



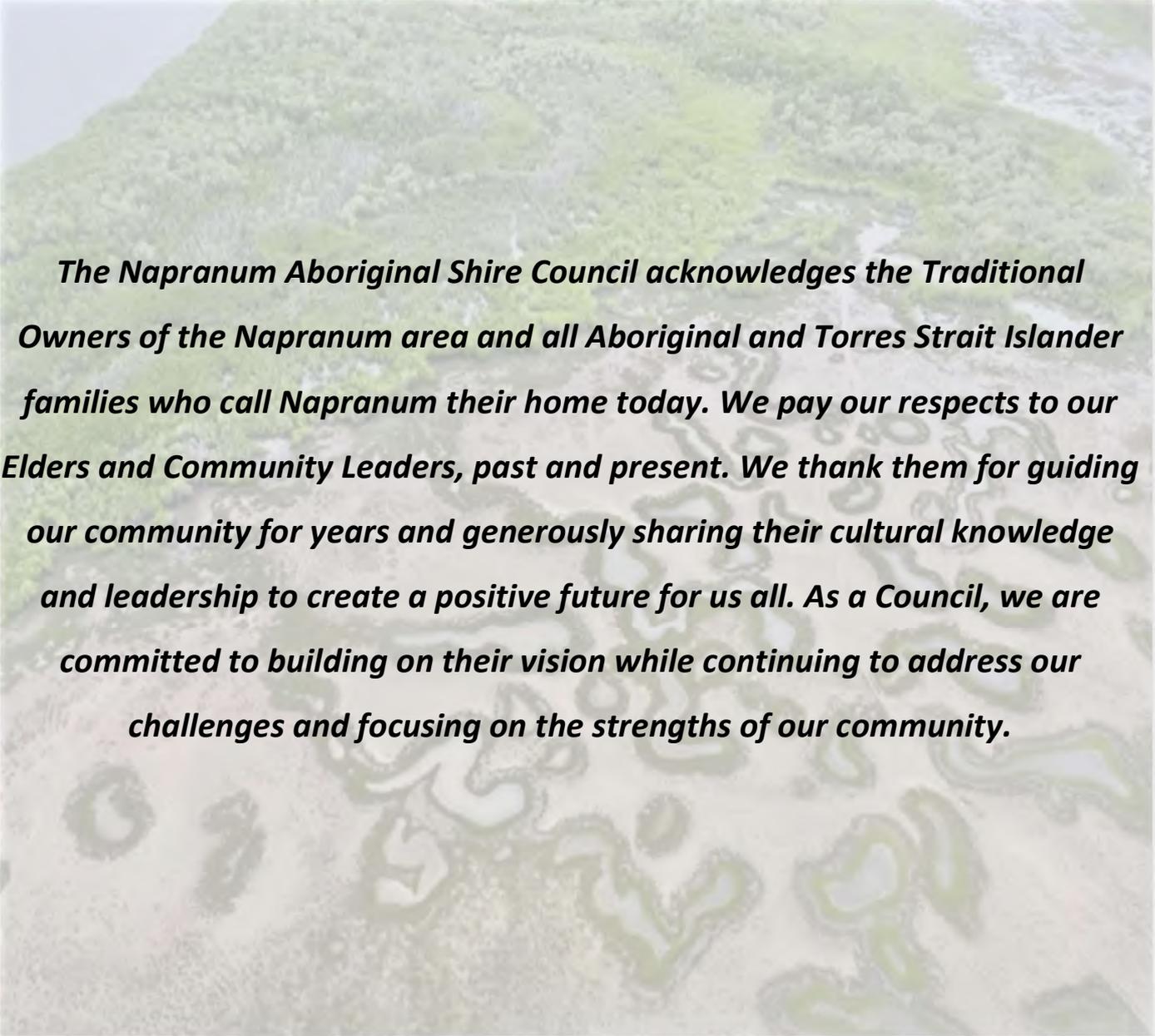
Our legacy for Napranum is the creation of a safe, sustainable and culturally vibrant community

Resolution: 06/281123

Contents

ACKNOWLEDGEMENT	3
WELCOME	4
COUNCIL STATEMENTS	5
OUR VISION.....	5
OUR MISSION	5
OUR VALUES.....	5
KEY PRIORITIES IDENTIFIED IN THE CORPORATE PLAN 2022–2027	6
A MESSAGE FROM THE MAYOR	7
A MESSAGE FROM THE CEO	9
NAPRANUM PROFILE	10
ABOUT NAPRANUM	11
OUR COUNCIL	13
ELECTED COUNCIL AND CEO	14
ORGANISATIONAL STRUCTURE 2023	15
COUNCIL DEPARTMENTS	16
BUILDING AND INFRASTRUCTURE	16
CHILD & FAMILY SUPPORT SERVICES.....	26
COMMUNITY AND CULTURAL ECONOMIC DEVELOPMENT.....	29
CORPORATE SERVICES.....	31
ENVIRONMENT AND SUSTAINABILITY.....	33
STATUTORY REPORTING REQUIREMENTS	36
COUNCILLORS	36
COUNCILLOR FACILITIES	36
CONDUCT AND PERFORMANCE OF COUNCILLORS	37
COUNCIL MEETINGS ATTENDED	37
ADMINISTRATIVE ACTION COMPLAINTS	38
EXPENSES REIMBURSEMENT POLICY	39
NON-CURRENT PHYSICAL ASSET RECOGNITION THRESHOLD	39
IMPLEMENTING THE CORPORATE PLAN	39
IMPLEMENTING THE OPERATIONAL PLAN.....	39
OVERSEAS TRAVEL	40
EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS	41
DONATIONS AND CONTRIBUTIONS TO COMMUNITY GROUPS	41
LOCAL GOVERNMENT DISCRETIONARY FUNDS	41
SPECIAL RATES OR CHARGES	41
BENEFICIAL ENTERPRISES	41
BUSINESS ACTIVITIES AND COMPETITIVE NEUTRALITY.....	41
REGISTERS	42
INVITATIONS TO CHANGE TENDERS.....	43
COMPETITIVE NEUTRALITY COMPLAINTS.....	43
INTERNAL AUDIT REPORT	43
SENIOR STAFF REMUNERATION.....	43
COMMUNITY FINANCIAL REPORT	44
AUDITED FINANCIAL STATEMENTS	49

ACKNOWLEDGEMENT



The Napranum Aboriginal Shire Council acknowledges the Traditional Owners of the Napranum area and all Aboriginal and Torres Strait Islander families who call Napranum their home today. We pay our respects to our Elders and Community Leaders, past and present. We thank them for guiding our community for years and generously sharing their cultural knowledge and leadership to create a positive future for us all. As a Council, we are committed to building on their vision while continuing to address our challenges and focusing on the strengths of our community.

WELCOME

Napranum Aboriginal Shire Council (Council) provides services to the residents living in Napranum Community through its Mayor, Councillors and Staff. Napranum is located 819 kilometres north-west of Cairns on the western side of Cape York Peninsula. Napranum is home to approximately 716 Indigenous people who are descended from as many as 40 different groups from around Cape York Peninsula.

As a local government entity, Council is required by the *Local Government Act 2009* (Qld), to prepare and adopt an Annual Report (Report) for each financial year. The Report provides the opportunity for Council to share information about Council's performance for the financial year. The Report is also required to include a community financial report that is written in a way that can be easily understood by the community.

This Report is an important accountability tool in Council's Corporate Governance Framework, enabling an objective assessment about the efficiency and effectiveness of Council operations overall.

This Report provides a snapshot of Council's performance, including the significant achievements made during the reporting period, 1 July 2022 to 30 June 2023. It also highlights some of the challenges encountered during the reporting period, and an indication of future direction.

This Report and other useful information about Council will be available on Council's website at napranum.qld.gov.au.

Council also welcomes your feedback and suggestions about the Report and please direct your comments to the Chief Executive Officer on ceo@napranum.qld.gov.au.



COUNCIL STATEMENTS

Council has adopted its Corporate Plan for 2022-2027. The Corporate Plan sets out Council's strategic direction for improving the quality of life for all residents, creating a safe, sustainable, and vibrant future for the Napranum Community.

Council's Corporate Plan also sets out the framework for Council decision-making and reporting. Each year the Annual Report provides the Napranum Community with a scorecard of Council's achievements and progress against the Corporate Plan.

OUR VISION

Our legacy for Napranum is the creation of a safe, sustainable, and culturally vibrant community.

OUR MISSION

We will deliver programs and services for all Napranum residents that meet their needs and continue to improve their quality of life.

We will achieve this by:

- Being a strong voice for the Napranum Community.
- Ensuring that decision-making is led by local people from the Napranum Community.
- Promoting Council as being a professional and committed organisation dedicated to fulfilling the needs and expectations of the community.
- Providing a caring, respectful, and safe environment for all families to live.
- Maintaining excellent teamwork between community, Council and Staff.
- Growing our relationships through community partnerships.

OUR VALUES

Our Values are the principles and beliefs that define who we are as a Council. They provide purpose and direction and help to guide the decisions we make every day to support the implementation of our Corporate Plan in the best interests of the Napranum Community.

Local Participation

The diversity of our community is one of our strengths. We are committed to creating and supporting opportunities for local people.

Mutual Respect and Trust

Building and maintaining positive relationships that are based on mutual respect and trust.

Professionalism

We are acting within the limits of our authority and maintaining a high standard of ethics and integrity.

Pride

We are demonstrating our pride by connecting with the community and celebrating our successes.

Listening to Our Community

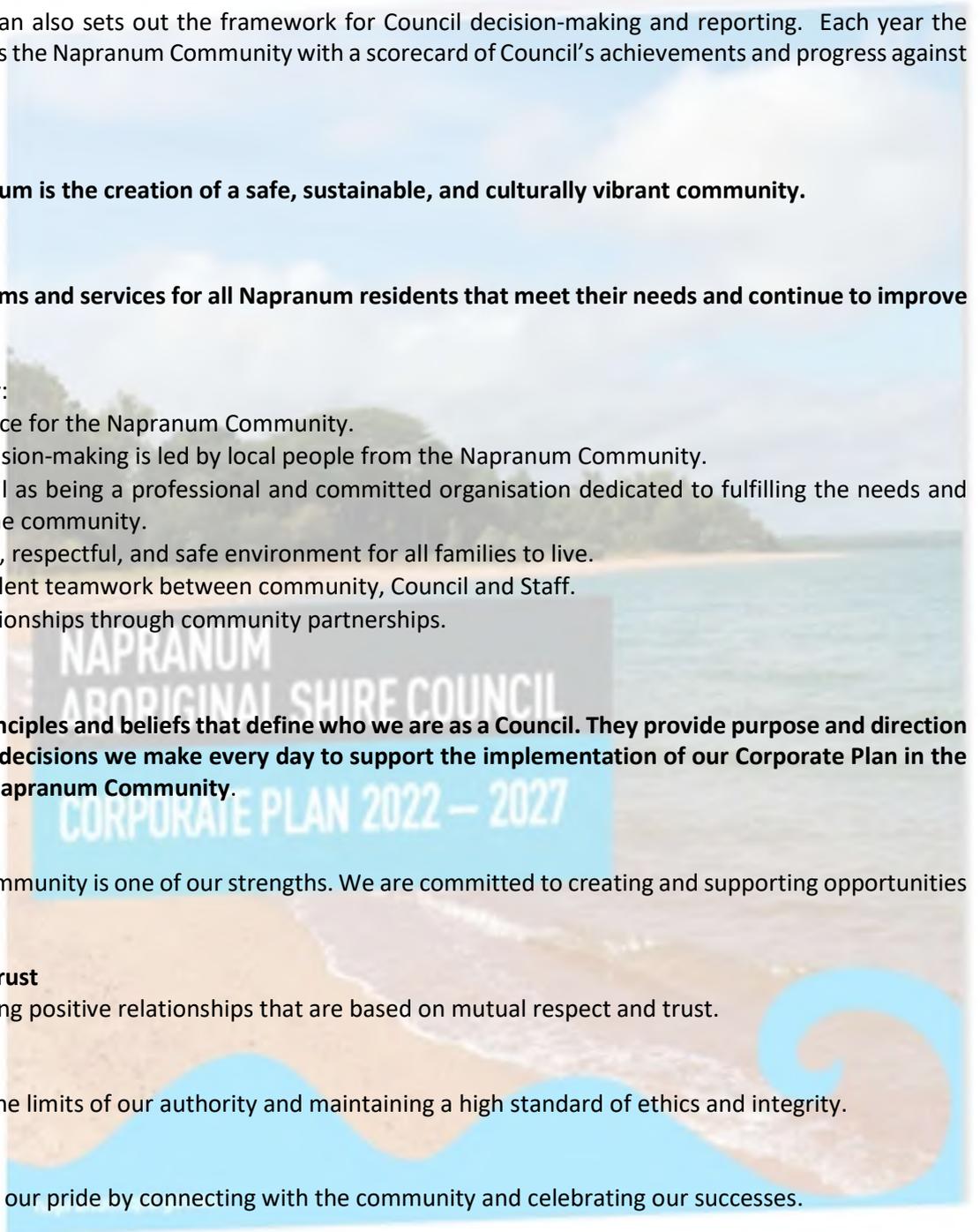
Taking time to listen to the people of Napranum to ensure we are working on delivering the programs and services that will make a real difference to people's lives.

Accountability

We are taking ownership for the decisions and actions that impact our community.

Innovation & Continuous Improvement

We show leadership and encourage new initiatives and a culture of continuous improvement.



KEY PRIORITIES IDENTIFIED IN THE CORPORATE PLAN 2022–2027

Cultural Wellbeing

- Strengthen cultural identity and pride through community participation in cultural events and activities designed in consultation with our Elders.
- Foster positive connections between young people, their families and Elders.
- Protect areas of cultural heritage significance.
- Support the development and delivery of cultural programs and activities that enhance community members' mental health and wellbeing.



Healthy, Safe & Resilient Community

- Provide opportunities that bring together and connect the community to celebrate culture, history and diversity of the Napranum Community.
- Increase the capabilities of community groups to deliver a range of programs and services that meet the needs of community members.
- Ensure facilities are maintained and provide a safe space for community participation.

Land and Environment

- Actively investigating opportunities to improve energy efficiency across the community.
- Coordinate land and sea management programs and services that continue to protect and manage DOGIT lands for future generations.
- Work collaboratively with community and government stakeholders to progress transfer of Napranum DOGIT and the establishment of an ILUA for the Napranum township area.

Young People

- Ensure young people of Napranum have access to quality education and training.
- Work with community and government stakeholders to ensure that there are clearly defined employment and training pathways for young people after school.
- Provide support and resources that enables a wide variety of activities to be offered for young people in the community after school hours and on school holidays.

Local Economic Development

- Continue to build the capabilities of our local Aboriginal and Torres Strait Islander workforce across a diverse range of roles.
- Identify opportunities to support the development of small business enterprise.
- Investigate and pursue local economic opportunities that are sustainable and create ongoing opportunities for local people.

Effective Governance & Leadership

- Enhance the service delivery of Council programs and services through establishing a culture of continuous improvement.
- Strengthen the governance role of councillors and facilitating input from the community through relevant local decision-making processes.
- Ensuring responsible financial management and long-term planning for sustainability.
- Establishing Council as an *Employer of Choice* in the Western Cape region.

A MESSAGE FROM THE MAYOR



It is with pleasure I present the 2022-2023 Napranum Aboriginal Shire Council Annual Report to community.

I acknowledge the Traditional Owner groups of the Napranum Aboriginal Shire Council; the Alngith, Anathangayth, Peppan, Thanikwithi, Wathayn, and Wik and Wik Way People, and pay my respects to Elders past, present and emerging.

I also recognise the Native Title Holders of the land and waters within the Napranum Aboriginal Shire Council area; the Northern Cape York #2 Native Title Claim Group, the Weipa Peninsula People, and the Wik and Wik Way People.

Whilst it is difficult to squeeze twelve months of Council's operations into one report, I encourage the community to read the Annual Report for insight into Council's operations, aspirations, performance and achievements over the year. I commend my fellow Councillors for their continued commitment and efforts in advocating for our community. I also thank all the members of our Council team who continue to deliver services to community, often going above and beyond, meeting challenges head on.

As we move out of the grips of COVID-19 we welcome the new freedoms, however similar to most regions, ongoing housing shortages and overcrowding continues to provide a significant challenge to our community. Council's Operations team continues to provide maintenance for community houses, completing over 1,300 requests for repairs across Napranum. We strive to employ local tradesmen with the majority of these works being completed by Council's team, supported by local contractors.

Council continues to manage the Napranum DOGIT lands, and development of a seven-year strategic plan for the Land and Sea Rangers will see continued responsible management of these lands. This will include continuation of the Turtle Monitoring program and feral animal management campaigns. Ongoing development of the Land and Sea Rangers program into the future will see the expansion of this important work looking after Country.

During the year we celebrated NAIDOC Week, Foundation Day, DOGIT Day, and our community Christmas party. It is always pleasing to see community come together to celebrate these events. Thank you to the Council Events team, our valuable partners, and numerous volunteers that make these events a success each year. I also welcome, acknowledge and value the support we receive from the Western Cape Communities Trust in funding such events.

Council delivered a number of key projects during the 2022-2023 financial year including:

- Complete refurbishment of the basketball and netball courts
- Foreshore basketball court upgrade
- Solar street lighting upgrades
- Fibre optic connection to the Council administration building to improve internet connectivity and support efficient operations.
- A new water reservoir, switch boards and other water supply infrastructure upgrades.

Whilst only a snapshot of works, further details of other projects and services provided during 2022-2023 are listed throughout the Annual Report. Significantly, during 2022-2023 Council undertook a review of Council's Corporate Plan leading to the development of a new Corporate Plan. The Corporate Plan 2022-2027 will provide direction for Council for the years ahead.

The Key Focus Areas identified in the Corporate Plan are:

- Cultural Wellbeing
- Healthy, Safe & Resilient community
- Land and Environment
- Young People Local Economic Development
- Effective Governance & Leadership

In conjunction with the development of the new Corporate Plan, Council identified the need to undertake an organisational structure review, to align Council's management structure to best achieve its goals.

With a renewed commitment to deliver projects that enhance lifestyle and community development in Napranum, we look forward to working towards:

- Further housing development
- Completion of the new takeaway
- Completion of the community hall public amenities
- Completion of the foreshore public amenities
- Installation of foreshore fitness equipment

Lastly, thank you to the Napranum Community, for your support as we work together to improve our community.

A MESSAGE FROM THE CEO



Only recently joining Napranum Aboriginal Shire Council, I am pleased to be able to recognise Council's efforts and achievements of the last financial year.

First of all, I must acknowledge Council's previous Chief Executive Officer (CEO), Janelle Menzies, who has lead Council's operational team for the past three years.

With significant change in senior management and the loss of corporate knowledge that comes with a change in CEO, there is often a period of instability as an organisation adapts. I also acknowledge Graham King and Emma Bradbury, who provided stability to the senior management and Council team during this period.

With challenges around every corner, Council continued to meet those challenges head-on and I would like to congratulate the Councillors and entire workforce for their commitment and efforts over the year. This Annual Report provides an insight into operations for the 2022-2023 financial year.

Amongst a number of key decisions made during the 2022-2023 year by Napranum Aboriginal Shire Council, was the development of a new Corporate Plan (*Napranum Aboriginal Shire Council Corporate Plan 2022-2027*) along with a significant review of Council's management structure. In 2022-2023 Council has laid the foundations to continue to provide strong, responsive service to the Napranum Community.

I am excited to join the Napranum Community and look forward to being part of the successful future that lays ahead for Napranum.

NAPRANUM PROFILE

Napranum is a small and remote community located approximately 13 kilometres from Weipa, on Cape York Peninsula in Far North Queensland. The Napranum Aboriginal Community Council was established in 1989 and became the Napranum Aboriginal Shire Council in 2005. The main employment sector is local government administration and residents of Napranum are also employed by Rio Tinto (formerly Comalco) at its operations in Weipa and surrounds.

Napranum Aboriginal Shire comprises several parts, with a total area of approximately 1,995 square kilometres. Napranum has facilities that include a supermarket, health care centre, early childhood centre, aged care centre and the Ruchook Cultural Grounds where cultural festivals are held. As with many remote communities, infrastructure and service access continues to be a major challenge. A housing subdivision has recently been completed, allowing for the construction of new houses for the people of Napranum. There is also greater emphasis on operationally establishing the Community Farm.

There were originally five main clan groups with a history dating back many thousands of years. Formerly known as Weipa South, Napranum was established in 1898 by Moravian missionaries on behalf of the Presbyterian Church. Napranum is a combined word from two languages of the Weipa area: 'Nap', pronounced 'naap', means 'meeting place' in the Troj language and 'pranum' is a Thaynakwith word meaning 'meeting of people'. Therefore 'Napranum' means 'meeting place of the people'.

The original mission site at 'Twenty Mile' was relocated to the Jessica Point site in 1932, due to an outbreak of malaria. At this time, most of the people were Awngthim, however, different tribes and clans were brought from Old Mapoon. In 1955 a geologist, Henry Evans, discovered that the red cliffs on the Aboriginal Reserve, previously remarked on by the early Dutch explorers and Matthew Flinders, were enormous deposits of bauxite, the ore from which aluminium is made.

The *Commonwealth Aluminium Corporation Pty Limited Agreement Act 1957* (Qld) (Comalco Act) revoked the reserve status, giving the company 5,760 square kilometres of Aboriginal reserve land on the west coast of Cape York Peninsula and 5,135 square kilometres on the east coast of Aboriginal-owned land.

Mining commenced in 1960. The mission became a government settlement in 1966, with continued attempts by Comalco to relocate the whole community elsewhere. The company then built a new town for its workers on the other side of the bay. In 2006, 43.8% of census respondents recorded their religion as being Uniting Church, reflecting the fact that the Presbyterian Church administered the former mission.

Napranum was officially gazetted as the placename to replace Weipa South in September 1990 and the DOGIT Lands became known as the Napranum DOGIT in 1991.



ABOUT NAPRANUM

Facilities and Services

Health

The Shire has a Queensland Health Primary Health Care Centre, which provides basic health care services. Cases that are more serious are referred to the Weipa Integrated Health Services. The hospital facility contains primary health care, emergency and medical imaging, day surgery, acute care accommodation, aged care accommodation, mortuary, support services, administration, staff accommodation, and a co-located ambulance service.

Weather

The climate of Cape York Peninsula is tropical and at times hot and humid. The tropical wet season runs from November to April and the tropical dry season from May to October. Temperature averages are 32.8 °C daily maximum and 22 °C overnight minimum.

Shopping

All residents do their major household shopping in Weipa. Napranum has an IBIS Supermarket that is open 7 days a week.

Post Office Services

Council provides a small post office in Napranum, which distributes mail only. The community post office, located in the Council building, is open on weekdays from 8:45 to 4pm.

Alcohol Restrictions

Napranum is within the alcohol restricted area of Napranum Aboriginal Shire, including all public and private places. This includes all waterways where both banks are within the Shire.

The section of the Peninsula Development Road that passes through the Shire is excluded from the restricted area.

No alcohol, home brew, or home brew equipment is allowed in restricted areas.

There are serious penalties for breaching the restrictions and Queensland Police have the power to stop and search all vehicles, including boats, entering a restricted area.

For more information please refer to the Queensland Government's alcohol restrictions web page [here](#).



Napranum Aged & Disability Services

Napranum Aged and Disability Services (NADS) conducts community outreach for aged clients (over 50 years of age) and those with disabilities (up to 50 years of age). Most clients live in Napranum, although we also service limited clients in Weipa. The centre has up to four independent living units and one respite room based at the Centre. The Centre delivers a range of services including meals, social support (individual and group), transport, assisting clients with shopping, medical appointments, personal care, and domestic assistance.

Education

The Napranum Early Childhood Centre, (Kindergarten and Pre-school) is operated by Council and has been functioning within the community for over 40 years. NECC is affiliated with the Crèche and Kindergarten Association of Queensland, (C&K) indicating that the centre has reached prescribed high standards in relation to buildings and facilities, safety, staff qualifications and delivery of educational curricula. Council re-opened the Long Day Care in July 2021 to further enhance early education opportunities in the community and assist families with returning to work.

Other Facilities

Napranum has a football oval and community hall. Other facilities include the Napranum Youth Centre, PCYC, PaL (Parents and Learning), Justice Group, Men's Group, Women's Group, Napranum Safe House, Basketball Court, Boat Ramp, and Saint Barnabas Uniting Church.

Accommodation

Accommodation is available in Weipa (approximately 13km away). It is strongly recommended that visitors who intend to visit Napranum make reservations at least one month before the date of arrival, as there is high demand for accommodation during the winter (dry season) when many visitors from the southern states arrive for holidays and fishing.



NECC Cultural Day 2022

OUR COUNCIL

The Napranum Aboriginal Shire Council has five elected representatives who are responsible for formulating council policies, a corporate plan, an operational plan, adopting annual council budgets and making decisions to achieve Council's goals. The Shire is undivided for electoral purposes. Each councillor represents the overall public interest of the whole area, although council has adopted a portfolio management system.

Councillors provide the most direct form of representation to the community, with each bringing an individual perspective to the decision's Council must make on behalf of the community. Background information on each of the Councillors as well as details for each Councillor is provided in the following pages.

Acceptance of the duties and responsibilities of the Mayor and Councillors are signified by their declaration of office. This declaration requires the elected members to fulfil the duties of office by acting faithfully and impartially to the best of their judgment and ability and to agree to uphold the council code of conduct. In addition, Councillors are required to complete a set of forms on Councillor's interests.

To represent the community effectively, Councillors are required to attend ordinary monthly council meetings and any other special meeting and to vote on all matters that require a decision or abstain from taking part in the discussions and voting on issues where they have a conflict of interest. The role of the Councillors and the Mayor is set out in the *Local Government Act 2009*.

Council authority is exercised as a whole, with decisions being made by the Council in the best interest of the community. In this regard the *Local Government Act 2009* provides guidance to the Mayor and Councillors on what their roles and responsibilities are, and the Code of Conduct, which is expected to be observed. The Code of Conduct provides for penalties ranging from reprimand to disqualification from office. These are intended to safeguard against the misuse, abuse and miscarriage of power and authority by the elected members.



ELECTED COUNCIL AND CEO



Mayor
Janita Motton

Portfolio

Housing, Education, Health, Social Services and Local Thriving Communities, Sports, Recreation, Arts and Events, Water and Sewerage Services and Environment, Alcohol Management Plans, Policing and Justice, Financial Management



Deputy Mayor
Roy Chevathen

Portfolio

Housing, Health, Social Services and Local Thriving Communities, Policing and Justice, Alcohol Management Plans, Financial Management



Councillor
Kaylene Jawai

Portfolio

Education, Social Services and Local Thriving Communities, Health, Recreation, Arts and Events



Councillor
Margie Adidi

Portfolio

Education, Sports, Recreation and Arts



Councillor
Egito Mairu

Portfolio

Alcohol Management, Policing and Justice, Sports, Water and Sewerage Services and Environment

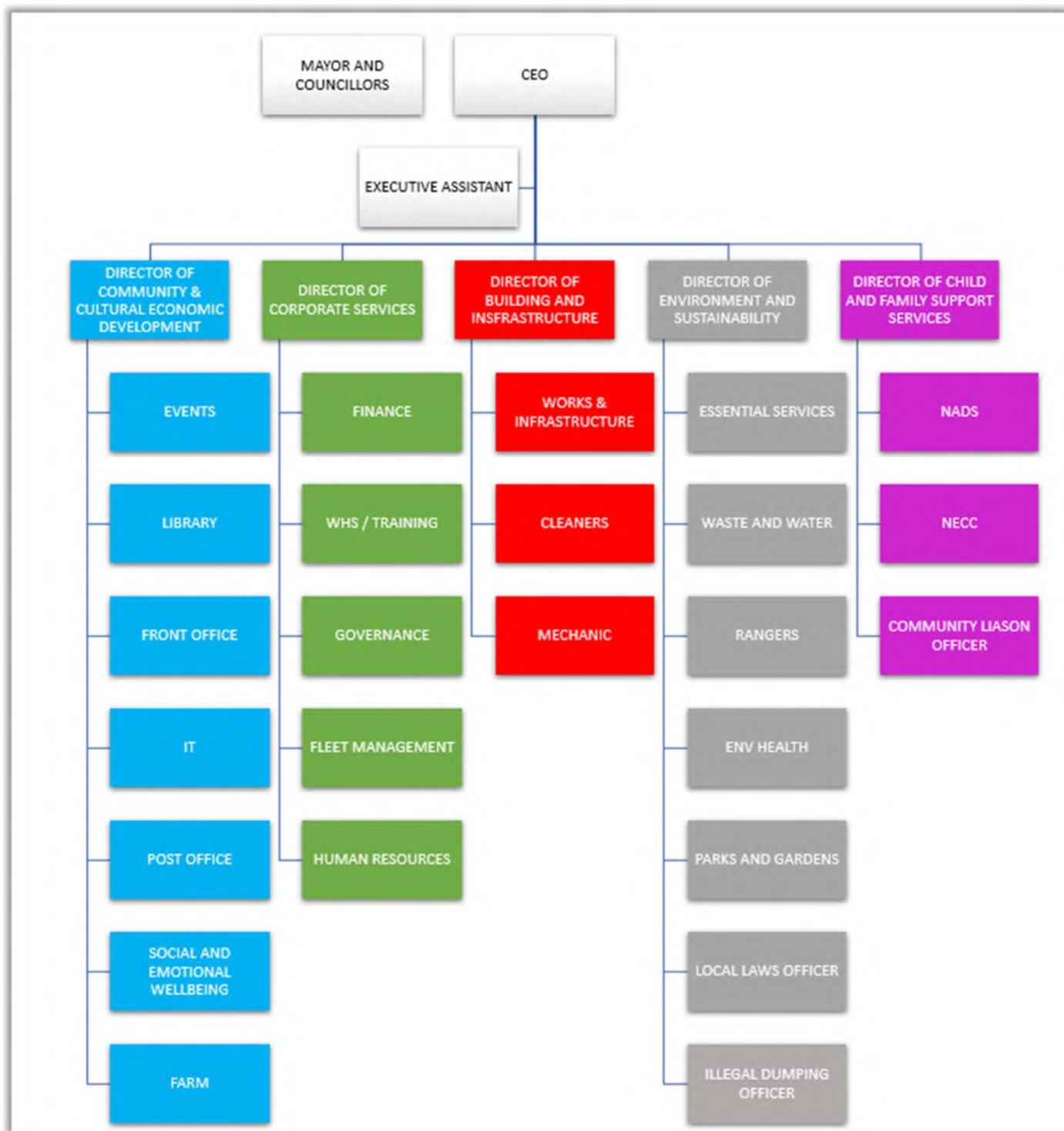


CEO

Peter O'May commenced as the Chief Executive Officer in July 2023

ORGANISATIONAL STRUCTURE 2023

as at 30 June 2023



COUNCIL DEPARTMENTS

BUILDING AND INFRASTRUCTURE

The Building and Infrastructure Division comprises Council's Works Department who oversee various types of works on housing including maintenance and repairs, general upgrades to structures, replacement of kitchens, and upgrading of bathrooms. The Works Department currently employs 13 people (as at 30 June 2023) and includes carpenters, plumbers, boiler maker and painters.

Council encourages local residents to undertake apprenticeships and/or traineeships, and Council currently has two (2) apprentices working with the team: one painter and one carpenter.

The highlights for the 2022-2023 financial year include:

Housing and Maintenance

There are 256 social housing properties of which 238 are under a 40-year lease arrangement. These range from one-bedroom units to three and four-bedroom dwellings.

Upgrades

The 2022-2023 QBuild Upgrades program has once again had challenges but with thanks to Council's Building Services team, headed by the newly appointed Building Services Manager, and local contractors, it has been a very productive 12 months. Most of the upgrades during this period has been carried out by local contractors.

One of the biggest challenges for the Building Services team has been employing trades people to carry out the heavy workload, with a shortage that has widely affected all trades.

Maintenance

The Building and Infrastructure Division maintains housing in response to instructions from QBuild. During the last financial year, Council received approximately 1,803 maintenance requests and completed and invoiced 1,370 of these 'Do-N-Charge' work orders.

The Do-N-Charge work orders from QBuild have mainly been carried out by Council team members with additional local contractors when required.

Again, one of the biggest challenges for the Building Services team has been employing trades people to carry out the heavy workload with a shortage that has affected all trades within Council and the industry.

2022-2023 Projects Undertaken by Council

Basketball Courts Upgrade



Pre-upgrade Works: Basketball Courts



Completed Upgrade Works: Basketball Courts

Tennis Court Transformation into Netball Court: Upgrade

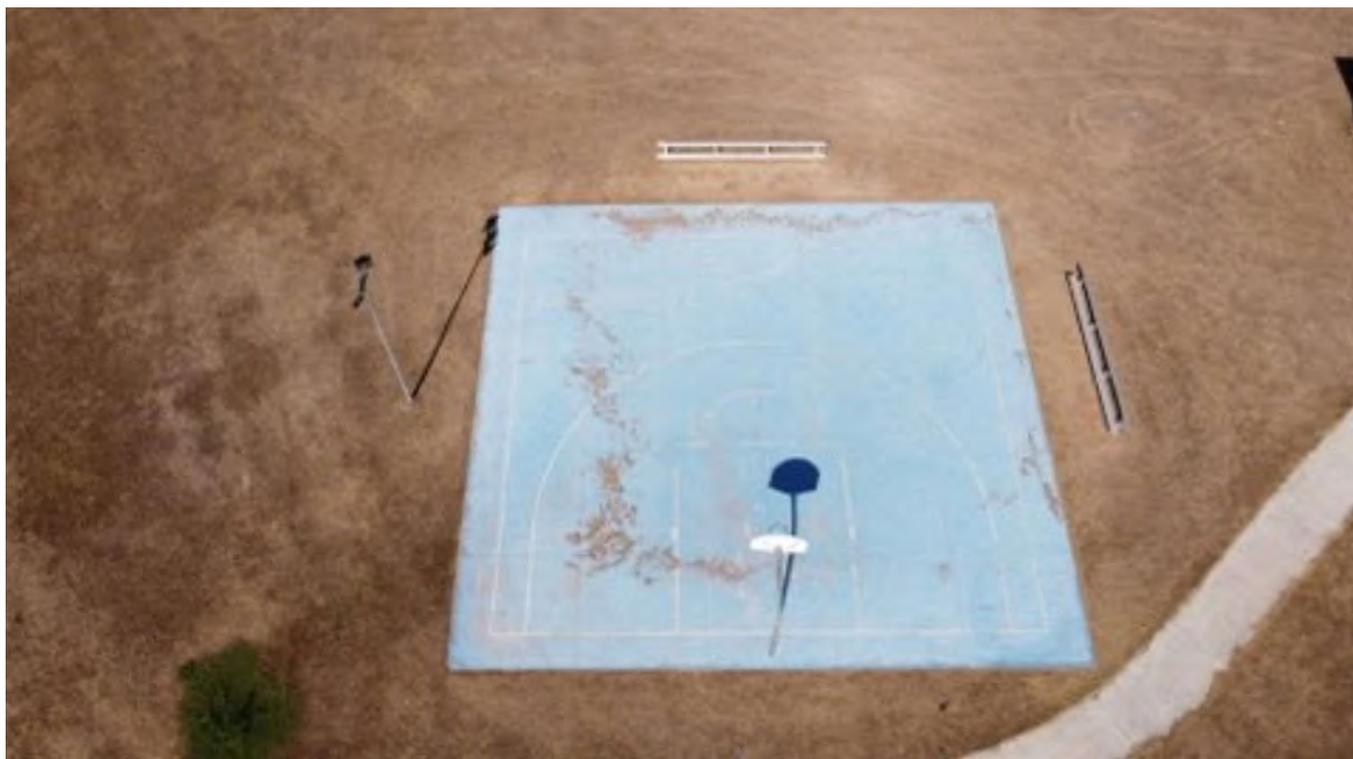


Pre-upgrade Works: Old Tennis Court to be transformed into the Netball Court



Completed Upgrade Works: Transformed Netball Court

Foreshore Half Basketball Court Upgrade



Pre-upgrade Works: Foreshore Half Basketball Court



Completed Works: Foreshore Half Basketball Court

Napranum Boat Ramp and Parking Area Upgrade



Pre-upgrade Works with Resealing Upgrade Work Shown Below



Boat Ramp and Car Parking Area Line Marking Upgrade



New Transfer Station: A cleaner, healthier environment



Upgrade to Existing Boat Wash Bay: New water mains, tap and hose



Installation of Solar Street Lighting in and around Community

Council has undertaken a solar street lighting installation program to enhance the ability of pedestrians and motorists to safely move around within community at night. This program has made a huge difference to all residing within community.



Looking both ways on Wa-Tyne Street



Looking down Oonigan Street towards the Boat Ramp



Top of the Napranum Boat Ramp



Stop sign at the corner of Napranum Road and Moun-Ding Streets



Stop Sign at the intersection of Napranum Road the Peninsular Development Road

Fleet Management

Council maintains a relatively new vehicle fleet to reduce maintenance costs and improve productivity. In the 2022-2023 financial year, Council purchased four new Toyota Workmate Utes for the Works Department, replacing the older Great Wall Utes, and providing the Works Department with more reliable vehicles to perform their duties in community.

CHILD & FAMILY SUPPORT SERVICES

Napranum Aged and Disability Services

Overview of Napranum Aged & Disability Services (NADS): Atakuny Elders Village

NADS delivers a range of programs funded by both state and federal governments. The Commonwealth Home Support program (CHSP), Home Care Packages (HCP), and RCC (Remote Community Connector program) to support National Disability Insurance Scheme (NDIS) clients. Services offered across these funding streams include meals, social support (individual and group), transport, assisting clients with shopping, medical appointments, personal care, medication assistance, domestic assistance, and yard maintenance (using external contractors where appropriate). Clients also participate in activities based at the centre including bingo, hoy, craft, physiotherapy, exercise, and other activities such as cultural functions and events, picnics, community centre visits, social outings, and fishing. NADS has a fully functioning commercial kitchen and supports *Meals on Wheels* for approximately 30 clients daily.

Our goals are to keep clients and their family supported in ways to promote their wellness, reablement and independence for as long as possible, whilst living in their own homes with family and often extended families within Napranum Community.

Clients/Funding

NADS conducts community outreach for aged clients (over 50 years of age) and those with disabilities (up to 55 years of age). Most clients live in Napranum, although NADS also services limited clients in Weipa. NADS has up to four independent living units and one respite room based at the Centre. We currently have two permanent clients living in. There are no clients receiving funding and services through QCSS as they have all transitioned to NDIS with nine participants, 29 CHSP clients, and 13 Commonwealth HCP clients ranging from level 1-4.

Staffing

NADS currently employs 10 staff (staff comprises full time and casual, and male and female). Four staff are nearing completion in their Certificate III Individual Support, with two modules remaining. This training is supported by Indigenous Employment Initiatives (IEI) funding from the federal government and will greatly improve the outcomes for our service and community.

Improvements

The Atakuny Elders Village received an improvement to security with new fencing and electronic gate access for improved client safety and wellbeing. Other improvements include an additional vehicle to support NDIS services, fleet repairs, upgrade of certain whitegoods to improve reliability, and computer and workstation upgrades for staff training and development. Additionally, renovations commenced in two of our rooms, with one now complete and the other underway.



Napranum Early Childhood Centre

The Napranum Early Childhood Centre (NECC), operated by Council, has been operating as a community kindergarten and pre-school for over 40 years. NECC is affiliated with the Crèche and Kindergarten Association of Queensland (C&K), indicating that NECC has reached prescribed high standards in relation to buildings and facilities, safety, staff qualifications and delivery of educational service.

NECC operates five units, with 50 children currently enrolled:

- Yarr A and B: 6 months - 3 years (large waiting list)
- Alandhak: 3 years - 3 ½ years and Kyemba: 3 ½ - 4 ½ years (currently combined with a waiting list)
- Thungganh: approved Kindergarten program

Events and activities celebrated throughout the year include Easter, Mother's Day, Christmas Party/End of Year Celebration, Graduation, and transition for kindergarten children to Western Cape College located in Weipa.

NECC has secured its own centre bus, which in 2024 will assist community families and kindergarten children to boost their attendance during the vital years before starting at school. It will also assist the centre to have more community engagement and get out and about for excursions and events.

Funding

Support for the service is via funding from the Department of Education, C&K, and Community Childcare Fund-Restricted (CCCFR) funding, which will be used to integrate a long day-care centre to better service our community's needs and carry out some much-needed renovations.

NECC was included in the Kindy Uplift Pilot program from April 2022. This has enabled staff to participate in several professional development sessions including Carrie Rose, to assist in improving our curriculum and play spaces, critical reflection and philosophy; PECS training, which assists in communication with children that may struggle to communicate verbally; Phoenix Cups, which assists in behavioural management; Connecting the Dots, which helps staff with embedding cultural ways and practices into the centre; and Rhythm and Movement for Self-regulation (RAMSR), which is helpful for emotional regulation.

Staffing

Quality education and care is provided by NECC staff. Initiatives throughout the year continue to see strong partnerships develop with families, support services, and community, and a focus on the education and wellbeing of families and children. Our staffing pool has been slowly growing, with a cook recently commencing for the centre, a groundskeeper, and several more assistants which has been great for consistency.

Educators at NECC continue to improve on their skills with one staff member working towards their Bachelor of Early Childhood and Primary Education and one hoping to start next year. One staff member is working towards their Diploma of Early Childhood Education and Care and two are working towards their Certificate III in Early Childhood Education and Care.

Kindy Uplift has provided some much-needed professional development which the staff are embracing and applying in the Centre.

Community

NECC is continuing to grow our partnerships with other community organisations. Apunipima have worked with NECC in many ways including ear and eye checks, dental visits, and healthy eating sessions with the staff and children. Council has successfully recruited a Community Liaison Officer, who will be vital to growing connections with the community and being able to mould NECC to better suit the community. We have also received a grant to facilitate the building of an edible garden at NECC, which we are hoping to integrate with community partnerships to receive input and advice from the community on this endeavour.

Improvements

New shade sails and sandpit covers were installed in the yards, providing much needed shade and coverage. The Fort in Large outdoor yard has had its wooden floors completely replaced and was also repainted, making it a safer area for the children to play in.

We have improved the visual area of the hallway and foyer by covering and making use of the walls and boards. There have been several clean outs of the centre with the help of other council staff and the Safety Circle team, making it safer and tidier for staff and children.

A new cleaning and chemical system have been installed in the laundry and other capital works will commence in 2024, addressing bathrooms, verandas and other important areas needing updating.



COMMUNITY AND CULTURAL ECONOMIC DEVELOPMENT

Events

During the 2022-2023 financial year Council held various events including:

- DOGIT Day
- Napranum ANZAC Day Service
- Napranum Foundation Day
- Napranum Community Christmas Party

The community Christmas celebration was a huge success and was well supported by the community. Council would like to thank all our sponsors, events committee, and volunteers, without whose support these events and celebrations would not be possible.



Indigenous Knowledge Centre

Council provides a safe and culturally appropriate knowledge centre for community to access reading and learning materials, yarning spaces, and for conducting research. The service is supported with funding by State Libraries Queensland (SLQ).

Facilities Management

Council has continued to work towards ensuring its assets are used for the best purpose and seeks to obtain the best beneficial return for the community. Council has been able to retain long-term tenants in some of its larger buildings, thereby assisting with the sustainability of its assets and delivery of key services to community.

Information Technology

Council has continued to invest strongly in its software and hardware throughout the year. As operational needs change, Council is transitioning its hardware to more portable options providing flexibility. Council is also investing in program improvements, and continual upgrade of connectivity such as installation of fibre optic to the administration building.

Disaster Management

The Napranum Local Disaster Management Group continued to maintain its presence in the community and assisting the community to be prepared for the storm/cyclone season. During the financial year, significant storms and rainfall events impacted community with some infrastructure damage and power outages. Water diversion projects around community have continued throughout the financial year.

Social & Emotional Wellbeing (SEWB)

The SEWB team have been busy identifying areas of need within the Napranum Community and bringing providers and community together to address these. The Women's and Men's groups have been established and are now both working to assist with increasing the wellbeing of community members.

CORPORATE SERVICES

Human Resources

Council ended the financial year with 82 employees, remaining unchanged compared to the previous year. Key employee data for Council is provided below:

- 76.3% of Council's workforce identify as Aboriginal and/or Torres Strait Islander, an increase of 7% compared to the previous year
- 16% of the workforce are aged between 16-29, a decrease of 8% compared to the previous year
- 31% of the workforce are aged between 30-44 years, a decrease of 6% compared to the previous year
- 53% of the workforce are aged 44 or over, an increase of 14% compared to the previous year
- 40% identify as male, no change compared to the previous year
- 60% identify as female, no change compared to the previous year

Council staff turnover continues to be high, with 53 new starters for the financial year and no overall change to total staff numbers.

Safety and Training

Council has continued to make strong inroads to improve the safety of its workforce and community. Improvements and initiatives include:

- Refinement of the Safety Induction and Contractor programs
- Updating key work equipment including breathing apparatus, ladder safety, trade tools, and fleet reliability and safety
- Virtual Reality training
- Improving our Standards initiative to improve standards across all work sites and encourage 'leading by example' for acceptable standards of workplace housekeeping, presentation, safety and wellbeing.

Council also continues to increase the capacity of its employees with professional development.

Key training delivered in the reporting period includes:

- Incident Cause Analysis Method (ICAM)
- Leadership and Supervisor
- Cybersecurity
- Recruitment and Industrial Relations
- Food Safety / First Aid / CPR
- Traffic Management

Finance

The Finance team comprises eight staff who provide Council's payroll, payables, receivables, grants, business development, inventory, budgeting, cash management, accounts preparation and long-term forecasting services.

The financial year saw an upgrade to a new financial system called Altus and provided by IT Vision, a cloud-based program that provides flexible reporting options and strong security, particularly around procurement. The Altus system went live on 1 July 2023 and all credit to the Finance team for the smooth transition that took place while finalising the 2022-2023 end of year in the old MYOB system.

The statutory audit was completed on time and on budget, demonstrating a strong commitment to teamwork, quality results and strengthening internal controls.

The year ahead will focus on internal audit processes, internal controls, asset management plans, asset revaluations and professional development so as to build a stronger and more resilient finance team.

Warehouse

Council's Warehouse Management System (WMS) is continuing to make stock accountability and movement easier and links into MYOB at the administration office. Extensive work by dedicated warehouse and finance staff has allowed for improved accountability and tracking of stock held and moved through Council's warehouse, with cataloguing and recording progressing to stock codes. This has made tracking of materials and accounting for materials used for specific jobs more efficient and accurate. Integration into the new financial system will progress during the 2023-2024 financial year.

Governance

The Organisational Structure introduced during the financial year provided a dedicated Governance Officer position which will assist with specialised governance support towards ensuring effective governance and leadership.

During the year Council introduced a new platform, Laserfiche, which assists with the management and appropriate publication of its policies. Council also continued to review and improve its policies and procedures in line with contemporary and community expectations, and proactively continued with delivery and education about Council's Code of Conduct and other topical messaging.

ENVIRONMENT AND SUSTAINABILITY

Animal Management

Animal Management in Rural and Remote Indigenous Communities (AMRRIC) Biosecurity Activity

The scope of this activity was to plan and conduct a community animal health census, distribute anti-parasitics, detect and record animal health abnormalities, and report biosecurity concerns. The animal census was undertaken in September 2022 and 303 dogs were identified. De-sexing was conducted and birth control implants were administered for certain dogs. All dogs in the community were treated for worms and parasites.

Visiting Veterinary Program

This program was discontinued due to COVID-19 and unavailability of an appropriate surgical place for veterinary services to operate. Council is currently in the process of procuring and installing a pound or 'holding place' facility with a veterinary surgical room attached. The Environment and Sustainability Director has approached veterinary businesses that service neighbouring communities to initiate a Visiting Vet program. Meanwhile, Council is using Weipa Tableland Veterinary Services for urgent matters including de-sexing dogs and cats, and euthanasia treatments.

Pest Management Training

The Animal Management Worker has commenced Pest Management training and is progressing towards obtaining their Pest Management License.

Environmental Health

Removal of Unwanted and Abandoned Cars from Community

Council removed 14 abandoned and unwanted vehicles from the Napranum Community. Many of these vehicles were considered an environmental and health and safety risk, and the removal work included all open areas of the community and residential housing.

Pest Management Training

The Environmental Health Worker (EHW) has commenced Pest Management Training and is progressing towards obtaining their Pest Management License.

Water Inspection

Council's Essential Services Department managed all aspects of water and sewage treatment, sanitation and testing regimes over the reporting period. The EHW conducts random inspections when the water operator performs water sampling and analysis and the EHW also verifies data collected by the water operator.

Food Inspection

Food inspections were randomly conducted at food handling businesses in the community, with reports issued to businesses where necessary for further actions.

Land and Sea Rangers

The Land and Sea Rangers developed a seven-year strategic plan in consultation with Traditional Owners, Council and the community.

Crocodile Management

The Land and Sea Rangers, in partnership with the Department of Environment Science (DES) and Queensland Parks and Wildlife, removed an estuarine crocodile that posed a risk to the community. Engagement is continuing with DES for further training that may lead to the Land and Sea Rangers expanding their capability and service to the community for managing crocodiles that pose a threat to the community.

Nest to Ocean Program

The Land and Sea Rangers continued the turtle monitoring program at Pennefather Beach as a key aspect of the Nest to Ocean program. Part of the program is feral animal management campaigns which included: aerial shooting, trapping, and thermal shooting that resulted in a significant reduction in wild dogs and feral pigs that normally predate the sea turtle nests. In total, 234 feral pigs and five wild dogs were managed during the campaign.



Invasive Plant and Animal Bio-Security Program

The Land and Sea Rangers continued their close relationship with the Australian Quarantine and Inspection Service (AQIS) providing a number of community activities that included: companion animal health, feral animal health, marine debris surveys and invasive plant host surveys.

Cultural Heritage Site Inspection and Mapping

The Land and Sea Rangers identified and mapped six new mud shell middens. The middens will become part of the culturally significant sites managed by the Land and Sea Rangers.

Red Beach and Bouchat cultural heritage sites have had maintenance programs conducted over the reporting period.

Water and Waste Water

The Essential Services Department is responsible for the management of the potable water supply, the sewerage system and the general upkeep and maintenance of community parks and open spaces, ensuring that all services are in line with current standards and community expectations.

Water

Council supplies quality water to the community from two bores wells. The water is treated for pH adjustment and sanitation via the water treatment plant to provide a continuous supply of potable water to the community. Council is proactive in upskilling the operators to take advantage of latest developments. The Water Operator attended training and is certified to safely operate the chlorine gas treatment plant. Water is sampled daily at six discrete outlets, and audited by The Cairns Regional Council, a NATA credited laboratory.

A new water reservoir was commissioned in May 2023 to supply potable water to the community along with the existing reservoir. Council now has capacity to store four ML of potable water at any time. Along with the construction of the new water reservoir, switch boards at the water treatment plant were upgraded.

Sewerage

The Essential Services Department maintains three pump stations and a primary treatment facility, comprising three evaporative treatment lagoons and outfall.

Council has an effective sewage collection system and a primary treatment system in the form of evaporative lagoons. These lagoons are closely monitored and maintained to provide a healthy environment for all community members.

Splash Park

The Essential Services Department maintains the splash park located in the foreshore. Along with routine checks, the park is cleaned and the water quality tested every day to ensure the water used for recreation purposes meets the appropriate standard.



Parks and Gardens

The Parks and Gardens team are engaged in the operational maintenance of Council's open space and natural areas. During the wet season, the team focused on clearing drains, removing blockages, cutting fallen trees and lawn mowing. During the dry season, the team focus was on clearing rubbish, watering lawns around the community and foreshore area, and preparations for the wet season by cutting low hanging trees. The Parks and Gardens team also assisted with setting up fire breaks around the farm area.

STATUTORY REPORTING REQUIREMENTS

COUNCILLORS

Section 186(1)(a)-(b) of the Local Government Regulation 2012 (LGR) provides that the Report must contain particulars of Councillor remuneration and other expenses for the year ended 30 June 2023 and are as follows:

Position	Name	Councillor Remuneration	Super	Travel and Conference Expenses
Mayor	Janita Motton	110,386	11,590	8,491
Deputy Mayor	Roy Chevathen	62,050	NIL	3,999
Councillor	Egito Mairu	55,192	5,795	4,091
Councillor	Kaylene Jawai	56,825	NIL	6,698
Councillor	Margie Adidi	55,192	NIL	1,326
TOTAL		339,645	17,385	24,605

Note: Mayor Motton is also provided with a vehicle for business and personal use.

COUNCILLOR FACILITIES

Mayor

- Separate office accommodation with secretarial and Executive Assistant support, and motor vehicle for business and personal use.

Councillors

- Office accommodation and secretarial/administrative support in accordance with the established staff structure.

Additional Support for Councillors

- Councillors are provided with access to facsimile, scanner, printer, photocopier and paper shredder for business use.
- Council provides each Councillor the necessary stationery and letterhead including postage costs, for the undertaking of duties directly associated with their position.
- Councillors are provided with fully maintained and serviced meeting/committee rooms, kitchen amenities and ablution facilities.
- Each Councillor has the option to be provided with an electronic tablet device or laptop and mobile phone. Each device will be provided with appropriate software to enable Councillors to perform their role.

CONDUCT AND PERFORMANCE OF COUNCILLORS

To ensure appropriate standards of conduct and performance are maintained by Councillors, the *Local Government Act 2009 (LGA)* outlines the roles, responsibilities and obligations required. Additionally, Council has a number of policies to support the behaviours expected of its elected representatives.

Details	Result
Orders made under section 150I(2) of the <i>LGA</i>	NIL
Orders made under section 150AH(1) of the <i>LGA</i>	NIL
Decisions, orders and recommendations made under section 150AR(1) of the <i>Act</i>	NIL
Name of each Councillor for whom a decision, order or recommendation was made under section 150I(2), 150AH(1) or 150AR(1) of the <i>LGA</i>	N/A
A description of the unsuitable meeting conduct, inappropriate conduct or misconduct engaged in by each councillor that was made under section 150I(2), 150AH(1) or 150AR(1) of the <i>LGA</i>	N/A
A summary of the decision, order or recommendation made for each councillor that was made under section 150I(2), 150AH(1) or 150AR(1) of the <i>LGA</i>	N/A
Complaints referred to the assessor under section 150P(2)(a) of the <i>LGA</i> by the local government, a councillor or the Chief Executive Officer of the local government	1
Matters, mentioned in section 150P(3) of the <i>LGA</i> , notified to the Crime and Corruption Commission	NIL
Notices given under section 150R(2) of the <i>LGA</i>	NIL
Notices given under section 150S(2)(a) of the <i>LGA</i>	NIL
Decisions made under section 150W(1)(a)(b)(e) of the <i>LGA</i>	1
Referral notices accompanied by a recommendation mentioned in section 150AC(3)(a) of the <i>LGA</i>	NIL
Occasions information was given under section 150AF(4)(a) of the <i>LGA</i>	NIL
Occasions the local government asked another entity to investigate, under chapter 5A, part 3, division 5 of the <i>LGA</i> for the local government, the suspected inappropriate conduct of a councillor	NIL
Applications heard by the conduct tribunal under chapter 5A, part 3, division 6 of the <i>LGA</i> about whether a councillor engaged in misconduct or inappropriate conduct	NIL

COUNCIL MEETINGS ATTENDED

Section 186(1)(c) of the LGR provides that the Report must contain the number of meeting attendances for each Councillor. During the 2022-2023 financial year, 12 Ordinary Council Meetings and 4 Special Council Meetings were held and attended as follows:

Register of Attendance at Council meetings: July 2022 – June 2023				
Position	Name	Number of Ordinary Council meetings attended	Number of Special Council meetings attended	Total number of meetings attended
Mayor	Janita Motton	12	3	15
Deputy Mayor	Roy Chevathen	8	2	10
Councillor	Egito Mairu	11	3	14
Councillor	Kaylene Jawai	12	4	16
Councillor	Margaret Adidi	10	3	13

ADMINISTRATIVE ACTION COMPLAINTS

Council is committed to the principles of natural justice and fairness in all administrative complaint dealings. Council intends to provide a level of customer service that does not attract complaints, but acknowledges the right of persons to provide feedback, both positive and negative, on its services and/or to lodge a complaint about a decision or other action it takes. Councils Administrative Action Complaints Policy and Procedure is available on Councils website napranum.qld.gov.au.

Council commits to providing adequate resources and trained officers to deal with complaints and to record and analyse complaints data. This enables Council to respond to complaints accurately and in a timely manner to ensure outcomes are achieved and delivered.

Administrative Action Complaints recorded in accordance with section 187(2)(a)-(b) of the LGR	
administrative action complaints made to the local government	2
administrative action complaints resolved by the local government under the complaint's management process	0
administrative action complaints not resolved by the local government under the complaint's management process	2
the number of administrative action complaints under paragraph (a)(iii) that were made in a previous financial year	0

Council updated its Administrative Action Complaints Policy to support the updates required and outlined in the *Human Rights Act 2019*. Council will continue to review and update policies and procedures and educate its employees and community of changes and improvements in administering the obligations of the *Human Rights Act 2019*.

EXPENSES REIMBURSEMENT POLICY

During the 2020-2021 financial year Council reviewed the Expenses Reimbursement Policy. A copy of the Expenses Reimbursement Policy is available on the Council's website, napranum.qld.gov.au, and in accordance with sections 184(a) and 250(1) of the LGR, a copy of the Resolution is below:

The Napranum Aboriginal Shire Council resolves to:

...

8. Adopt the following Council Policies and Register (5 in total)
 - a) Investigations Policy (New Mandatory Balcarras Policy)
 - b) Standing Orders Policy & Meeting Procedures (Council Meeting) (New Mandatory Balcarras Policy)
 - c) Councillor Code of Conduct Policy (New Mandatory Balcarras Policy)
 - d) Councillor Conduct Register (New Mandatory Balcarras Register)
 - e) Expense Reimbursement Policy (Updated Mandatory Policy)
- Resolution 200728/10**
Moved: Cr. Marie Pitt
Seconded: Cr. Margie Adidi

NON-CURRENT PHYSICAL ASSET RECOGNITION THRESHOLD

Note 14, forming part of the Council Financial Statements, provides the asset recognition threshold and is adopted annually with the Financial Statements. A copy of the 2022-2023 Financial Statements is attached to this Report and a copy of the Resolution adopting the previous years' Financial Statements, including note 14, is below in accordance with sections 184(b) and 206(2) of the LGR:

The Napranum Aboriginal Shire Council resolves to: –

Accept the Audited Financial Statements and the Audit Committee Report and minutes.

Resolution: 221101/08
Moved: Mayor Janita Motton
Seconded: Cr. Kaylene Jawai

Carried - Vote: 4/4

IMPLEMENTING THE CORPORATE PLAN

During the 2022-2023 financial year, Council undertook a review and developed the new Napranum Aboriginal Shire Council Corporate Plan 2022-2027. The priorities and strategies outlined in the Corporate Plan are aligned in annual Operational Plans and continue to be successfully implemented.

IMPLEMENTING THE OPERATIONAL PLAN

Council continues to align the Operational Plan with realistic and achievable goals that link to the Corporate Plan, budgets and community service requirements.

Significant achievements during the 2022-2023 financial year include:

- Organisational restructure to align operational management with the new Corporate Plan
- Internal and external audits completed on time and to plan
- Annual budget prepared and adopted on time
- Monthly financial reporting embedded into Council systems
- Commencement of a policy management system, Laserfiche, towards stronger governance and leadership
- Upgrade to the new information technology program, Altus, which became operational on 1 July 2023
- Fleet and plant replacement on track with four new vehicles arriving during the period

- Housing maintenance processes embedded, with automation increasing productivity
- Fibre Optic installation completed on time and on budget
- Introduction of the new policy management system, Laserfiche, towards stronger governance and leadership
- Social and Emotional welfare programs, including the Women's and Men's groups, commenced and on track towards Cultural Wellbeing and meeting the needs for a Healthy, Safe & Resilient Community
- Ongoing training towards building capacity across a range of roles including, the Ranger Program, Water and Wastewater, Public Health, Child Care, and Aged Care

OVERSEAS TRAVEL

Section 188(1) of the LGR provides that the Report must contain information about any overseas travel made by a Councillor or local government employee in an official capacity during the financial year.

There was no overseas travel during the 2022-2023 financial year.

EXPENDITURE ON GRANTS TO COMMUNITY ORGANISATIONS

Section 189(1) of the LGR provides that the Report must contain a summary of expenditure on grants to community organisations.

There was no expenditure on grants to community organisations during the 2022-2023 financial year.

DONATIONS AND CONTRIBUTIONS TO COMMUNITY GROUPS

Council approved the following donation during the 2022-2023 financial year:

- Donation to the Napranum Bulldogs for the amount of \$3,064.

LOCAL GOVERNMENT DISCRETIONARY FUNDS

Section 189(2) of the LGR provides that the Report must contain particulars about discretionary funds.

Council did not have any budgeted or allocated amounts for discretionary funds during the 2022-2023 financial year.

SPECIAL RATES OR CHARGES

Pursuant to section 190(1)(d) of the LGR, Council did not enter into any agreements with any other local government entities to conduct joint government activities or levy any special rates or charges during the 2022-2023 financial year.

Pursuant to section 190(1)(g) of the LGR, Council did not grant any concessional rates or charges during the 2022-2023 financial year.

BENEFICIAL ENTERPRISES

Pursuant to section 41 of the *LGA*, Council did not conduct any beneficial enterprises during the 2022-2023 financial year.

BUSINESS ACTIVITIES AND COMPETITIVE NEUTRALITY

Pursuant to section 45(a)-(d) of the *LGA*, Council conducted the following business activities during the 2022-2023 financial year:

- Water and Waste Water Services
- Aged and Disability Services
- Child Care and Kindergarten/Pre-school
- Building and Housing Maintenance and Upgrades
- Parks and Gardens maintenance

Council did not conduct any significant business activities during the 2022-2023 financial year.

REGISTERS

Council is required to include a list of registers in accordance with section 190(1)(f) of the LGR. During the 2022-2023 financial year, the following Registers were maintained:

REGISTER	PURPOSE
Councillor's Register of Interests	To record certain financial and other personal interests of the Councillor
Minutes of Council Meetings	To record all resolutions made by Council for Ordinary and Special meetings
Policies Register	To record all policies adopted by Council
Schedule of Fees and Charges	To record fees charges adopted by Council
Procurement Policy	To document the policy and framework for the procurement of goods and services
Asset register	To record details of all council assets
Register of Financial Delegations	To record the delegations made by Council and the CEO
Preferred Supplier Register	To provide a register of approved preferred suppliers
Prequalified Supplier Register	To provide a register of prequalified suppliers
Corporate Plan	To document the strategic direction and framework for Council decision making for the period
Operational Plan	To document the key activities set by Council for the period
Complaints Register including Administrative Action Complaints	To record all complaints including any Administrative Action Complaints received by Council
Local Laws Register	To record Council's adopted Local Laws and Subordinate Local Laws
Roads Register	To record the details about Council's roads

INVITATIONS TO CHANGE TENDERS

Section 190(1)(e) of the LGR provides that the Report must contain the number of invitations to change tenders under section 228(7) during the year.

There were no invitations to change tenders during the reporting period.

COMPETITIVE NEUTRALITY COMPLAINTS

Section 190(1)(i) of the LGR provides that the Report must contain a summary of investigation notices given in the financial year for competitive neutrality complaints pursuant to section 49 and responses pursuant to section 52(3).

There were no competitive neutrality complaints received during the reporting period and no responses were required under section 52(3).

INTERNAL AUDIT REPORT

Council's Internal Audit function is undertaken by Altius Advisors Chartered Accountants.

The 2022 - 2025 Internal Audit Plan aims to identify and document areas of significant operational risk and develop practical recommendations for improvement.

The major areas of focus for the 2022-2023 financial year were:

1. Disaster Recovery and Business Continuity Planning, and was completed in April 2023
2. Financial Sustainability Ratios, and was completed in June 2023

SENIOR STAFF REMUNERATION

Section 201 of the LGA provides that the Report must state:

- a) the total of all remuneration packages that are payable for the year to the senior management of the local government; and
- b) the number of employees in senior management who are being paid each band of remuneration.

Council currently employs six (6) full-time senior management employees, including the Chief Executive Officer. During the year the number of senior management employees increased in line with the new organisational structure.

The total remuneration paid to senior management during the 2022–23 financial year was \$833,471.

Band	No of Staff *
\$200,000 - \$300,000	1
\$100,000 - \$200,000	5
0 - \$100,000	

* During the 2022-2023 financial year, the organisational structure changed from five to six senior management employees

COMMUNITY FINANCIAL REPORT

The information provided in the community Financial Report is designed to allow readers to quickly grasp the fundamentals of Council's financial performance and its financial standing. This report has a very important role in making sure that Council is accountable to the community and making community members aware of how well Council uses its resources and safeguards its assets. The financial statements are often difficult to understand for readers that don't have an accounting background. We hope this report will go a long way toward removing the mystery and complexity of these documents.

The financial statements include four key documents:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flow

Then follows a series of notes that provide more detail and explanations of the key components of those statements.

Statement of Comprehensive Income

In simple terms, this statement sets out all the money Council has received and deducts all the money Council needed to pay out. The summary below has separated the recurrent revenue and expenses to show Council's net result from operational activities, and for 2022-2023 this is a deficit of \$1,093,995. The inclusion of capital revenue and expenses provides a net surplus of \$4,341,088.

Surplus cash will be allocated to maintenance of Council assets or future planned projects. The Statement of Cash Flows and Statement of Changes in Equity aim to show the impact of these decisions.

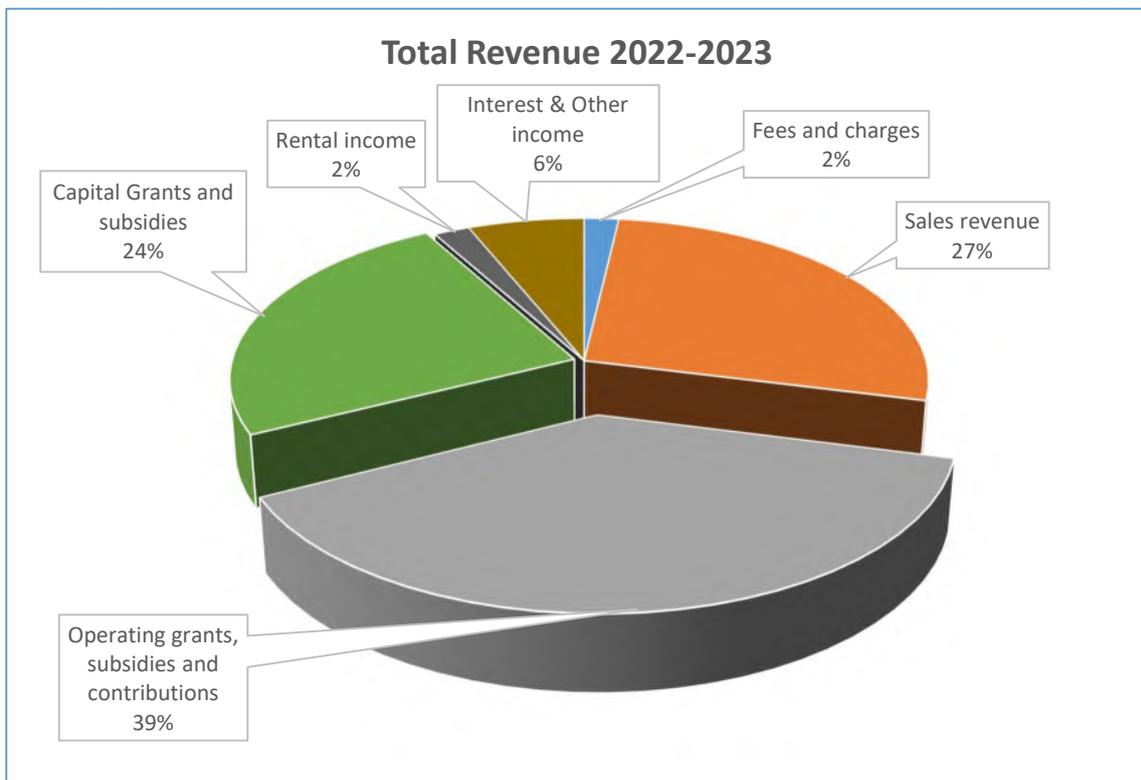
A summarised Statement of Comprehensive Income for the year ended 30 June 2023 is provided below:

Summary of the Statement of Comprehensive Income		
	2022-2023	2021-22
Operating Revenue	20,243,212	12,719,011
Less: Operating Expenses	(21,337,207)	(15,258,806)
Operating Position	(1,093,995)	(2,539,795)
Plus: Capital Income	6,474,472	4,563,265
Less: Capital Expenses	(1,039,389)	-
Net Result	4,341,088	2,023,470

The table above shows that although the net result for both 2021-22 and 2022-2023 are surpluses, the operational results are both deficits. Depreciation expenses in 2022-2023 was \$3,430,141, and as this is a non-cash entry, provides Council with a cash surplus for the year. The overall cash movement for 2022-23 is reflected in the Statement of Cash Flows.

Revenue

Revenue to pay for Council's operational expenses is sourced mainly from government grants, 39%, and income from servicing the QBuild contracts, 27%. Capital grant income funds Council's capital works and includes the Natural Disaster Relief and Recovery program and other approved capital projects.



Expenditure

In the financial statements, expenditure is split into two types namely:

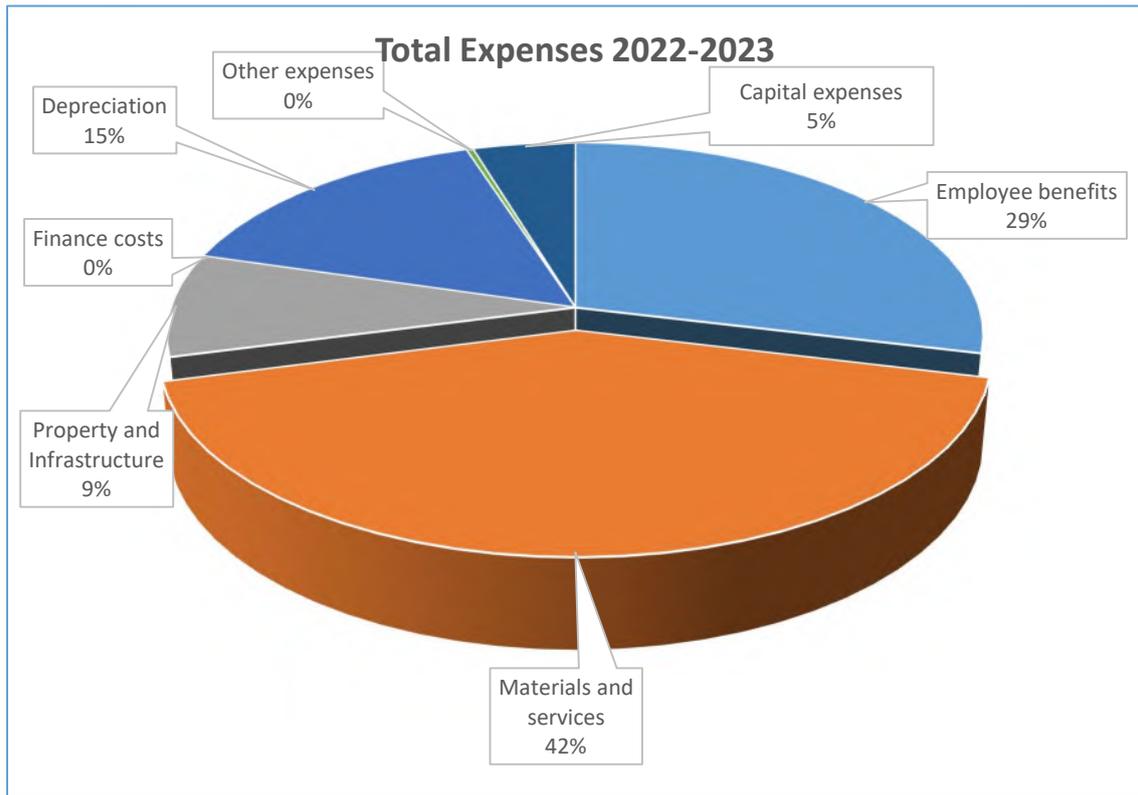
- Recurrent expenditure
- Capital expenditure

Recurrent expenditure is the day to day cost of running the Council and includes all expenditure other than money spent on new assets and repayment of loans.

Capital expenditure in 2022-2023 represents losses on the disposal of assets.

Total operating expenses of \$21,337,207 includes \$6,441,378 for employee costs and \$11,369,476 for materials and service costs, which represents the cost of maintaining Council's assets. These include community housing and other buildings, roads, water, sewerage, parks and open spaces, providing services like child care, aged care, the library and other community and administration services.

Depreciation costs were \$3,430,141 and while this is a non-cash item, it represents a deterioration in the life of Council's assets. Council's budget will include an allowance for the cost of asset maintenance.



Statement of Financial Position

This statement shows the value of Council’s assets and liabilities at a point in time, 30 June 2023. The statement measures what Council owns (assets) and what Council owes (liabilities). The difference between these two components is the net equity of Council and our community, referred to as Community Equity.

Statement of Financial Position	2023		2022	
	\$	%	\$	%
Assets - What Council owns				
Cash and cash equivalents	8,204,168	8	8,886,601	9
Trade and other receivables	87,301	-	592,283	1
Inventories	356,796	-	399,554	-
Contract assets	1,032,982	1	638,117	1
Other assets	40,241	-	179,108	-
Lease receivable	954,775	1	821,257	1
Lease receivable	24,952,610	23	24,023,870	23
Property, plant and equipment	73,346,959	67	67,513,755	65
Right of use assets	-	-	28,222	-
Total assets	108,975,833		103,082,767	
Less: Liabilities - What council Owes				
Trade and other payables	1,138,467	25	1,207,611	17
Contract liabilities	2,879,989	63	5,352,551	74
Lease liabilities	-	-	28,312	-
Provisions	491,861	11	552,399	8
Lease liabilities	-	-	-	-
Provisions	67,120	1	52,755	1
Total liabilities	4,577,437		7,193,628	
Net community Assets – What Council is worth	104,398,397		95,889,139	

What do we own?

As at 30 June 2023, the gross value of Council's Property Plant & Equipment was \$122,538,667, and is summarised below:

Property, Plant & Equipment	2023		2022	
Assets - What Council owns	\$	%	\$	%
Social Houses	4,369,130	4	4,110,188	4
Buildings	60,299,947	49	56,135,172	52
Plant & equipment	4,118,091	3	2,840,079	3
Road drainage and bridge network	30,708,312	25	25,119,607	23
Water infrastructure	10,190,361	8	7,614,640	7
Sewerage infrastructure	12,669,486	10	11,449,216	11
IT and Communications	183,340	0	183,340	0
Total Property, Plant & Equipment	122,538,667		107,452,242	

What do we owe?

Council's recognised total liabilities, at 30 June 2023, were \$4,577,437 of which \$2,879,989 represents the amount of grant funding that Council has received in advance, to either provide community services or to construct Council assets. The balance of the total are the amounts owing to suppliers and employee entitlements.

Council does not have any borrowings.

Statement of Changes in Equity

This statement shows the equity or the net value of Council's operation, which is commonly referred to as Community Equity and is the difference between total assets and total liabilities. The change in equity reflects the variance in Council's net assets between the start of the financial year (1 July 2022) and the end of the financial year (30 June 2023).

Community Equity comprises the following components:

Description	2023	2022	Movement	Explanation for movement
	\$	\$	\$	
Asset Revaluation Surplus	60,297,069	56,128,899	4,168,170	Asset valuation adjustment
Retained Earnings	44,101,328	39,760,240	4,341,088	Net result for 2022-2023
Reserves	-	-	-	
Total Community Equity	104,398,397	95,889,139	8,509,258	

Statement of Cash Flows

This statement measures the inflow and outflow of cash during the reporting period and is categorised into three groups:

- Net cash from operating activities: the normal day to day functions of Council, including revenue from fees & charges, interest on investments, operational grants, payments of wages to employees, and the amounts paid to suppliers and contractors for materials and services.
- Net cash from investing activities: includes revenue from finance leases, capital grants received for the purchase and construction of property, and plant and equipment less the cost of construction of capital works projects.
- Net cash from financing activities: these are payments for finance leases.

Statement of Cash Flows	2023	2022
Description	\$	\$
Cash and Cash Equivalents - Opening Balance	8,886,601	6,880,286
Net cash from operating activities	395,908	(2,097,306)
Net cash from investing activities	(1,050,029)	4,137,034
Net cash from financing activities	(28,312)	(33,413)
Cash and Cash Equivalents - Closing Balance	8,204,168	8,886,601

Cash held at the end of the 2022-2023 financial year was \$8,204,168, which is represented in note 10 of the Financial Statements.

Measures of Financial Sustainability

The LGR requires Council to report its results for the financial year in comparison with selected mathematical measurements derived from the financial statements.

Measures of Financial Sustainability				
Ratio	What the ratio provides	How the ratio is calculated	Ratio at 30/6/2023	Target set by DLGP
Operating Surplus Ratio	An indicator of how well revenue raised can cover operating expenditure	Net result divided by operating revenue	-5%	0 - 10%
Asset Sustainability Ratio	This shows the level that Council is replacing assets as they reach the end of their useful lives	Capital expenditure on replacing assets divided by depreciation expense	20%	Greater than 90%
Net Financial Liabilities Ratio	An indicator of the extent to which net financial liabilities can be met by operating revenue	Total liabilities less current assets divided by total operating revenue	-30%	Less than 60%

AUDITED FINANCIAL STATEMENTS

Audit Report for Audited Financial Statements

Council's financial statements are required to be audited by the Queensland Audit Office or their delegate. The Auditor provides an audit report which gives an opinion about whether the financial statements present fairly the Council's financial performance and position. The Auditor issued a clean report (unmodified audit opinion) for the 2022-2023 financial year. A complete version of Council's audited financial statements for the 12 months ending 30 June 2023 are attached and are also available at Council's website napranum.qld.gov.au.

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



ABN 43 593 215 992

Napranum Aboriginal Shire Council

Financial Statements

For the year ended 30 June 2023

Table of contents

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

- 1 Information about these financial statements
- 2 Analysis of results by function
- 3 Revenue
- 4 Interest and other Income
- 5 Grants, subsidies, contributions and donations
- 6 Employee benefits
- 7 Materials and services
- 8 Other expenses
- 9 Capital expenses / (Income)
- 10 Cash and cash equivalents
- 11 Trade and other receivables
- 12 Inventories
- 13 Other assets
- 14 Property, plant and equipment
- 15 Fair value measurements
- 16 Trade and other payables
- 17 Provisions
- 18 Asset revaluation surplus
- 19 Commitments for expenditure
- 20 Contract balances
- 21 Leases
- 22 Contingent liabilities
- 23 Superannuation - Regional Defined Benefit Fund
- 24 Reconciliation of net result for the year to net cash inflow (outflow) from operating activities
- 25 Reconciliation of liabilities arising from financing activities
- 26 Events after the reporting period
- 27 Transactions with related parties

Management Certificate

Independent Auditor's Report

Current Year Financial Sustainability Statement (audited)

Certificate of Accuracy - Current Year Financial Sustainability Statement

Independent Auditor's Report (Current year financial sustainability statement)

Long term Financial Sustainability Statement (not audited)

Certificate of Accuracy - Long term Financial Sustainability Statement

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

	Note	2023 \$	2022 \$
Income			
Revenue			
Recurrent revenue			
Fees and charges	3(a)	482,108	545,591
Sales revenue	3(b)	7,187,138	2,987,619
Grants, subsidies, contributions and donations	5(a)	10,256,240	6,938,520
Total recurrent revenue		17,925,486	10,471,730
Capital revenue			
Grants, subsidies, contributions and donations	5(b)	6,474,472	4,550,861
Capital income	9	-	12,404
Total capital revenue		6,474,472	4,563,265
Other income			
Rental income	21(d)	500,467	376,971
Interest and other income	4	1,817,259	1,870,310
Total other income		2,317,726	2,247,281
Total income		26,717,684	17,282,276
Expenses			
Recurrent expenses			
Employee benefits	6	(6,441,378)	(5,959,848)
Materials and services	7	(11,369,476)	(6,271,716)
Finance costs		(451)	15,062
Depreciation			
Property, plant and equipment	14	(3,430,141)	(2,965,183)
Right of use assets	21(b)	(28,222)	(34,180)
Other expenses	8	(67,539)	(42,941)
		(21,337,207)	(15,258,806)
Capital expenses			
Loss on disposal of non-current assets	9	(1,039,389)	-
Total expenses		(22,376,596)	(15,258,806)
Net result		4,341,088	2,023,470
Other comprehensive income			
Items that will not be reclassified to net result			
Increase / (decrease) in asset revaluation surplus	18	4,168,170	4,906,344
Total other comprehensive income for the year		4,168,170	4,906,344
Total comprehensive income for the year		8,509,258	6,929,814

The above statement should be read in conjunction with the accompanying notes and accounting policies.

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

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	10	8,204,168	8,886,601
Trade and other receivables	11	87,301	592,283
Inventories	12	356,796	399,554
Contract assets	20(a)	1,032,982	638,117
Other assets	13	40,241	179,108
Lease receivable	21(e)	954,775	821,257
Total current assets		<u>10,676,265</u>	<u>11,516,920</u>
Non-current assets			
Lease receivable	21(e)	24,952,610	24,023,870
Property, plant and equipment	14	73,346,959	67,513,755
Right of use assets	21(a)	-	28,222
Total non-current assets		<u>98,299,569</u>	<u>91,565,847</u>
Total assets		<u>108,975,833</u>	<u>103,082,767</u>
Current liabilities			
Trade and other payables	16	1,138,467	1,207,611
Contract liabilities	20(b)	2,879,989	5,352,551
Lease liabilities	21(b)	-	28,312
Provisions	17	491,861	552,399
Total current liabilities		<u>4,510,317</u>	<u>7,140,873</u>
Non-current liabilities			
Provisions	17	67,120	52,755
Total non-current liabilities		<u>67,120</u>	<u>52,755</u>
Total liabilities		<u>4,577,437</u>	<u>7,193,628</u>
Net community assets		<u>104,398,397</u>	<u>95,889,139</u>
Community equity			
Asset revaluation surplus	18	60,297,069	56,128,899
Retained surplus		44,101,328	39,760,240
Total community equity		<u>104,398,397</u>	<u>95,889,139</u>

The above statement should be read in conjunction with the accompanying notes and accounting policies.

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

Note	Asset revaluation surplus	Retained surplus	Total
	\$	\$	\$
Balance as at 1 July 2022	56,128,899	39,760,240	95,889,139
Net result	-	4,341,088	4,341,088
Other comprehensive income for the year			
Increase in asset revaluation surplus	4,168,170	-	4,168,170
Total comprehensive Income for the year	4,168,170	4,341,088	8,509,258
Balance as at 30 June 2023	60,297,069	44,101,328	104,398,397
Balance as at 1 July 2021	51,222,555	37,736,770	88,959,325
Net result	-	2,023,470	2,023,470
Other comprehensive income for the year			
Increase in asset revaluation surplus	4,906,344	-	4,906,344
Total comprehensive Income for the year	4,906,344	2,023,470	6,929,814
Balance as at 30 June 2022	56,128,899	39,760,240	95,889,139

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Napranum 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		9,368,635	4,143,601
Payments to suppliers and employees		<u>(18,059,609)</u>	<u>(13,692,756)</u>
		(8,690,974)	(9,549,155)
Finance costs		(451)	15,062
Interest received	4	192,934	27,385
Rental income		500,467	376,971
Non capital grants and contributions		<u>10,348,549</u>	<u>7,032,431</u>
Net cash inflow / (outflow) from operating activities	24	<u><u>2,350,525</u></u>	<u><u>(2,097,306)</u></u>
Cash flows from investing activities			
Payments for property, plant and equipment		(7,567,861)	(4,716,815)
Finance lease payments received	21(e)	819,912	773,079
Proceeds from sale of property plant and equipment	9	-	47,555
Capital grants, subsidies, contributions and donations	5(b)	<u>3,743,303</u>	<u>8,033,215</u>
Net cash inflow / (outflow) from investing activities		<u><u>(3,004,646)</u></u>	<u><u>4,137,034</u></u>
Cash flows from financing activities			
Repayments made on finance leases (principal only)	21(b)	(28,312)	(33,413)
Net cash outflow from financing activities		<u><u>(28,312)</u></u>	<u><u>(33,413)</u></u>
Net increase / (decrease) in cash and cash equivalent held		<u><u>(682,433)</u></u>	<u><u>2,006,315</u></u>
Cash and cash equivalents at the beginning of the financial year		8,886,601	6,880,286
Cash and cash equivalents at end of the financial year	10	<u><u>8,204,168</u></u>	<u><u>8,886,601</u></u>

The above statement should be read in conjunction with the accompanying notes and accounting policies.

Napranum 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

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

These general purpose financial statements are for the period 1 July 2022 to 30 June 2023 and have been prepared in accordance with the *Local Government Act 2009* and the *Local Government Regulation 2012*. Council is a not-for-profit entity for financial reporting purposes and these financial statements comply with Australian Accounting Standards and Interpretations as applicable to not-for-profit entities.

These financial statements have been prepared under the historical cost convention except for certain current and non-current assets classes which are measured at fair value.

1.b Rounding and comparatives

The financial statements are in Australian dollars and have been rounded to the nearest \$1.

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

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.d 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. None of these standards are expected to have a material impact on the reported position and cash flows of Council.

None of these standards are expected to have a material impact on the reported position and cash flows of Council.

1.e Estimates and judgements

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

The significant judgements, estimates and assumptions relate to the following items and specific information is provided in the following relevant notes:

Revenue recognition - Notes 3 and 5

Valuation and depreciation of property, plant and equipment - Notes 14 and 15

Valuation of finance leases - Note 21(e)

Provisions - Note 17

Contingent liabilities - Note 22

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.

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

Financial assets

Cash and cash equivalents - Note 10

Receivables - measured at amortised cost - Note 11

Other financial assets (finance leases) - measured at fair value - Note 21(e)

Financial liabilities

Payables - measured at amortised cost - Note 16

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

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

1 Information about these financial statements (continued)

1.g Taxation

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

2 (a) Analysis of results by function
Components of Council functions

The activities relating to Council's components are as follows :

Corporate services

The support functions of management of the Council's finance, information technology and administration.

This component covers management of the day to day affairs of the local community, planning and managing the human and financial resources in an efficient manner to maximise community involvement and facilities.

Community services

Community services and facilities including cultural, health, welfare and recreational services.

It includes social services, community hall, art and cultural activities, recreation and sport facilities, aged care, preschool, and school buses.

Building works

The community works program includes maintenance, upgrade and construction in an efficient, effective manner offering local employment and training.

Civil works

Includes maintenance of roads, water and sewerage infrastructure.

Economic and community development

Council provides a range of community services to support quality community life and maximise opportunities for community participation and development. Community services such as community business training.

Environmental services

Providing water, refuse collection and disposal services.

Animal management services.

Environmental management and cultural heritage management.

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

2(b) Analysis of results by function
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			Recurrent	Capital				
		Grants	Other	Grants	Other							
		\$	\$	\$	\$		\$	\$				
	Corporate services	6,172,659	650,014	-	-	6,822,673	(7,523,830)	(1,039,389)	(701,157)	(1,740,546)	34,239,095	
	Community services	2,100,754	1,983,995	-	-	4,084,749	(3,015,958)	-	1,068,791	1,068,790	23,588,165	
	Building works	22,727	7,288,826	564,395	-	7,875,948	(6,608,463)	-	703,090	1,267,486	-	
	Civil works	523,064	-	5,497,612	-	6,021,275	(2,189,009)	-	(1,665,345)	3,832,266	2,073,816	
	Economic & community development	547,209	-	412,465	-	959,674	(307,914)	-	239,295	651,760	13,672,279	
	Environmental services	889,227	64,137	-	-	953,364	(1,692,033)	-	(738,669)	(738,669)	35,422,478	
	Total	10,256,240	9,986,972	6,474,472	-	26,717,683	(21,337,207)	(1,039,389)	(1,093,995)	4,341,088	108,975,833	

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			Recurrent	Capital				
		Grants	Other	Grants	Other							
		\$	\$	\$	\$		\$	\$				
	Corporate services	3,459,162	439,566	-	-	3,898,727	(3,271,057)	-	627,670	627,670	34,502,910	
	Community services	1,191,227	774,060	33,490	-	1,998,776	(3,548,897)	-	(1,563,811)	(1,550,122)	18,330,921	
	Building works	11,291	4,520,844	1,362,009	12,404	5,906,547	(3,522,894)	-	1,009,240	2,383,653	-	
	Civil works	398,002	-	3,151,554	-	3,549,556	(2,734,201)	-	(2,336,200)	815,354	4,344,582	
	Economic & community development	933,478	-	(2,906)	-	930,572	(404,431)	-	529,047	526,140	11,375,263	
	Environmental services	945,361	46,023	6,716	-	998,099	(1,777,325)	-	(785,942)	(779,226)	34,529,091	
	Total	6,938,520	5,750,491	4,550,861	12,404	17,282,276	(15,258,806)	-	(2,539,795)	2,023,470	103,082,767	

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

3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable as follows:

	2023	2022
	\$	\$
(a) Fees and charges		
Building and equipment hire	10,512	10,546
Employment subsidies (non-government)	166,465	180,604
Kindergarten and daycare fees	300,466	325,384
Restitution and reimbursements	4,665	29,057
	<u>482,108</u>	<u>545,591</u>

Revenue arising from fees and charges is recognised at the point in time 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.

(b) Sales revenue

Sale of services

QBuild contract income

Total sales revenue

7,187,138	2,987,619
<u>7,187,138</u>	<u>2,987,619</u>

Revenue from services is recognised when the service is rendered. Revenue from contracts and recoverable works generally comprises a recoupment of material costs together with an hourly charge for use of equipment and employees. Contract revenue and associated costs are recognised by reference to the stage of completion of the contract activity based on costs incurred at the reporting date. Revenue is measured at the fair value of the 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.

4 Interest and other income

	Note	2023	2022
		\$	\$
Interest received		192,934	27,385
Other income		337,668	384,964
Gain on revaluation of finance leases	21(e)	1,286,657	1,457,961
		<u>1,817,259</u>	<u>1,870,310</u>

5 Grants, subsidies, contributions and donations

	2023	2022
	\$	\$
(a) Operating		
State government subsidies and grants	8,518,126	4,583,818
Commonwealth government subsidies and grants	1,335,624	1,374,559
Subsidies and grants from other providers	402,490	980,143
	<u>10,256,240</u>	<u>6,938,520</u>
(b) Capital		
State government subsidies and grants	5,908,185	4,180,949
Commonwealth government subsidies and grants	-	369,912
Subsidies and grants from other providers	566,287	-
	<u>6,474,472</u>	<u>4,550,861</u>

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

5 Grants, subsidies, contributions and donations (continued)

Grant Income under AASB 15

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

The performance obligations vary in each agreement but include such things as the provision of meals, transport and hours of domestic and respite care. 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 benefits.

Grant Income under AASB 1058

Assets arising from grants in the scope of AASB 1058 are recognised at the asset's 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 standards. 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.

Capital Grants

Capital revenue includes grants and subsidies received which are tied to specific projects for the replacement or upgrade of existing non-current assets and/or investment in new assets. It also includes non-cash contributions which are usually assets donated by the State Government.

Where Council receives funding under an enforceable contract to acquire or construct a specified item of property, plant and equipment which will be under Council's control on completion, revenue is recognised as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred.

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.

Physical assets contributed to Council in the form of road works, stormwater, water and wastewater infrastructure and buildings are recognised as revenue when the development becomes 'on maintenance' (i.e. The Council obtains control of the assets and becomes liable for any on-going maintenance) and there is sufficient data in the form of drawings and plans to determine the appropriate specifications and value of such assets. All non-cash contributions are recognised at the fair value of the contribution received at the date of acquisition. During the year Council did not recognise any non-cash contributions as revenue.

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

		2023	2022
	Note	\$	\$
Revenue recognised at a point in time			
Fees and charges	3(a)	482,108	545,591
Grants and subsidies		<u>9,547,967</u>	<u>6,239,584</u>
		<u>10,030,075</u>	<u>6,785,175</u>
Revenue recognised over time			
Sales	3(b)	7,187,138	2,987,619
Grants and subsidies		<u>7,182,745</u>	<u>5,249,797</u>
		<u>14,369,883</u>	<u>8,237,416</u>

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

6 Employee benefits

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

		2023	2022
	Note	\$	\$
Total staff wages and salaries		5,334,389	4,965,484
Councillors' remuneration		341,007	325,734
Termination benefits		58,000	-
Superannuation	23	629,628	547,603
		<u>6,363,024</u>	<u>5,838,821</u>
Other employee related expenses		120,082	211,776
		<u>6,483,107</u>	<u>6,050,597</u>
Less: Capitalised employee expenses		<u>(41,729)</u>	<u>(90,748)</u>
		<u>6,441,378</u>	<u>5,959,848</u>

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

Total full-time equivalent (FTE) employees at the reporting date:	2023	2022
Elected members	5	5
Administration staff	23	19
Depot and outdoors staff	44	43
Total FTE	<u>72</u>	<u>67</u>

7 Materials and services

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

Administration supplies and consumables	231,551	159,076
Audit of annual financial statements by the Auditor-General of Queensland*	99,200	94,000
Attractive and portable items	71,577	34,530
Consultants fees	332,893	171,807
Contractor fees	6,504,894	2,810,677
Operating expenses	1,526,546	1,361,166
Motor vehicle and garage expenses	291,782	214,852
Property and infrastructure expenses	1,943,482	1,056,200
Power	255,631	197,828
Travel	111,919	171,580
	<u>11,369,476</u>	<u>6,271,716</u>

* Total audit fee quoted by the Queensland Audit Office relating to the 2022-23 financial statements was \$99,200 (2021-22: \$94,000).

8 Other expenses

		2023	2022
	Note	\$	\$
Impairment of receivables	11	67,539	42,941
		<u>67,539</u>	<u>42,941</u>

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

9 Capital expenses / (Income)	2023	2022
	\$	\$
Gain / (loss) on disposal of non-current assets		
Proceeds from sale of plant and equipment	-	47,193
Initial recognition of new leases of social houses	595,514	-
Less: Carrying value of disposed property, plant and equipment	<u>(1,834,902)</u>	<u>(34,789)</u>
Total capital income / (expenses)	<u>(1,039,389)</u>	<u>12,404</u>

10 Cash and cash equivalents	2023	2022
	\$	\$
Cash at bank and on hand	471,946	111,925
Deposits held with financial institutions with variable interest rate	<u>7,732,222</u>	<u>8,774,676</u>
Balance per Statement of Cash Flows	<u>8,204,168</u>	<u>8,886,601</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.

Council is exposed to credit risk through its investments in the QTC Fund and deposits held with other financial institutions in Australia. Council aims to reduce its exposure to credit risk by investing in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

	2023	2022
	\$	\$
Cash and cash equivalents	8,204,168	8,886,601
Less: externally imposed restrictions on cash	<u>(2,879,989)</u>	<u>(5,352,551)</u>
Unrestricted cash	<u>5,324,179</u>	<u>3,534,050</u>

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. Externally imposed expenditure restrictions at the reporting date are detailed below.

(i) Externally imposed expenditure restrictions at the reporting date relate to the following cash assets:		
Unspent government grants and subsidies	2,879,989	5,352,551
Total externally imposed restrictions on cash assets	<u>2,879,989</u>	<u>5,352,551</u>

(ii) Internal allocations of cash at the reporting date:		
Future capital works	3,150,009	2,080,151
Future asset replacement	94,000	84,000
Future recurrent expenditure	<u>779,670</u>	<u>571,257</u>
Total Internally allocated cash	<u>4,023,679</u>	<u>2,735,408</u>

Council manages its exposure to liquidity by maintaining sufficient cash and cash equivalents to cater for unexpected volatility in cash flows.

11 Trade and other receivables		2023	2022
	Note	\$	\$
Current			
Trade debtors		164,277	601,720
Less: Loss Allowance		<u>(76,975)</u>	<u>(9,437)</u>
		<u>87,301</u>	<u>592,283</u>

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

11 Trade and other receivables (continued)

Trade receivables are recognised at the amounts due at the time of sale or service delivery, i.e. the agreed purchase price / contract price. Settlement of these amounts is required within 30 days from invoice date. Receivables are measured at amortised cost which approximates fair value at reporting date.

The collectability of receivables is assessed periodically and where considered appropriate an allowance is made 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 losses are 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.

Movement in accumulated impairment losses is as follows:

		2023	2022
		\$	\$
Opening balance at 1 July		9,437	536,088
Additional impairments recognised	8	67,539	42,941
Less debts written off during the year		-	(669,592)
Closing balance at 30 June		<u>76,975</u>	<u>9,437</u>

Council assesses the credit risk before providing goods or services and applies normal business credit protection procedures to minimise the risk. Council does not require collateral in respect of trade and other receivables.

When Council has no reasonable expectation of recovering an amount owed by a debtor, and has ceased enforcement activity, the debt is written-off by directly reducing the receivable against the loss allowance. If the amount of the debt exceeds the loss allowance, the excess is recognised as an impairment loss.

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

Ageing of receivables and the amount of any impairment is disclosed in the following table:

Not past due	26,929	569,209
Past due 31-60 days	13,677	23,729
Past due 61-90 days	23,045	1,394
More than 90 days	100,626	7,388
Impaired	(76,975)	(9,437)
Total	<u>87,301</u>	<u>592,283</u>

No interest is charged on trade debtors.

12 Inventories

Inventories held for distribution are goods to be supplied at nil or nominal charge and goods to be used for the provision of services at nil or nominal charge. These goods are valued at cost, adjusted when applicable, for any loss of service potential.

	2023	2022
	\$	\$
Inventories held for distribution		
Fuel stock	23,407	24,787
Building materials stock	321,073	362,471
Workshop stock	12,317	12,316
	<u>356,796</u>	<u>399,554</u>

13 Other assets

Current

	2023	2022
	\$	\$
Prepayments	40,241	131,868
GST receivable	-	47,242
	<u>40,241</u>	<u>179,108</u>

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

14 Property, plant and equipment

30 June 2023

Basis of measurement	Social Houses		Council Buildings		Plant & Equipment		Road, drainage & bridge network		Water		Sewerage		IT & Comms		Work in Progress		Total
	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	
Asset values	\$ 4,110,188	\$ -	\$ 56,135,172	\$ -	\$ 2,840,079	\$ -	\$ 25,119,607	\$ -	\$ 7,614,640	\$ -	\$ 11,449,216	\$ -	\$ 183,340	\$ -	\$ 4,304,820	\$ -	\$ 111,757,061
Opening gross value as at 1 July 2022	-	-	-	-	257,019	-	-	-	-	-	-	-	-	-	6,473,059	-	6,730,079
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation adjustment to asset revaluation surplus	258,942	-	3,536,436	-	-	-	1,833,261	-	685,311	-	1,030,429	-	-	-	-	-	7,344,379
Transfers between classes	1,634,902	-	628,339	-	1,020,993	-	3,755,444	-	1,890,410	-	189,841	-	-	-	(9,119,929)	-	-
Write off of assets	(1,634,902)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,634,902)
Closing gross value as at 30 June 2023	4,369,130	-	60,299,947	-	4,118,091	-	30,708,312	-	10,190,361	-	12,669,486	-	183,340	-	1,657,950	-	124,196,617

Note

18 Revaluation adjustment to asset revaluation surplus

9 Write off of assets

Accumulated depreciation and impairment

Opening balance as at 1 July 2022	2,738,289	22,977,981	1,627,074	8,815,998	3,510,031	4,390,596	183,340	-	-	-	-	-	-	-	-	-	44,243,309
Depreciation expense	126,243	1,671,494	361,396	734,084	284,689	252,235	-	-	-	-	-	-	-	-	-	-	3,430,141
Revaluation adjustment to asset revaluation surplus	180,466	1,552,125	-	693,600	333,018	417,000	-	-	-	-	-	-	-	-	-	-	3,176,209
Reversal of accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 30 June 2023	3,044,998	26,201,600	1,988,470	10,243,682	4,127,738	5,059,831	183,340	-	50,849,659								

18 Revaluation adjustment to asset revaluation surplus

Carrying amount as at 30 June 2023

Range of estimated useful life in years	1,324,132	34,098,347	2,129,621	20,464,630	6,062,623	7,609,655	-	-	-	-	-	-	-	-	1,657,950	-	73,346,958
	42-60	10-60	7.5-38	12-64	5-45	8-64	2-5										

Additions comprise:

Renewals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	628,339
Other additions	-	-	1,278,012	3,755,444	1,890,410	189,841	-	-	-	-	-	-	-	-	-	-	7,113,707
Total additions	-	-	628,339	1,278,012	3,755,444	189,841	-	7,742,046									

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

14 Property, plant and equipment

30 June 2022	Note	Basis of measurement	Social Houses		Council Buildings		Plant & Equipment		Road, drainage & bridge network		Water		Sewerage		IT & Comms		Work in Progress		Total	
			Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost		
		Asset values	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
		Opening gross value as at 1 July 2021	3,612,782	49,954,836	3,510,946	23,576,133	7,123,181	10,635,095	183,340	1,232,603	4,394,084	99,828,915								
		Additions	-	-	305,814	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,699,898
	9	Disposals	-	-	(1,120,331)	(4,275)	-	-	-	-	-	-	-	-	-	-	-	-	(1,124,606)	
	18	Revaluation adjustment to asset revaluation surplus	397,406	5,495,033	-	1,452,032	404,594	603,789	-	-	-	-	-	-	-	-	-	-	8,352,854	
		Transfers between classes	100,000	685,303	143,650	95,717	86,865	210,332	-	-	-	-	-	-	-	-	-	-	-	
		Write off of work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,321,867)	
		Closing gross value as at 30 June 2022	4,110,188	56,135,172	2,840,079	25,119,607	7,614,640	11,449,216	183,340	4,304,820	111,757,061									

Accumulated depreciation and impairment

Opening balance as at 1 July 2021	2,355,957	19,238,016	2,393,934	7,688,636	3,145,653	3,938,903	160,322	38,921,418
Depreciation expense	110,970	1,464,642	322,948	645,287	178,575	219,743	23,018	2,965,183
Depreciation on disposals	-	-	(1,089,808)	-	-	-	-	(1,089,808)
Revaluation adjustment to asset revaluation surplus	271,362	2,275,323	-	482,075	185,803	231,950	-	3,446,513
Accumulated depreciation as at 30 June 2022	2,738,289	22,977,981	1,627,074	8,815,998	3,510,031	4,390,596	183,340	44,243,306
Carrying amount as at 30 June 2022	1,371,899	33,157,191	1,213,005	16,303,609	4,104,609	7,058,620	4,304,820	67,513,755
Range of estimated useful life in years	42-60	10-60	7.5-38	12-64	5-45	8-64	2-5	

Additions comprise:

Renewals	\$	\$	\$	\$	\$	\$	\$	\$
Other additions	-	-	305,814	-	-	-	-	4,394,084
Total additions	-	-	305,814	-	-	-	-	4,699,898

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

14 Property, plant and equipment (continued)

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 components of water and sewerage assets.

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. 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.

The classes of property, plant and equipment recognised by Council are:

- Social houses
- Council buildings
- Plant and equipment
- Road, drainage and bridge network
- Water
- Sewerage
- IT & communications
- Work in progress

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, engineering design fees and all other establishment costs including those associated with statutory and safety compliance.

Property, plant and equipment received in the form of contributions are recognised as assets and revenues at fair value by Council 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.

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

14 Property, plant and equipment (continued)

Valuation

Social houses, Council buildings, road, drainage, bridge network, water and sewerage are measured on the revaluation basis, at fair value, in accordance with AASB116 Property, Plant and Equipment. Plant and equipment, IT & communications 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 3 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.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

All Council's assets carried at fair value fall within Level 3, i.e. the fair values are based on unobservable inputs.

Details of valuers and methods of valuations are disclosed in Note 15.

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.

Disaster Recovery Funding Arrangement (DRFA) capital works

DRFA funding is received in response to natural disasters which have resulted in significant damage to Council infrastructure assets. The expenditure to restore the asset is treated as a capital addition in the financial year that the work is carried out.

To recognise the write down to the value of the asset in the financial year the natural disaster event occurred, a downward revaluation adjustment is processed to the revaluation reserve against accumulated depreciation. In the year that the restoration work is then carried out, an adjustment is processed to reverse the prior year adjustment to accumulated depreciation and record a decrease in the replacement cost of the asset, resulting in no movement in the fair value of the asset. The actual costs of the restoration work are then recorded as a capital addition. The downward revaluation adjustment as at 30 June 2023 is Nil (2022: Nil).

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

14 Property, plant and equipment (continued)

Depreciation

Depreciation on property, plant and equipment assets is calculated on a straight line basis so as to write-off the net cost or revalued amount of each depreciable asset progressively over its estimated useful life to the Council. Management believe that this method appropriately reflects the pattern of consumption of the vast majority of Council assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and commissioned ready for use.

Where assets have separately identifiable significant components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Council.

Depreciation methods and estimated useful lives 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 table in Note 14.

Land under roads

Land under roads acquired before 30 June 2008 is recognised as a non-current asset where the Council holds title or a financial lease over the asset. Napranum Aboriginal Shire Council currently does not have any such land holdings.

Land under the road network within the Council area that has been dedicated and opened for public use under the *Land Act 1994* or the *Land Title Act 1994* is not controlled by Council but is controlled by the state pursuant to the relevant legislation. Therefore this land is not recognised in these financial statements.

Deed of Grant in Trust Land

Napranum Aboriginal Shire Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 341 of the *Land Act 1994*. It comprises an area of approximately 201,447 hectares.

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

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

15 Fair value measurements

(a) Recognised fair value

Fair values are classified into three levels as follows:

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

Council's policy is to recognise transfers in and out of the fair value hierarchy levels as at the end of the reporting period.

(b) 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)
Social houses and Buildings (level 3)	Current replacement cost (CRC)	30 June 2022	AssetVal Pty Ltd	Construction costs are predominately based on published construction cost guides. In the comprehensive valuation done as at 30 June 2021, an assessment of remaining useful life was made by the valuer after inspection, taking into consideration the visual condition, construction date, evidence of recent repairs or capital works and the surrounding environmental factors. Where necessary, further guidance on remaining life was sought from Council engineering staff. For the 2023 year, a desktop valuation comprising a review of relevant cost indices and condition assessments was undertaken and applied to accumulated depreciation as appropriate.	The last comprehensive valuation for social houses and Council buildings was performed as at 30 June 2021 by independent valuer, AssetVal Pty Ltd, with a desktop valuation undertaken for the year ended 30 June 2023 resulting in a 6.30% upwards revaluation of both Social Houses and Council Buildings. These movements reflect the movements in unit rate/tender pricing for materials, labour and overheads and general consensus of price movements for projects within Cape York. Also, reference has been made to the published Index of other heavy and civil construction PPI (Queensland). Council considered the indices recommended by the external valuer and incorporated the most up to date available information at the time of preparing the financial statements.
Roads, drainage and bridge network (level 3)	Current replacement cost (CRC)	30 June 2021	AssetVal Pty Ltd	The road network is not segmented, or if a road is segmented it is at a high level (e.g. between intersections). Unit rates are applied to the individual components, formation, pavement, seal and kerb of each road in order to determine the replacement cost. The unit rates applied are based on greenfield project costs and include all materials, labour and overheads. These unit rates are estimated using information collated from similar recent project costs, unit rate databases, indices, Rawlinson's Construction Handbook and quotations.	For roads, drainage and bridge network, indexation percentage of 7.30% has been adopted. This movement reflects the movements in unit rate/tender pricing for materials, labour and overheads and general consensus of price movements for projects within Cape York. Also, reference has been made to the published index of other heavy and civil construction PPI (Queensland). Council considered the indices recommended by the external valuer and incorporated the most up to date available information at the time of preparing the financial statements.
Water and sewerage assets (level 3)	CRC	30 June 2021	AssetVal Pty Ltd	The water and sewerage assets were segregated into active and passive assets; passive assets were not further componentised and consisted primarily of mains. Unit rates were applied based on similar recent project costs from other entities, unit rate databases, indices, Rawlinson's Construction rates and quotations. The remaining active assets consist of treatment, pumping and storage assets. These assets were componentised and valued independently, with allowances for complexity, size, function and site factors. As a check these components are generally combined into a lump sum item and compared against recent similar projects and in-house databases.	For water and sewerage assets, indexation percentage of 9.0% has been adopted. These movements reflect the movements in unit rate/tender pricing for materials, labour and overheads and general consensus of price movements for projects within Cape York. Also, reference has been made to the published index of other heavy and civil construction PPI (Queensland). Council considered the indices recommended by the external valuer and incorporated the most up to date available information at the time of preparing the financial statements.

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

The changes in level 3 assets with recurring fair value measurements are detailed in Note 21(e) (Leases) and Note 14 (Property, plant and equipment). There have been no transfers between level 1, 2 or 3 measurements during the year.

(e) Valuation processes

Council's valuation policies and procedures are set by the finance committee of the executive management team which comprises the Chief Executive Officer and Director of Corporate Services. 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 finance leases and property, plant and equipment (recurring fair value measurements) is set out in this note. Non-recurring fair value measurements are made at the point of reclassification by a registered valuer.

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

	<u>2023</u>	<u>2022</u>
	\$	\$
16 Trade and other payables		
Current		
Recurrent creditors and accruals	1,100,087	338,116
Capital creditors and accruals	10,068	847,852
Other payables	<u>28,312</u>	<u>21,643</u>
	<u>1,138,467</u>	<u>1,207,611</u>

Trade 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.

The following table sets out the liquidity risk in relation to financial liabilities held by the Council.

	0 to 1 year	Total contractual cash flows	Carrying amount
	\$	\$	\$
2023			
Trade and other payables	<u>1,138,467</u>	<u>1,138,467</u>	<u>1,138,467</u>
	<u>1,138,467</u>	<u>1,138,467</u>	<u>1,138,467</u>
2022			
Trade and other payables	<u>1,207,611</u>	<u>1,207,611</u>	<u>1,207,611</u>
	<u>1,207,611</u>	<u>1,207,611</u>	<u>1,207,611</u>

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

	<u>2023</u>	<u>2022</u>
	\$	\$
17 Provisions		
Current		
Annual leave	301,099	313,379
Long service leave	<u>190,762</u>	<u>239,020</u>
	<u>491,861</u>	<u>552,399</u>
Non-current		
Long service leave	<u>67,120</u>	<u>52,755</u>
	<u>67,120</u>	<u>52,755</u>

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

Short-term benefits which are expected to be wholly settled within 12 months are calculated on wage and salary levels which are expected to be paid and includes 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.

Annual leave

As Council does not have an unconditional right to defer this liability beyond 12 months annual leave is classified as a current liability.

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

17 Provisions (continued)

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 value of 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 Council's employment or other associated employment which would result in 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.

18 Asset revaluation surplus

The asset revaluation surplus comprises revaluation movements on property, plant and equipment. Increases and decreases on revaluation are offset within a class of assets.

19 Commitments for expenditure

	2023	2022
	\$	\$
Contractual commitments		
Contractual commitments at the end of the financial year that have not been recognised in the financial statements.		
Consultancy Work	-	21,813
New Finance Package	156,356	217,499
Build new social houses	30,450	328,292
Water Infrastructure Upgrades	390,934	1,512,547
Social housing upgrades	1,124,869	-
Roads restoration and betterment	144,959	-
Sports oval construction	139,320	-
Plant and equipment	931,166	-
Other capital works	146,633	-
Training services	85,322	-
	<u>3,150,009</u>	<u>2,080,151</u>

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

20 Contract balances

Contract assets represent the excess of costs incurred in relation to a contract with the customer or construction of an asset over the amounts that Council has invoiced the customer or the grantor. Where Council has invoiced the customer or the grantor amounts in excess of what it has incurred in relation to a contract or in constructing an asset, this gives rise to a contract liability.

	2023	2022
	\$	\$
(a) Contract assets		
Contract assets	1,032,982	638,117
	<u>1,032,982</u>	<u>638,117</u>

Contract assets arise when work has been performed by Council relating to a contract with customer (or capital grant paid in arrears) but no receivable has arisen since the invoice has not been raised, for example construction work where an invoicing milestone has not yet been met.

(b) Contract liabilities

	2023	2022
	\$	\$
Funds received upfront to construct Council controlled assets	2,417,633	4,982,504
Deposits received in advance of services provided (e.g. retirement home fees, performance obligations in grants)	462,356	370,047
	<u>2,879,989</u>	<u>5,352,551</u>
Current contract liabilities	2,879,989	5,352,551
Non-current contract liabilities	-	-
	<u>2,879,989</u>	<u>5,352,551</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Funds to construct Council controlled assets	4,157,761	1,197,165
Deposits received in advance of services provided	281,481	287,776
	<u>4,439,242</u>	<u>1,484,941</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 year.

(c) Significant changes in contract balances

Significant movements in contract assets and contract liabilities that have occurred were due to the change in the timing of the work and the receipt of funding.

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

21 Leases

Council as a lessee

Council had leases in place over 2 vehicles. They were both 36 month fully maintained operating leases payable monthly in advance. We have not applied the exception to lease accounting for leases of low-value assets and short-term leases.

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.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured whether there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

(a) Right of use assets

	2023		2022	
	Vehicles	Total	Vehicles	Total
	\$	\$	\$	\$
Opening balance	28,222	28,222	62,402	62,402
Depreciation charge	(28,222)	(28,222)	(34,180)	(34,180)
Closing balance	(0)	(0)	28,222	28,222

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

21 Leases (continued)

(b) Lease liabilities

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

	< 1 year	1–5 years	> 5 years	Total	Total per statement of financial position
	\$	\$	\$	\$	\$
2023	-	-	-	-	-
2022	28,312	-	-	28,312	28,312

Amounts included in the statement of comprehensive income related to leases

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

	2023	2022
	\$	\$
Interest on lease liabilities	94	339
Depreciation of right to use assets	28,222	34,180
	<u>28,317</u>	<u>34,519</u>
Total cash outflows for leases	<u>28,312</u>	<u>33,413</u>

(c) Leases at significantly below market value - Concessionary / peppercorn leases

Council as lessor has in place one lease that could be considered a less than market value arrangement. The supermarket is leased to CEQ Ltd for a 30 year period at \$8,000 per annum. This (below market rate) is offered in exchange for undefined Community support and taking on all maintenance and upgrades over the term of the lease.

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 then 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.

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

21 Leases (continued)

(d) Operating leases

Where Council retains the risks and rewards relating to a lease, they are classified as operating leases.

Rental income is recognised on a periodic straight line basis over the lease term.

	2023	2022
	\$	\$
Rental Income (excluding variable lease payments not dependent on an index or rate)	441,529	344,379
Rental income relating to variable lease payments not dependent on an index or rate	58,937	32,593

Council has commercial leases and other occupancy arrangements in place in relation to a total of ten locations. All of these properties either have a non-cancellable operating lease in place or such an instrument is in the process of being extended or amended. Minimum receipts have been expressed in dollars without having regard to the impact of future CPI adjustments. Expected minimum receipts are as follows:

	2023	2022
	\$	\$
Within one year	388,133	207,187
One to five years	519,961	283,854
Later than five years	886,475	505,791
	<u>1,794,569</u>	<u>996,832</u>

(e) Finance leases

Council has leased 243 dwellings as lessor to the Queensland Government for 40 years. The total lease payment per dwelling in the current year was \$3,929. 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. Gains / (loss) on revaluation of finance lease assets are recognised as other income / expense.

The calculation of fair value has included an estimate of average annual CPI increases of 3.39% (2022: 3.1%) and a discount rate of 4.05% (2022: 3.13%).

	2023	2022
	\$	\$
Current		
Finance lease - current	954,775	821,257
	<u>954,775</u>	<u>821,257</u>
Non-current		
Finance lease - non current	24,952,610	24,023,870
	<u>24,952,610</u>	<u>24,023,870</u>

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

21 Leases (continued)

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

	2023	2022
Gross minimum lease payments receivable:		
Not later than one year	954,775	821,257
Later than one year but not later than five years	3,819,102	3,285,028
Later than five years	<u>23,558,239</u>	<u>20,891,209</u>
	28,332,116	24,997,494
Add: Estimated contingent rent	19,397,892	15,643,221
Less: Present value adjustment	<u>(21,822,623)</u>	<u>(15,795,588)</u>
Fair value of lease payments	<u>25,907,385</u>	<u>24,845,127</u>

The fair value of lease payments is

Not later than one year	954,775	821,257
Later than one year but not later than five	3,759,327	3,282,441
Later than five years	<u>21,193,282</u>	<u>20,741,429</u>
	<u>25,907,385</u>	<u>24,845,127</u>

Movements in finance leases were as follows:

Opening balance	24,845,128	24,160,245
Add: Initial recognition of new leases	595,512	-
Less: Lease receipts	(819,912)	(773,078)
Add: Gain (Loss) on revaluation	<u>1,286,657</u>	<u>1,457,961</u>
Closing balance	<u>25,907,385</u>	<u>24,845,128</u>

There is no unearned finance income, unguaranteed residual values accruing to the benefit of Council, accumulated allowance for uncollectible minimum lease payments receivable or contingent rents recognised as income applicable to the leases.

Operating leases

Other leases, where substantially all the risks and benefits remain with the lessor, are classified as operating leases.

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

22 Contingent liabilities

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

Local Government Mutual

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 being 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 statements LGM Queensland reported an accumulated surplus and it is not anticipated any liability will arise.

23 Superannuation - Regional Defined Benefit Fund

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 for LGIAsuper trading as Brighter Super.

The scheme is a defined benefit plan, however Council is not able to account for it as a defined benefit plan in accordance with AASB119 because LGIAsuper is unable to account for its proportionate share of the defined benefit obligation, plan assets and costs.

Any amount by which the scheme is over or under funded may affect future benefits and result in a change to the contribution rate, but has not been recognised as an asset or liability of the Council.

Technically Council can 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.

The last completed actuarial assessment of the scheme 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.

	Note	2023 \$	2022 \$
Superannuation contributions made to the Regional Defined Benefits Fund		-	-
Other superannuation contributions for employees		629,628	547,603
Total superannuation contributions paid by Council for employees:	6	629,628	547,603

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

The next triennial actuarial review is not due until 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.

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

24 Reconciliation of net result for the year to net cash Inflow (outflow) from operating activities

		2023	2022
		\$	\$
Net result		4,341,088	2,023,470
Non-cash Items:			
Depreciation		3,458,364	2,999,363
Revaluation of finance lease debtors	21(e)	(1,286,657)	(1,457,961)
		<u>2,171,707</u>	<u>1,541,402</u>
Investing and development activities:			
Net (profit)/loss on disposal of non-current assets	9	1,039,389	(12,404)
Capital grants and contributions	5(b)	(6,474,472)	(4,550,861)
		<u>(5,435,084)</u>	<u>(4,563,265)</u>
Changes in operating assets and liabilities:			
(Increase)/decrease in receivables	11	504,982	(400,254)
(Increase)/decrease in accrued income		(228,568)	-
(Increase)/decrease in inventory	12	42,758	(38,769)
(Increase)/decrease in other assets		138,867	124,179
Increase/(decrease) in payables	16	788,640	(943,596)
Increase/(decrease) in contract liabilities		92,309	93,911
Increase/(decrease) in provisions	17	(46,173)	65,616
		<u>1,272,814</u>	<u>(1,098,913)</u>
Net cash inflow (outflow) from operating activities		<u>2,350,526</u>	<u>(2,097,306)</u>

25 Reconciliation of liabilities arising from financing activities

2023	As at 1 July 2022	Cash flows	Non-cash changes	As at 30 June 2023
	\$	\$	\$	\$
Lease liability	28,312	(28,312)	-	-
2022	As at 1 July 2021	Cash flows	Non-cash changes	As at 30 June 2022
	\$	\$	\$	\$
Lease liability	61,725	(33,413)	-	28,312

26 Events after the reporting period

There were no material adjusting or disclosing events after the balance date.

Napranum 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)

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

	2023	2022
	\$	\$
Short-term employee benefits	1,133,765	1,207,621
Post-employment benefits	103,261	95,123
Long-term benefits	13,752	15,020
Termination benefits	58,000	-
Total	1,308,799	1,317,764

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
		\$	\$
Employee expenses for close family members of key management personnel		59,254	130,375
Purchase of materials and services from entities controlled by key management personnel		65,800	110,024

Number of employees of close family members comprises:

FTE	2023	2022
Total number of council employees	72	67
Close family members of key management personnel	3	2
% of total number of council employees	4%	3%

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

(c) Outstanding balances

There were no outstanding balances at 30 June 2023 (2022: nil)

(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 other related parties other than disclosed above.

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

Most of the entities and people that are related parties of Council live and operate within the Napranum Aboriginal Shire. Therefore, on a regular basis ordinary citizen transactions occur between Council and its related parties. Some examples include:

- payments received for minor maintenance works (eg key replacement)
- payments received for facility hire
- requests for maintenance as received via Building and Asset Services
- fees collected on behalf of services as provided by Council (eg Meals on Wheels, Child Care fees)

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

Napranum Aboriginal Shire Council
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, as set out on pages 1 to 33, 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
Janita Motton

Date: 31, 10, 2023



Chief Executive Officer
Peter O'May

Date: 31, 10, 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Napranum Aboriginal Shire Council

Report on the audit of the financial report

Opinion

I have audited the financial report of Napranum 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 Napranum 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.



Sri Narasimhan
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane

Napranum Aboriginal Shire Council
Current-year Financial Sustainability Statement
For the year ended 30 June 2023

Measures of Financial Sustainability	How the measure is calculated	Actual	Target
Council's performance at 30 June 2023 against key financial ratios and targets:			
Operating surplus ratio	Net result (excluding capital items) divided by total operating revenue (excluding capital items)	-5%	Between 0% and 10%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense.	20%	greater than 90%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue (excluding capital items)	-30%	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.

Napranum Aboriginal Shire Council
Financial statements
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
Janita Motton

Date: 31, 10, 2023



Chief Executive Officer
Peter O'May

Date: 31, 10, 2023

INDEPENDENT AUDITOR'S REPORT

To the Councillors of Napranum Aboriginal Shire Council

Report on the Current-Year Financial Sustainability Statement

Opinion

I have audited the accompanying current year financial sustainability statement of Napranum 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 Napranum 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 Napranum 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.



Sri Narasimhan
as delegate of the Auditor-General

31 October 2023

Queensland Audit Office
Brisbane

**Napranum Aboriginal Shire Council
Long Term Financial Sustainability Statement (UNAUDITED)
For the year ended 30 June 2023**

Measures of Financial Sustainability	Measure	Target	Projected for the years ended												
			Actuals at 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			
Operating surplus ratio	Net result divided by total operating revenue	Between 0% and 10%	-5%	-25%	-25%	-25%	-26%	-26%	-26%	-26%	-26%	-26%	-26%	-27%	-27%
Asset sustainability ratio	Capital expenditure on the replacement of assets (renewals) divided by depreciation expense	greater than 90%	20%	30%	27%	24%	23%	23%	21%	20%	19%	18%	18%	18%	18%
Net financial liabilities ratio	Total liabilities less current assets divided by total operating revenue	not greater than 60%	-30%	-20%	-19%	-21%	-22%	-22%	-22%	-23%	-24%	-25%	-25%	-26%	-26%

Napranum Aboriginal Shire Council's 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.

Napranum Aboriginal Shire Council
Financial statements
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
Janita Motton

Date: 31, 10, 2023



Chief Executive Officer
Peter O'May

Date: 31, 10, 2023