022-23 comprises:

	2023	2022
	\$	\$
Short-term employee benefits	1,061,782	1,075,204
Post-employment benefits	109,658	114,038
Long-term benefits	18,410	23,866
Termination benefits	71,403	35,116
Total	1,261,253	1,248,224

Detailed remuneration disclosures are provided in the annual report.

(b) Transactions with other related parties

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

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

Details of Transaction	Additional information	2023	2022
		\$	\$
Rental income charged to entities controlled by KMP	27(b)(i)	-	4,050
Sale of goods & services to related parties	27(b)(i)	30,301	53,919
Service levies to related parties	27(b)(i)	45,968	44,198
Employee expenses for close family members of key management	27(b)(ii)	396,692	256,843
Purchase of material and services to close family members and entities controlled by KMP	27(b)(iii)	-	191
Contribution from entities controlled by KMP	27(b)(iv)	2,500	2,500
Travel allowance to KMP	27(b)(v)	5,904	1,438

(i) Rental income, sales income and service levies charged to entities controlled by key management personnel and related parties were on an arm's length basis in accordance with the lease agreement or the terms of the sale.

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

Council employs 71 staff (74 for 2021-22) of which only 8 (7 for 2021-22) are close family members of key management personnel.

(iii) The Council purchased material and services from a related party of members of key management personnel. All purchases were at arm's length and were in the normal course of council operations.

(iv) Donation received from Ngokal Weendi Aboriginal Corporation with a KMP acting as secretary for this organisation.

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

27 Transactions with related parties (continued)

(c) Outstanding balances

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

Year ended 30 June 2023

There are no material outstanding balances at 30 June 2023 in relation to transactions with related parties.

Year ended 30 June 2022

There were no material outstanding balances at 30 June 2022 in relation to transactions with related parties.

(d) Loans and guarantees to/from related parties

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

(e) Commitments to/from other related parties

Council does not have any commitments to/from related parties.

(f) Transactions with related parties that have not been disclosed

The majority of the entities and people that are related parties of Council live and operate within the Pormpuraaw community. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. The payment by community residents of utility charges, fees and charges and rental charges are considered to be an ordinary citizen transaction.

Council has not included these types of transaction in its disclosure as they are made on the same terms and conditions available to the general public.

Pompuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

28 Financial instruments and financial risk management

(a) Financial assets and financial liabilities

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

Cash and cash equivalents (Note 10)

Receivables - measured at amortised cost (Note 11)

Other financial assets - measured at fair value (Note 16)

Payables - measured at amortised cost (Note 17)

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

- credit risk
- liquidity risk
- market risk

Risk management framework

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

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

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

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

Pompuraaw Aboriginal Shire Council does not enter into derivatives.

Credit risk

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

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

Investments in financial instruments are required to be made with Queensland Treasury Corporation (QTC) or similar state / commonwealth bodies or financial institutions in Australia, in line with the requirements of the *Statutory Bodies Financial Arrangements Act 1982*.

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

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

Cash and cash equivalents

Refer to Note 10 for further details.

Trade and other receivables

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

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

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

Refer to Note 11 for further details.

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

28 Financial instruments and financial risk management (Continued)

Liquidity risk

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

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

Exposure to liquidity risk

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

The Council manages its exposure to liquidity risk by maintaining sufficient cash deposits and undrawn facilities, both short and long term, to cater for unexpected volatility in cash flows.

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

	0 to 1 year	1 to 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	\$	\$	\$	\$	\$
2023					
Payables	1,877,245	-	-	1,877,245	1,877,245
	<u>1,877,245</u>	<u>-</u>	<u>-</u>	<u>1,877,245</u>	<u>1,877,245</u>
2022					
Payables	2,211,638	-	-	2,211,638	2,211,638
	<u>2,211,638</u>	<u>-</u>	<u>-</u>	<u>2,211,638</u>	<u>2,211,638</u>

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

Market risk

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

Interest rate risk

Pormpuraaw Aboriginal Shire Council is exposed to interest rate risk through investments with QTC.

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

Sensitivity

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

The Council does not account for any fixed-rate financial assets or financial liabilities at Fair Value through Profit or Loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

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

	Net carrying amount	Effect on Net Result		Effect on Equity	
	\$	1% increase	1% decrease	1% increase	1% decrease
	\$	\$	\$	\$	\$
2023					
Deposits at call	46,180,748	461,807	(461,807)	461,807	(461,807)
Total	<u>46,180,748</u>	<u>461,807</u>	<u>(461,807)</u>	<u>461,807</u>	<u>(461,807)</u>
2022					
Deposits at call	44,368,593	443,686	(443,686)	443,686	(443,686)
Total	<u>44,368,593</u>	<u>443,686</u>	<u>(443,686)</u>	<u>443,686</u>	<u>(443,686)</u>

(b) Fair value

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

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

29 Tied Grants by Project

	Balance 1/07/2022	Revenue	Council Contribution	Expense	Balance 30/06/2023
	\$	\$	\$	\$	\$
Commonwealth Government Grants					
Department of Infrastructure, Transport, Regional Development & Communications					
<i>Financial Assistance Grant</i>	-	5,160,690	-	(5,160,690)	-
<i>Roads to Recovery</i>	(3,060)	247,453	3,060	(247,453)	-
<i>Local Roads & Community Infrastructure Program - Phase 1</i>	(60,902)	60,102	800	-	-
<i>Local Roads & Community Infrastructure Program - Phase 2</i>	(57,319)	56,052	1,267	-	-
<i>Local Roads & Community Infrastructure Program - Phase 3</i>	(11,771)	370,416	-	(120,515)	238,130
Total	(133,052)	5,894,713	5,127	(5,528,658)	238,130
Department of Health					
<i>CHSP Home Support Programme (HACC)</i>	-	324,220	394,368	(718,588)	-
<i>Indigenous Employment Initiative (IEI) - Aged Care</i>	366,280	674,393	-	(556,162)	484,511
Total	366,280	998,613	394,368	(1,274,750)	484,511
Department of Industry, Science, Energy & Resources					
<i>Airport Fencing Upgrade</i>	294,830	-	-	(324,583)	(29,753)
Total	294,830	-	-	(324,583)	(29,753)
Services Australia					
<i>Centrelink Agent</i>	-	43,985	8,040	(52,025)	-
Total	-	43,985	8,040	(52,025)	-
Total - Commonwealth Govt Grants	528,058	6,937,311	407,535	(7,180,016)	692,888
State Government Grants					
Department of Environment & Heritage Protection					
<i>QIL&S Ranger Program</i>	158,198	734,466	-	(788,010)	104,654
Total	158,198	734,466	-	(788,010)	104,654
Department of Emergency Services					
<i>State Emergency Services</i>	-	13,551	-	(13,551)	-
Total	-	13,551	-	(13,551)	-
Department of Justice & Attorney-General					
<i>Community Justice Group</i>	528,285	362,094	-	(189,342)	701,037
<i>CJG DJV Funding</i>	40,417	-	-	(40,417)	-
<i>Gambling Community Benefit Fund</i>	375	-	-	(375)	-
Total	569,077	362,094	-	(230,134)	701,037
State Library of Queensland					
<i>Indigenous Libraries</i>	12,567	8,704	34,078	(55,349)	-
<i>First Five Forever Program</i>	6,817	3,000	-	(9,817)	-
Total	19,384	11,704	34,078	(65,166)	-

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

29 Tied Grants by Project (continued)

	Balance 1/07/2022	Revenue	Council Contribution	Expense	Balance 30/06/2023
	\$	\$	\$	\$	\$
Department of Transport and Main Roads					
<i>ATSI TIDS Projects</i>	(97,027)	565,781	-	(468,754)	-
<i>Cape York Regional Package (CYRP) - Phase 1</i>	(316,645)	1,519,478	-	(1,202,833)	-
<i>Cape York Regional Package (CYRP) - Phase 2</i>	-	-	-	(146,198)	(146,198)
Total	(413,672)	2,085,259	-	(1,817,785)	(146,198)
Department of Health					
<i>ATSI Public Health Program</i>	-	187,716	-	(187,716)	-
Total	-	187,716	-	(187,716)	-
Queensland Reconstruction Authority					
<i>DRFA - CAT D Flood Warning Infrastructure</i>	(16,085)	16,085	-	-	-
<i>DRFA - CAT E Betterment Program</i>	356,040	-	-	(854,136)	(498,097)
<i>DRFA 2022 Emergent Works</i>	(1,798)	-	1,798	-	-
<i>DRFA 2023 Emergent Works</i>	-	-	-	(42,137)	(42,137)
<i>DRFA 2021 Restoration</i>	1,804,283	-	-	(2,573,538)	(769,255)
<i>Get Ready Qld</i>	(678)	6,102	-	(6,780)	(1,356)
Total	2,141,761	22,187	1,798	(3,476,592)	(1,310,845)
Department of Agriculture & Fisheries					
<i>Fishing Grant</i>	5,000	-	-	(5,000)	-
Total	5,000	-	-	(5,000)	-
Department of Education, Skills & Employment					
<i>First Start Program</i>	-	15,000	-	(15,000)	-
Total	-	15,000	-	(15,000)	-
Department of Seniors, Disability Services and Aboriginal & Torres Strait Islander Partnerships					
<i>Splash park</i>	-	262,500	-	(262,500)	-
<i>DAT Pormpuraaw AMP Community Safety Plan 2020</i>	6,448	-	-	(6,448)	-
<i>DAT Pormpuraaw AMP Community Safety Plan 2021-23</i>	-	110,000	-	(127,535)	(17,535)
<i>Don't Buy Sloy Grog Initiative</i>	-	150,000	-	-	150,000
<i>Local Thriving Communities (LTC)</i>	10,000	-	-	(10,000)	-
Total	16,448	522,500	-	(406,483)	132,465
Department of Communities, Housing & Digital Economy					
<i>Qld Community Support Scheme</i>	-	55,232	-	(55,232)	-
<i>Community Transport</i>	-	36,776	34,022	(70,798)	-
<i>Community Transport Once Off</i>	-	7,000	-	(7,000)	-
<i>Community Housing Program</i>	(29,763)	1,110,889	-	(21,206)	1,059,920
<i>FNQ-NQ Monsoon Trough R2 Funding</i>	80,701	4,936	1,322	(86,959)	-
Total	50,938	1,214,833	35,344	(241,195)	1,059,920
Department of Tourism, Innovation & Sport					
<i>Deadly Active Sport & Recreation Program</i>	-	66,025	-	(66,025)	-
Total	-	66,025	-	(66,025)	-
Department of State Development, Infrastructure, Local Government and Planning					
<i>State Government Financial Aid</i>	-	1,698,780	-	(1,698,780)	-
<i>Revenue Replacement Program</i>	-	477,000	-	(477,000)	-
<i>Indigenous Employment Development</i>	-	80,000	-	(80,000)	-
<i>LGGSP - New Staff Duplex Complex</i>	-	423,000	-	-	423,000
<i>Works for Queensland 2019-2021</i>	(144,000)	144,000	-	-	-
<i>Works for Queensland COVID</i>	(20,007)	139,000	-	(118,993)	-
<i>Works for Queensland R4 2021-2024</i>	800,000	-	-	(9,722)	790,278
<i>ICCIP</i>	596,696	68,113	-	(88,391)	576,418
Total	1,232,689	3,029,893	-	(2,472,886)	1,789,696
Total - State Govt Grants	3,779,824	8,265,228	71,220	(9,785,542)	2,330,730

Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023

29 Tied Grants by Project (continued)

	Balance 1/07/2022	Revenue	Council Contribution	Expense	Balance 30/06/2023
	\$	\$	\$	\$	\$
Other Grant Providers					
Cape York Natural Resource Management					
<i>Nest to Ocean (Turtle Program) CY333 R7</i>	57,427	18,000	-	(75,427)	-
Total	57,427	18,000	-	(75,427)	-
Total Other Grant Providers	57,427	18,000	-	(75,427)	-
Total Grants	4,365,309	15,220,539	478,755	(17,040,984)	3,023,618
Add back negative (unclaimed) grant balances	759,055				1,504,330
Unspent grant revenue	5,124,364				4,527,948
Revenue included above		15,220,539			
Contributions		6,250			
Movement due to contract balances		1,493,314			
Donated assets		3,739,735			
Revenue as per Note 4		20,459,838			

**Pormpuraaw Aboriginal Shire Council
Notes to the Financial Statements
For the year ended 30 June 2023**

**Management Certificate
For the year ended 30 June 2023**

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

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

- (i) the prescribed requirements of the *Local Government Act 2009* and *Local Government Regulation 2012* for the establishment and keeping of accounts have been complied with in all material respects; and
- (ii) the general purpose financial statements, present a true and fair view, in accordance with Australian Accounting Standards, of the Council's transactions for the financial year and financial position at the end of the year.



Mayor
Richard Tarpencha

Date: 01 / 09, 2023

DocuSigned by:


59A5C4AF2EE94CB
Chief Executive Officer
Edward Natera

Date: 01 / 09, 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Pormpuraaw Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Pormpuraaw Aboriginal Shire Council.

In my opinion, the financial report:

- a) gives a true and fair view of the council's financial position as at 30 June 2023, and of its financial performance and cash flows for the year then ended
- b) complies with the *Local Government Act 2009*, the Local Government Regulation 2012 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, and the certificate given by the Mayor and Chief Executive Officer.

Basis for opinion

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

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

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Pormpuraaw Aboriginal Shire Council's annual report for the year ended 30 June 2023 was the current year financial sustainability statement and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for forming an opinion on the effectiveness of the council's internal control.

- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.
- Conclude on the appropriateness of the council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2023:

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

Prescribed requirements scope

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



David Adams
as delegate of the Auditor-General

8 September 2023

Queensland Audit Office
Brisbane

Pormpuraaw Aboriginal Shire Council
Financial Statements
For the year ended 30 June 2023

Measures of Financial Sustainability

- 1 Current Year Financial Sustainability Statement
- 2 Current Year Certificate of Accuracy
- 3 Independent Auditors Report (Current Year Financial Sustainability Statement)
- 4 Unaudited Long Term Financial Sustainability Statement
- 5 Long Term Certificate of Accuracy

**Pompuraaw Aboriginal Shire Council
Current Year Financial Sustainability Statement
For the year ended 30 June 2023**

Measures of Financial Sustainability

Council's performance at 30 June 2023 against key financial ratios and targets:

	How the measure is calculated	Actual - Council	Target
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	9%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	55%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-245%	not greater than 60%

Note 1 - Basis of Preparation

The current year financial sustainability statement is a special purpose statement prepared in accordance with the requirements of the *Local Government Regulation 2012* and the *Financial Management (Sustainability) Guideline 2013*. The amounts used to calculate the three reported measures are prepared on an accrual basis and are drawn from the Council's audited general purpose financial statements for the year ended 30 June 2023.

**Pormpuraaw Aboriginal Shire Council
Current Year Certificate of Accuracy
For the year ended 30 June 2023**

**Certificate of Accuracy
For the year ended 30 June 2023**

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

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



Mayor
Richard Tarpencha
Date: 01, 09, 2023

DocuSigned by:

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Chief Executive Officer
Edward Natera
Date: 01, 09, 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Pormpuraaw Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Pormpuraaw Aboriginal Shire Council for the year ended 30 June 2023, comprising the statement, explanatory notes, and the certificate of accuracy given by the Mayor and the Chief Executive Officer.

In accordance with s.212 of the Local Government Regulation 2012, in my opinion, in all material respects, the current year financial sustainability statement of Pormpuraaw Aboriginal Shire Council for the year ended 30 June 2023 has been accurately calculated.

Basis of opinion

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

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

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

Emphasis of matter – basis of accounting

I draw attention to Note 1 which describes the basis of accounting. The current year financial sustainability statement has been prepared in accordance with the Financial Management (Sustainability) Guideline 2013 for the purpose of fulfilling the council's reporting responsibilities under the Local Government Regulation 2012. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Other Information

Other information comprises financial and non-financial information (other than the audited financial report) in an entity's annual report.

At the date of this auditor's report, the available other information in Pormpuraaw Aboriginal Shire Council's annual report for the year ended 30 June 2023 was the general purpose financial statements and long-term financial sustainability statement.

The councillors are responsible for the other information.

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

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

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

Responsibilities of the councillors for the current year financial sustainability statement

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

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

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

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

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

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

- Evaluate the appropriateness of material accounting policy information used and the reasonableness of accounting estimates and related disclosures made by the council.
- Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

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



David Adams
as delegate of the Auditor-General

8 September 2023

Queensland Audit Office
Brisbane

Pompueraaw Aboriginal Shire Council
Unaudited Long Term Financial Sustainability Statement
For the year ended 30 June 2023

Measures of Financial Sustainability

	Measure	Target	30 June 2023	30 June 2024	30 June 2025	30 June 2026	30 June 2027	30 June 2028	30 June 2029	30 June 2030	30 June 2031	30 June 2032	30 June 2033
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	9%	69%	65%	43%	46%	48%	44%	48%	45%	33%	-5%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	greater than 90%	55%	0%	1%	2%	2%	3%	4%	5%	6%	6%	33%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-245%	-245%	-271%	-288%	-318%	-338%	-355%	-380%	-400%	-421%	-594%

Financial Management Strategy

Council measures revenue and expenditure trends over time as a guide to future requirements and to make decisions about the efficient allocation of resources to ensure the most effective provision of services. Council ensures that its financial management strategy is prudent and that its long-term financial forecast shows a sound financial position whilst also being able to meet the community's current and future needs.

The future operating position is continuously addressed by Council during and strategies are being considered to reduce expenditure where possible and seek alternative sources of revenue in future years.

**Pormpuraaw Aboriginal Shire Council
Long Term Certificate of Accuracy
For the year ended 30 June 2023**

Certificate of Accuracy
For the long-term financial sustainability statement prepared as at 30 June 2023

This long-term financial sustainability statement has been prepared pursuant to Section 178 of the *Local Government Regulation 2012* (the Regulation).

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



Mayor
Richard Tarpencha
Date: 01 / 09 / 2023

DocuSigned by:

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Chief Executive Officer
Edward Natera
Date: 01 / 09 / 2023