

Annual Report 2018-2019



**LITCHFIELD
COUNCIL**



*Litchfield Council operates on Larrakia country.
We acknowledge the Larrakia people as the
Traditional Owners of the Darwin region and
pay our respects to Larrakia elders past and
present. We are committed to a positive future
for the Aboriginal community.*



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About Us

The Litchfield Municipality covers an area of approximately 3,100 square kilometres and is home to over 25,500 residents. The Litchfield Council area is located in the Top End of the Northern Territory, between 10 and 60 kilometres east of the Darwin CBD and has been the fastest growing municipality over the past five years.

The municipality boasts a rural lifestyle with a wide range of well managed services and facilities. Its local government neighbours are City of Darwin, City of Palmerston and Coomalie Community Government Council.

Litchfield Council is a local government authority established by the Northern Territory Parliament on 24 May 1985.

Council comprises five elected members, a Mayor and one Councillor for each of the four wards; North, South, East and Central, serving a four-year term. The elected members carry out their duties under the provisions of the NT Local Government Act and Regulations.

Our vision is for the Litchfield Municipality to be the best place to live in the Top End.

8,261 
RATEABLE ASSESSMENTS

626.76  kms
SEALED ROADS

86.73  kms
UNSEALED ROADS

 SIGNS
13,661

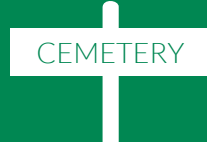
 RECREATION RESERVES 7

3  WASTE TRANSFER STATIONS

 3,164
REGISTERED DOGS

7.11  kms
SHARED PATHWAYS

5  PLAY GROUNDS

 CEMETERY 1



Message from the Mayor

On behalf of my fellow Councillors, welcome to our Annual Report for 2018-19.

This year's Annual Report highlights the achievements and challenges experienced throughout the financial year 1 July 2018 to 30 June 2019. The Annual Report is an integral part of our commitment to open and accountable governance and provides a snapshot of our performance against our commitments as outlined in the Municipal Plan 2018-19. It also provides an account of our financial performance and demonstrates the broad range of services provided to the Litchfield community.

In the past year, we said farewell to CEO Kaylene Conrick, who resigned to spend more time with family. We thank Kaylene for her sound work and stewardship, much of which is reflected in the long-term plans and foundations that are now in place for Council to move forward.

After a solid recruitment campaign, we welcomed Daniel Fletcher, in August 2019 from Central Highlands Regional Council. Daniel brings with him more than 12 years of public and private sector experience and was instrumental in making his previous place of work a best practice leader in community engagement.

We have made consistent progress at Litchfield Council this past year, with several significant projects advancing.

The ongoing advocacy work over the past 12 months has paid off with Council receiving bipartisan support of \$17 million for the \$20 million Mango Industry Strategic Roads Project. This will see four key freight roads sealed for the local mango industry and community.

Council was successful in securing external grant funding for other key projects, which included \$2 million for further upgrades to Freds Pass Sport and Recreation Reserve, \$70,000 for playground upgrades to Howard Park Recreation Reserve, \$478,000 to improve road alignment on Freds Pass Road through the Blackspot Funding Program and \$211,000 from NT Libraries to provide library services for the community.

A review into Council's current Rating Policy commenced with the establishment of a Community Reference Group. The Community Reference Group met on eight occasions and made recommendations for improvements to the way Council distributes rates across the municipality. Council conducted extensive community engagement with information being mailed directly to all ratepayers in the Rates Newsletter and eight community walk in information sessions held.

Some of Council's achievements this year include; sending 33 tonnes of old TVs and computers to be recycled through a new program called

TechCollect, the Litchfield Women in Business Network hosting their first Art Exhibition in celebration of International Women's Day, and the development of Council's first Youth Policy and New Residents Guide.

In January 2019, Council took over the management of the Taminmin Community Library. Since then improvements have been made to upgrade the library to be more functional and user friendly. And with new programs introduced and improvements made to the collection available, Council can already see an increase in use.

Council acknowledges the contribution of the Federal Assistance Grant Funding towards the service delivery for our Community. We thank the Federal Government for the ongoing commitment to support the valuable work of Local Government.

I also thank our staff for their ongoing support and commitment in delivering high quality services for the Litchfield Community.

My last thanks are to my Deputy Mayor and fellow Councillors for their dedication and the role that they have played in Litchfield Council achieving such great milestones.

Maree Bredhauer



Message from the CEO

The 2018-19 Annual Report is a record of Council's commitment to delivering high quality services and responding to our community needs in a financially sustainable manner.

Councillors and staff have worked hard toward fulfilling the aspirational objectives outlined in our Strategic Plan 2018 – 2022 under Council's major roles; advocacy, community engagement, funding, regulation, service delivery and partnership.

During this period, our capital works program delivered almost \$6 million of improved roads, drainage, footpaths and safety.

The first project I stepped into on my arrival was the Rating Policy Review. While rating policy reviews will always be a challenging topic to handle, I was impressed with the planning, implementation and community engagement that had taken place to reach the milestone of releasing the Rating Policy Review Position Paper. It was good to see Council listening to the community in the development of the Draft Rating Policy. Council has delivered a comprehensive program that will span over two years when completed, to ensure our Rating Policy is still fair for all residents.

In Council's advocacy role, an application for another Federal Government Blackspot Funding for the Girraween and Hillier Roads intersection has been submitted, with works to commence in the 2019-20 year if successful.

In the 2018-19 year, Council was able to reduce its deficit by \$3.3 million compared to the budget due to a reduction in depreciation and increased grant funding. Whilst Council has a strong cash reserve of \$23.2 million, we are aware that the \$309 million cost of renewing our infrastructure assets will be a substantial challenge and will require current reserves and additional allocation of revenue. Council has been heavily dependent on grant funding for these works in the past.

I would like to take the opportunity to acknowledge the leadership of Councillors and Litchfield Council staff who have contributed to delivering Council's vision and Municipal Plan.

Daniel Fletcher



Our Council



On 26 August 2017, a local government general election was held.

Mayor Maree Bredhauer – Mayor




Deputy Mayor Kirsty Sayers-Hunt – East Ward

Councillor Doug Barden – South Ward

Councillor Mathew Salter – North Ward

Councillor Christine Simpson – Central Ward

Council Representatives and Council Committee Appointments

Councillor	Committee	Position
Mayor Maree Bredhauer 	Howard East Water Advisory Committee	Council's Representative
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Event Committee	Chair
	Litchfield Australia Day Awards Selection Panel	Chair
	Local Government Association	Principal Representative / Voting Member
	Coolalinga Rural Activity Centre Area Plan Community Advisory Group	Member
	Litchfield Women in Business Network Committee	Chair
	Humpty Doo Rural Activity Centre Area Plan Community Advisory Group	Council's Representative
Deputy Mayor Kirsty Sayers-Hunt 	Risk Management and Audit Committee	Member
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Local Government Association	Voting Member
	Litchfield Women in Business Network Committee	Member
	Community Grants Committee	Member
Councillor Doug Barden 	Freds Pass Upgrade Reference Group	Council's Representative
	Risk Management and Audit Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Development Consent Authority	Litchfield Branch Representative - Alternative
	Humpty Doo Rural Activity Centre Area Plan Community Advisory Group	Member
	Litchfield Women in Business Network Committee	Member



Councillor	Committee	Position
 Councillor Mathew Salter	Howard Park Reserve Committee	Chairperson/Council's Representative
	Knuckey Lagoon Reserve Committee	Chairperson/Council's Representative
	Litchfield Australia Day Awards Selection Panel	Member
	Community Grants Committee	Member
	Administrative Review Committee	Member
	Litchfield Women in Business Network Committee	Member
 Councillor Christine Simpson	Freds Pass Sport & Recreation Management Board	Council's Representative / Nominated Observer
	Freds Pass Rural Show Committee	Nominated Observer
	CEO Performance Appraisal and Remuneration Review Committee	Member
	Litchfield Australia Day Awards Selection Panel	Member
	Development Consent Authority	Litchfield Branch Representative
	Coolalinga Rural Activity Centre Area Plan Community Advisory Group	Member
	Litchfield Women in Business Network Committee	Member
Administrative Review Committee	Member	



Mayor at Berry Springs Primary School Naidoc Week celebrations, June 2019.



Elected Members Attendance

July 2018 - June 2019	Total Meetings Held	Ordinary Meetings Attended	Special Meetings Attended	Total Meetings Attended	
Maree Bredhauer	13	10	1	11	
Kirsty Sayers-Hunt	13	8	1	9	
Doug Barden	13	11	1	12	
Mathew Salter	13	10	1	11	
Christine Simpson	13	11	1	12	

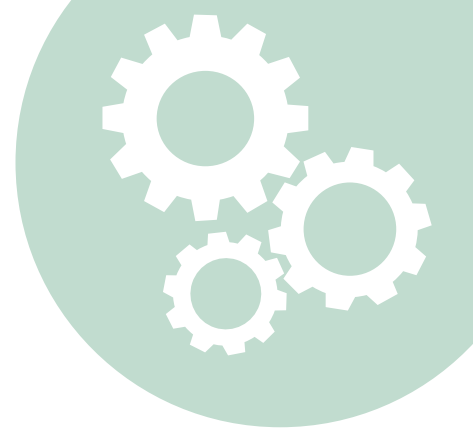
Elected Members Allowances

ALLOWANCES \$

	Base	Electoral	Extra Meeting	Internet Access	Total	Professional Development
Maree Bredhauer	\$73,125	\$19,247		\$600	\$92,972	\$2,036
Kirsty Sayers-Hunt	\$27,040	\$4,813		\$600	\$32,453	\$3,622
Doug Barden	\$13,152	\$4,813	\$4,480	\$600	\$23,045	\$300
Mathew Salter	\$13,152	\$4,813	\$4,620	\$550	\$23,135	\$300
Christine Simpson	\$13,152	\$4,813	\$7,560	\$600	\$26,125	\$2,544

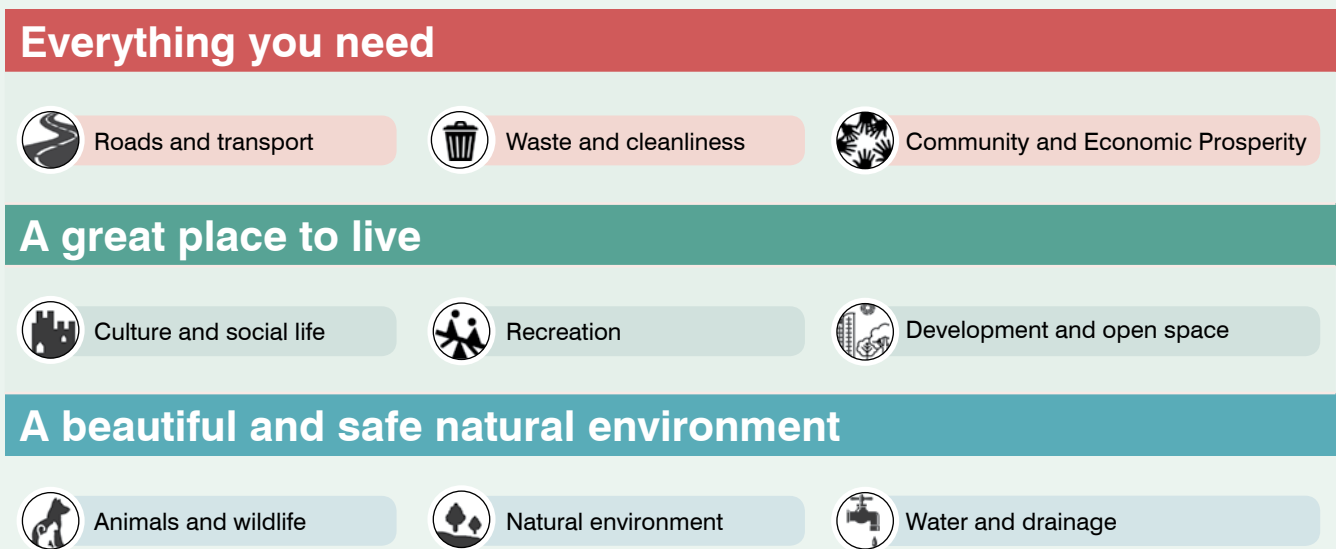


*Mayor at the
Vietnamese Lunar
New Year, 2019.*



Strategic Framework

Our strategy comprises 3 priority areas, and within those, we will work on 9 outcomes that we know matter to our community. This is underpinned by actions taken to ensure a well-run Council. Visit www.litchfield.nt.gov.au to view the Strategic Plan 2008-2022.



Council's 6 Major Roles

Council carries out its important functions by doing six things:

01



Advocate

We advocate for the interests of our community, at Territory and Commonwealth level, and with various industry and sector groups. Our advocacy spans areas which affect our communities but for which we are not directly responsible, such as land use, transport, water management, economic development and health and education. We consult with our community on numerous issues, so we can build a strong advocacy platform with governments and other investors and influencers.

Community Engagement

Council can't make Litchfield the best place to live in the Top End without working with its communities, in large and small ways. We need communities to champion our waste and animal control objectives. Community is an essential glue for all social, recreation, sports and arts activities, and we work hard to educate on important matters, such as biodiversity and weed control.



02

03



Fund

We fund a limited number of activities and events that we don't operate ourselves, through grants, programs and scholarships, notably community boards who operate our seven reserves.

Regulate

Within our mandates, we are in a position to regulate, at a local level, many areas that contribute to high quality of life for Litchfield residents and visitors, such as permissible road use, dog controls, incentives to deposit and recycle waste, development guidelines and the way our reserves are best used for maximum community benefit.



04

05



Service Delivery

We employ and subcontract capable staff who directly maintain roads, drains, and recreation reserves, as well as carry out slashing and weed control for Council land, road reserves and easements. Other services include dog control, waste management, community development and operation of the Thorak Regional Cemetery. We review services regularly, to make sure they are delivering what the community wants, in a way that provides value for money.

Partner

Most of the amenity that makes up a great place to live is not provided by Council, but is provided by others. Some examples of providers with whom Council may partner include child care, healthcare and employment providers, tourism operators, environmental protection agencies, farmers, and road and water authorities.



06



Risk Management and Audit Committee

The Risk Management and Audit Committee (RMAC) is an advisory committee of Council responsible for monitoring Council’s compliance with the proper standards of financial management, the Local Government (Accounting) Regulations and the Accounting Standards.

The RMAC comprises three members: independent chair Iain Summers and two appointed councillors, Deputy Mayor Kirsty Sayers-Hunt and Cr Doug Barden.

The RMAC met four times during the financial year. Matters presented to the RMAC were consistent with the agreed workplan and included:

- the 2017-18 Annual Report and Financial Statements
- reviewing the management responses to audit findings
- monitoring the Local Government Compliance Audit of Litchfield Council

- implementing and review of the risk register, including monitoring progress on treatments to reduce risk for Council in all areas of operations
- reviewing the 2018-2019 key performance indicators
- endorsing Council’s procurement policy
- reporting on two internal audits undertaken on:
 - payroll processes
 - contract management processes
- endorsing a three-year internal audit plan.

Freedom of Information

Litchfield Council is a public sector organisation under the *Northern Territory Information Act*.

In the 2018-19 financial year, Council responded to the following Freedom of Information (FOI) requests:

FOI requests open as at 1 July 2018	0
Applications to access personal information	0
Applications to access government information	1
Accepted applications withdrawn	0
Unaccepted applications	0
Accepted applications finalised	1
Applications still open as at 30 June 2019	0



Our Staff

Municipal Plan 2018-19 Staffing Plan

55.27 FTE Positions

Actual Operating Staffing Plan at 30 June 2019

51.9 full time staff

The variance of 3.3 FTE is due to the following vacancies at 30 June 2019;

	Budget 55.27 FTE
CEO Vacancy	-1
Finance Manager Vacancy	-1
Supervisor Regulatory Services Vacancy	-1
Finance Part-Time Arrangement	-0.1
Cemetery Part-Time Arrangements	-0.2
Mobile Workforce permanent positions vacant filled by casuals	-2.54
Waste Transfer Station permanent positions vacant filled by casuals	-0.63
Taminimin Library Staff	+3.1

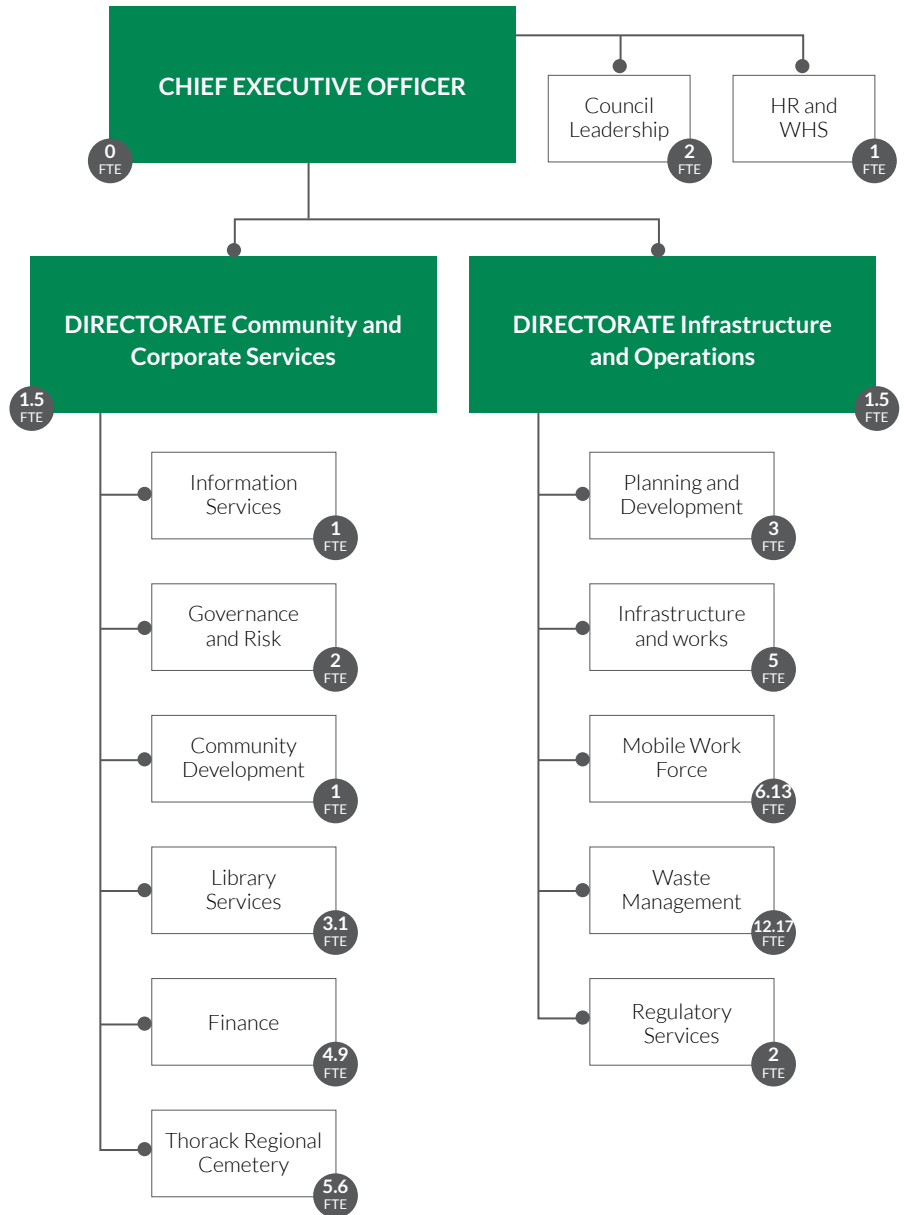
Actual 51.9 FTE

Our Rangers

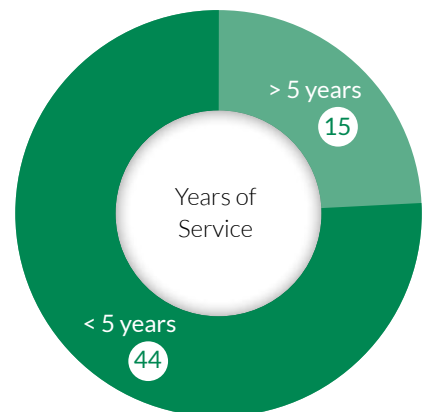
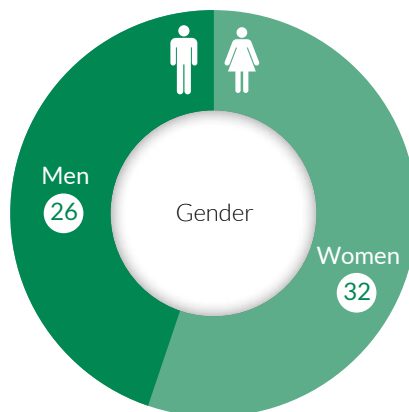




As at 30 June 2019:



Employment Data (total head count)



Year in Review

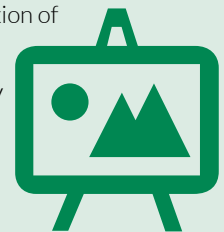
The sharp bend on **Freds Pass Road** between Beaumont Road and Strangways Road realigned through the Black Spot Program



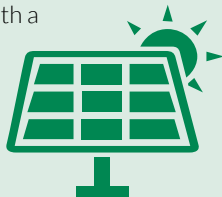
Howard Park Recreation Reserve playground received an upgrade through a \$70,000 NT Government Special Purpose Grant



The Inaugural **Litchfield Women in Business Network Art Exhibition** is held in celebration of International Women's Day March 2019



Council received a Special Purpose Grant of \$79,000 from the NT Government to install **solar panels** at Council's office generating approximately 14,000kwh with a savings of just over \$1,000 a month



Council worked with Youth and community groups to develop a Youth Policy



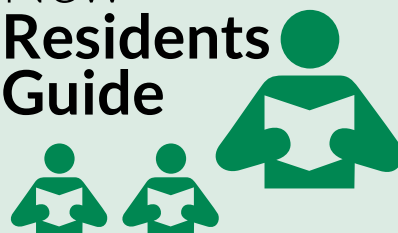
Girraween Primary School received some much-needed safety upgrades to the on-street carpark areas and school crossings



Litchfield Council Chief Executive Officer Kaylene Conrick resigns to spend more time with family - February 2019



New Residents Guide



developed

Council received bipartisan support for its advocacy program the **Mango Industry Strategic Roads** project to seal 15.2km of roads in the south of the Litchfield municipality that contain **key regional packing sheds and major farms**



Reducing landfill one TV at a time, Council has sent 33 tonnes of old TVs and computers to be recycled since the TechCollect program commenced at the Humpty Doo Waste Transfer Station

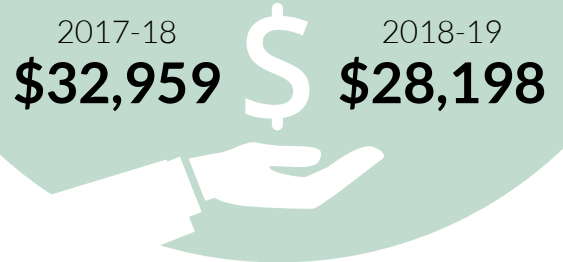


Taminmin Community Library handed over to Council on 1 January 2019



New Chief Executive Officer Daniel Fletcher announced after an extensive recruitment process June 2019





Council and the Community

Community Grants Scheme

On 4 June 2019, Council hosted the Annual Community Grants Award night, awarding a total of \$28,198.00, completely funded through money made from recycling goods from the Waste Transfer Stations, to the following applicants:

\$1,500	NT Field and Game Association for a new shooting station and associated equipment
\$1,000	Palmerston and Litchfield Seniors Association for costs associated with their rebranding
\$678	Humpty Doo Scouts for new navigation equipment
\$3,000	Venture Scouts for their NT Venture event
\$1,700	Rotary Club of Litchfield/Palmerston for their Family Fun Day at Howard Park Recreation Reserve
\$2,000	Acacia Hills Motocross Association for the construction of a viewing platform
\$3,720	Top End Gem Club to improve lapidary equipment for members with impaired mobility and other disabilities
\$2,500	T for Thomas for Movement for Mia Musical
\$2,700	McMinns Lagoon Recreation Reserve for the 'Bushcare Major Day Out'
\$3,000	Darwin Community Arts for the Litchfield Community Cabaret
\$2,000	Berry Springs Primary School for NAIDOC Celebrations
\$4,400	Greening Australia for delivering Land for Wildlife workshops





*Also in 2018-19,
Council provided
\$7,500 worth of
Community Initiatives
Grants for Litchfield
Community Members
and Groups to support
projects and events:*

Assistance for young locals to attend national and international sporting competitions

Rural Churches Carols by Candlelight

Freds Pass Rural Show 40th Anniversary Program Launch

Palmerston and Litchfield Seniors Association Rebranding

Smile-A-Mile Children's Week Event

T for Thomas Community AFL matches

Southern Districts Crocs Netball training equipment purchases

Bees Creek Primary School 3D crossing

Softball NT Social 7's Program

Howard Springs Primary School Writer's Day Out competition

Noonamah Polocrosse Club Day/Night Tournament





2019 Community Survey

The 2019 Community Survey was moved to later in the year to align receiving the results with the commencement of the budget review process. This means Council can report its Key Performance Indicators (KPIs) on the most recent results.

The Survey wasn't as well supported this year with only 127 responses from residents in the Council area. This could be contributed to moving the time of the survey from May to August. With more awareness, Council hopes to increase the number of participants in future years.

A full analysis and report of the survey results will be made available on Council's website.

Below are two results from the survey:

The responses received were spread across all four wards with a large proportion of females completing the survey.

Entrance to Council display at the 2019 Freds Pass Show.



Australia Day

On 26th January Council hosts the Australia Day Event at Fred's Pass Sport and Recreation Reserve.

The event in 2019 included a fun run/walk, followed by a free BBQ breakfast, flag raising ceremony, citizenship ceremony and activities for children and families. This year's event attracted around 350 visitors.

Along with lots of fun activities including Darwin Party Animals with their snakes and birds, Council honoured residents and groups with the 2019 Litchfield Australia Day Community Awards. The awards and recipients are listed on page 21:



*Litchfield Young
Citizen of the Year:*

Makuen Chilton

Makuen was described by his Scout Leader as a risk taker who is prepared to work outside of his comfort zone. Makuen was awarded Young Citizen of the Year for enhancing the Litchfield community by his willingness to plan and coordinate outdoor activities for other young people, while representing the values and traditions of the international Scouting movement to a high standard.

*Litchfield Citizen
of the Year:*

Pauline Cass

Pauline is an active community member, volunteer and member of advisory groups and committees. Pauline was awarded Citizen of the Year for her efforts to inform the community on issues and events, helping individuals and organising important information sessions to help educate Litchfield residents on issues such as Gamba Grass.

*Litchfield Community
Event of the Year:*

Girraween Primary School's Annual Field Day

This ongoing annual event encourages and educates students (from all schools), parents and teachers about the community, environment and sustainability.

It provides an opportunity for community members to meet and share their strong interest in rural living and to learn about actions that they can implement at home.

Litchfield Women in Business Network

Monthly Morning Teas

The Litchfield Women in Business Network Committee members meet each month at the Muffin Break at Coolalinga. They get together the first Tuesday every month and invite anyone and everyone to join them. Some stay for an hour and join in the subject up for discussion or those that are on the go just drop in for a quick coffee.

Boosting Business Innovation in Litchfield

On Monday, 9 July 2018 the Council hosted this event which gave Litchfield Business women access to organisations to benefit and build their business to create a stronger local community and stimulate economic growth.

Guest speakers included Dean Alle - Darwin Innovation Hub and Ewa Finch - Business Innovation Department of Trade Business and Innovation and Vanessa Carusi - Senior Small Business Champion Northern Region Business Innovation Department of Trade Business and Innovation.

All three presentations were very well received and beneficial to local business.

Territory Success Stories - October Business Month 2018

Guests were captivated, listening to inspirational journeys of success by Territorian women in business on Monday 8 October at Litchfield Council's Women in Business Network event as part of the 2018 October Business Month.

Guest speakers Heather Brown from di CROCO Boutique, Estelle Cornell from Allora Gardens and Leah Sloan from Berry Springs Tavern, along with master of ceremonies ABC journalist Kristy O'Brien, provided the sold-out event with honest encounters of how they became our very own Territory Success Stories.

“It’s great to be part of the October Business Month for the third year in a row and to have a sell-out event just proves the worth that the Litchfield Women in Business Network has developed” the Mayor said.



Local Art shines in Litchfield celebrating 2019 International Women's Day

Over 130 people visited the Litchfield Women in Business Network Art Exhibition held on the weekend 9/10 March in celebration of International Women's Day.

The weekend was a celebration for artists and the community and was launched on the Friday night and officially opened by the Minister for Tourism and Culture, the Hon. Lauren Moss.

Visitors had the task of voting for the Viewer's Choice Award from the 42 art pieces with up and coming talent Beth Graham taking out the \$200 prize for her artwork A Natural Balance.

The range and diversity of art mediums was amazing and showcased what Litchfield has to offer in the art world.

Free Business Tax Seminar

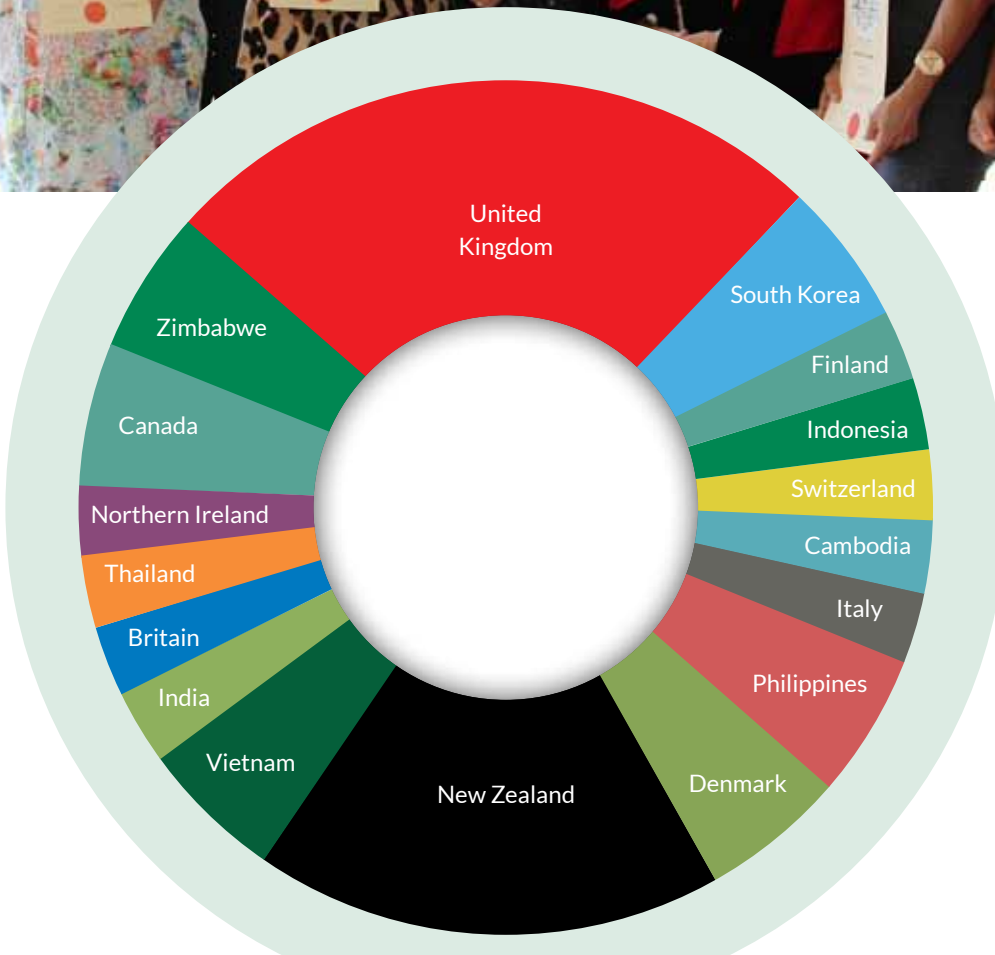
Chartered Accountants, Merit Partners presented a free Business Tax Seminar to approximately 12 business operators on Monday May 27 2019. Topics were well received and included: Division 7A company loans, Franking credits, Tax Advantages and disadvantages of Discretionary Trusts. This event was sponsored by the Litchfield Women in Business Network with no charge to the participants.



Australian Citizenship Ceremonies

Litchfield Council conducted four Australian Citizenship ceremonies in 2018-19.

	2016-17	2017-18	2018-19
Citizenship Ceremonies	4	2	4
Number of New Citizens	49	14	35





Community Recreation Reserves

In the 2018-19 year Council continued to provide funding towards the management and operations of each of the seven recreation reserves in Litchfield.

This year the funding also included tree management for each reserve and a playground audit for the reserves which have play equipment with both initiatives managed by Council. The funding allocated to each Reserve in 2018-19 is below.

Reserve	Budget 2018-19	Actuals 2018-19
Freds Pass Sport and Recreation Reserve	\$685,500	\$640,039
McMinns Lagoon Recreation Reserve	\$24,000	\$33,928
Livingstone Recreation Reserve	\$58,500	\$58,210
Berry Springs Recreation Reserve	\$65,500	\$71,030
Humpty Doo Village Green	\$103,500	\$95,160
Howard Park Recreation Reserve	\$116,400	\$117,388
Knuckey Lagoon Recreation Reserve	\$34,000	\$26,208
TOTALS	\$1,087,400	\$1,041,963

Variations are due to tree maintenance works required on various reserves.





Freds Pass Sport and Recreation Reserve

The Reserve is a regional sporting and recreation facility home to more than 20 sport and community groups with spectacular grounds, including an ornamental lake, picnic and barbecue facilities and a large open sided hall to hire.

The 2018-19 year saw upgrades to the playground at Lakeview Hall to become an all-inclusive and undercover playground resulting from a \$200,000 grant received by the Freds Pass Reserve Playgroup from the Northern Territory Government in the 2017-18 year.

In 2018 Litchfield Council received \$2 Million from the Northern Territory Government's Department of Tourism and Culture to provide further upgrades to Freds Pass Sport and Recreation Reserve (FPSRR). This is on top of the \$3 Million received from the Northern Territory Government in 2016. The project components of both grants were selected by the NTG based on the FPSRR's Master Plan and the projects included are outlined below.

Project	Grant Value	Scope
\$2M PROJECT		
Certification of buildings	\$115,000	Ensure compliance of high-risk buildings.
Equine facility upgrade	\$380,000	Master Plan and delivery of first stage of works to available budget.
Maintenance shed	\$135,000	Construction of new maintenance shed for the Reserves operations team.
Cricket Club change rooms	\$500,000	Construction of new changeroom facilities.
Road network	\$480,000	Develop Master Plan for roads and pedestrian access for the Rubgy Union, AFL and Soccer areas and commence works on highest priorities.
Car park for soccer and rugby	\$280,000	Construct sealed car park area as per Roads Master Plan.
Project management	\$110,000	Provide project management and coordination
\$3M PROJECT		
Archery Ablution Block	\$120,000	Construction of new ablution shed for Archery and Paintball
Market Shed Lighting	\$72,000	Lighting installation
Litchfield Bears Rugby League Lighting	\$20,000	Contribution towards Lighting Upgrades
Noonamah Horse and Pony Club Shed	\$23,000	Replacement of current shed



Berry Springs Recreation Reserve

Set on eight hectares adjacent to the Berry Springs Primary School with many facilities available to the public, including an oval, cricket pitch, tennis and basketball courts and barbecue facilities, as well as a large open community hall.

During 2018-19, the Reserve continued to provide regular local markets and the Annual Territory Day celebrations. During 2018-19 the Reserve received the following grants to undertake works:

Grantor	Grant Value	Scope
Northern Territory Government	\$47,154	Construct a gazebo and barbecue
Australian Government	\$2,000	Purchase a new laptop for the Committee

Howard Park Recreation Reserve

Situated in the hub of Howard Springs this Reserve caters for a range of regular sporting activities, informal recreation and community events with its easy access and range of facilities. Council manages Howard Park with the help of an advisory Committee made up of local residents and user group representatives.

Projects undertaken this year included:

In 2016-17 Council received a \$20,000 Northern Territory Government Local Government Special Purpose Grant to upgrade the irrigation at the reserve. Approximately \$6000 was carried over to the 2018-19 year which saw upgrades to controllers and modem to allow remote access to the irrigation.

A \$15,000 Australian Government Stronger Communities Grant, matched with \$15,000 from Council, was received in 2017-18 to upgrade the kitchens in both halls. These works were undertaken in 2018-19.

A grant was received from the Northern Territory Government for \$69,970 to refurbish the playground and build a shade structure. Just over \$60,000 was spent in the 2018-19 year, with the remaining funds carried over to the 2019-20 year.

Livingstone Recreation Reserve

Set amongst 65 hectares of natural bush land, this Reserve has a lot to offer families and the wider community. The Reserve is also home to the Livingstone Volunteer Bush Fire Brigade. The Livingstone Recreation Reserve is run by a volunteer management committee who ensure a range of services and facilities are available for all to enjoy, especially the rural community.

In the 2018-19 year the park benches received an upgrade following the Reserve Committee receiving a grant in the 2017-18 year from the Northern Territory Government. The Reserve also relaunched the 34 Mile Bistro and has partnered with Johnny's Café to produce an increasingly popular new menu.



Humpty Doo Village Green

The Humpty Doo Village Green is situated on 20 acres of land donated to the Lions Club of Litchfield during the 1970s. Lions Club members, together with many members of the community, worked tirelessly landscaping the area, installing a bore, reticulation system, playground equipment and BBQs.

Today the Village Green is managed by a volunteer Management Board on behalf of Council.

The Humpty Doo Village Green is frequented by many community groups and local families who enjoy the well-maintained shaded picnic and playground area. The Hall is available for hire by community groups during the day and evenings.

Due to the results of a playground audit, Council had to remove some play equipment for safety concerns. Council will work with the community on identifying replacement equipment and apply for grant funding in 2019-20.

In 2018-19 the Reserve continued to hold the Litchfield Cenotaph ANZAC Day Memorial Service in partnership with Litchfield Lions, National Children's Week celebrations in partnership with Smile-A-Mile Toy Library and school holiday program with Taminmin Community Library.

In 2017-18 Council received a grant from the Northern Territory Government for \$33,824 to upgrade the community hall kitchen and furniture which was partially completed in the 2018-19 financial year.

Knuckey Lagoon Recreation Reserve

Set on 19 hectares on Brandt Road in Knuckey Lagoon, the reserve has an air-conditioned room, an open sided hall with amenities, barbecue facilities and a basketball court as well as natural bushland with six themed walking trails. This reserve is also home to a World War II heritage site. Similar to Howard Park, Council manages Knuckey Lagoon reserve directly with the support of an advisory committee made up of local residents and user group representatives.



McMinns Lagoon Recreation Reserve

Situated on 41 hectares of unspoilt wetland, the reserve is well-known for its abundant wildlife offering nature enthusiasts and bird watchers a wide spectrum of bird life and butterfly activity all year around.

In the 2018-19 year the Reserve undertook upgrades to the walkways around the lagoon thanks to a grant from Bendigo Bank Coolalinga. The Reserve also held its annual Bush Care Major Day Out and attracted more than 300 visitors who took walking tours and participated in activities around the Reserve.



New Initiatives

Litchfield Council Municipal Plan 2018-19 included new initiatives to address strategic priorities and community needs.

The table below reports on these new initiatives:

New Initiative	Budget	Status	Actual Cost
Online Demographic and Economic Information Products	\$12,000	COMPLETE	\$12,000
Aerial Photography for Geographical Information System (GIS)	\$30,000	COMPLETE	\$30,000
New GIS for Council	\$20,000	COMPLETE	\$2,802 Agreement on annual cost basis not upfront purchase
ICT Plan – UPS for Servers	\$5,000	COMPLETE	\$5,172
ICT Plan- Vmware Sphere	\$8,000	On hold – to be reassessed due to other changes in operations	\$0
Trainee Customer Service Officer	\$15,000	Postponed to 2019-20 year	\$0
Tree Risk Management Plan	\$30,000	Draft complete	\$21,800
Aquatic Feasibility Study	\$50,000	Not progressed due to lack of NTG grant funding	\$0
Waste Transfer Station Signage (Waste Strategy)	\$6,500	Partly complete - signage designed	\$2,608
Total	\$170,000		\$74,382



*Summary
of
Financials*



Summary of Financials

In 2018-19, Council’s results show a decrease in deficit of \$3.3 million compared to the original budget. This is mainly due to a significant reduction in depreciation by almost \$4 million and an increase in income above budget. Council has reviewed the useful life of infrastructure assets and therefore adjusted the expected cost for the upkeep of infrastructure. Along with this review, Council’s Long-Term Financial Plan and Asset Management plans remain and show a lack of funding for the maintenance of assets into the future.

Income in 2018-19

Budget: \$16.3 million

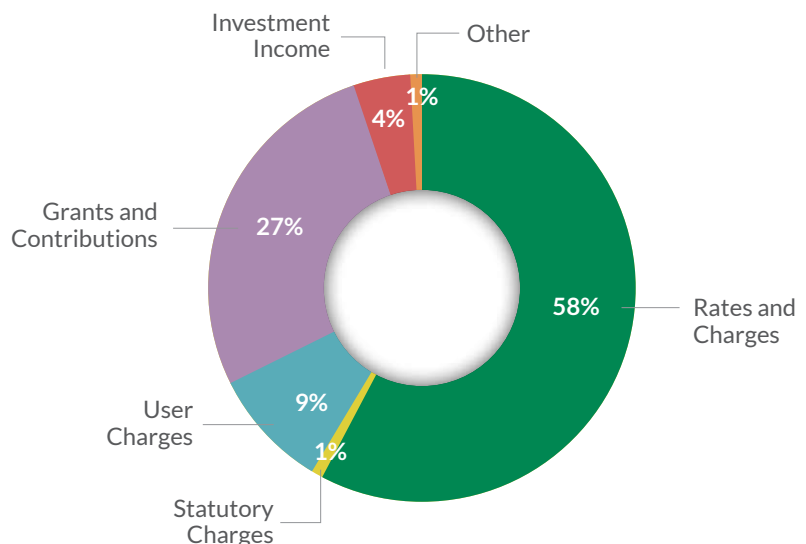
Actuals: \$18.1 million

An additional \$1.8 million compared to original budget was achieved through \$0.8 million in other contributions like Natural Disaster Recovery funding, \$0.3 million in cemetery income and \$0.7 million in investment income, rates, statutory and user charges.

Over the four-year trend the income has slightly increased compared to 2017-18 but remains below the prior years of 2016-17 and 2015-16. This displays the fluctuation of grant funds received and highlights Council’s dependency on grants, with 27% of income generated through grant funding. On top of the reported below, income Council received \$4.1 million in grants for specific works on infrastructure assets.

2018-19	2017-18	2016-17	2015-16
\$18.1m	\$17.7m	\$19.8m	\$22.9m

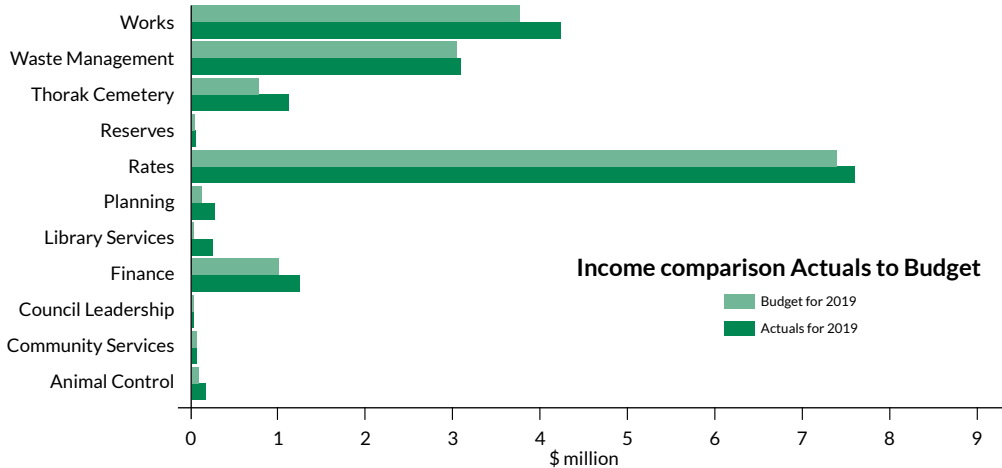
Income by source





The income comparison to the budget set in Council’s Municipal Plan shows that Council has been able to collect more funds in some areas for the following reasons:

- Works –grant funding from the NTG for upgrades to Freds Pass and Finn Road, as well as funds for reestablishment of roads effected through major flooding in January 2018 (Natural Disaster Recovery Funding)
- Waste Management –higher sales of mulch with unusual amounts available for sale due to Cyclone Marcus green waste
- Thorak Cemetery – increase in cremations and interments
- Rates – increase in rates revenue through property growth above budget
- Planning – increase in developer contributions and plan review fees
- Library Services – the grant from the NTG covering all costs of the operations of the Taminmin Library was not included in the budget as Council’s resolution for the transition of services was made after the development of the Municipal Plan
- Finance – Prepayment for 2019-20 Federal Assistance Grants





Expenses in 2018-19

Budget: \$26.8 million

Actuals: \$27.2million

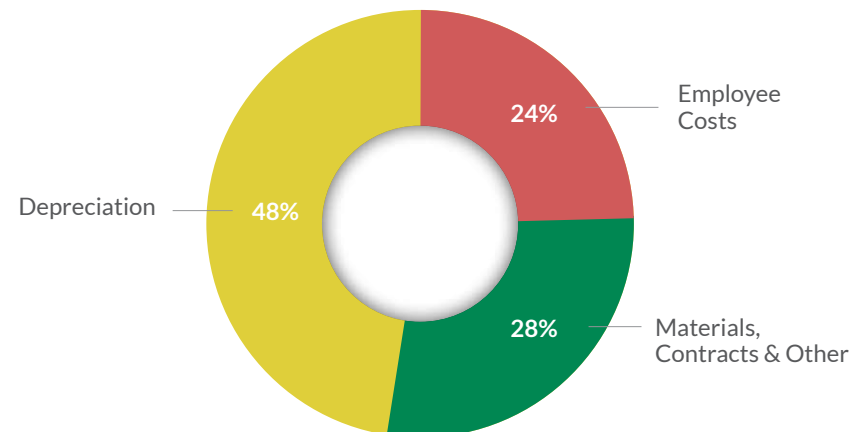
Total expenses for the year resulted in an overspend of \$471k compared to the original budget. The overspend relates to increased costs in the areas of Waste Management and Cemetery Operations relating to staffing, consultants and maintenance. At \$12.9 million, depreciation remains the main cost to Council in ensuring that infrastructure assets are maintained into the future.

Over the four-year trend 2018-19 has shown the lowest spending of Council. This shows that Council is continuing to restrain operational spending as outlined in the long-term financial plan.

2018-19	2017-18	2016-17	2015-16
\$27.2	\$29.5m*	\$29.8m	\$29.9m

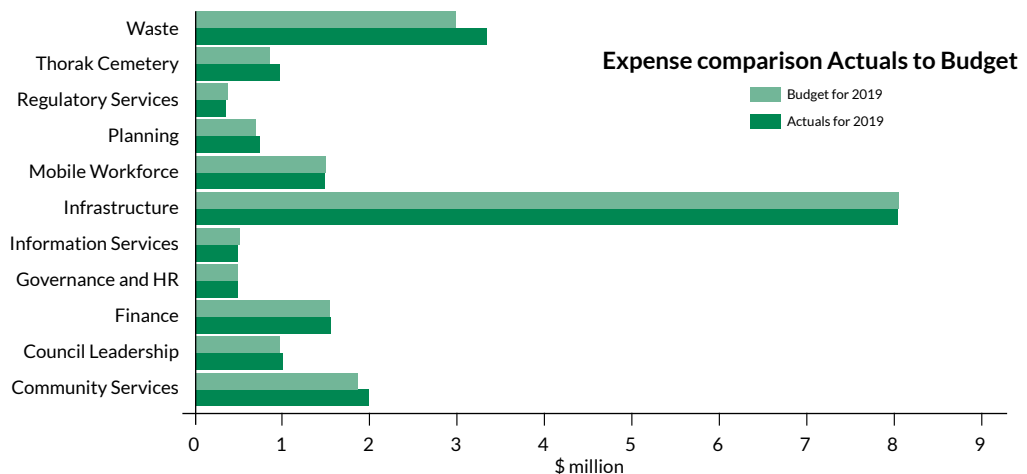
* Expenses in 2017-18 were inflated through \$0.7 million in natural disaster expenses to \$30.2 million.

Expenses by source



The operational expenditure comparison to the budget set in Council's Municipal Plan shows that Council has spent more funds in some areas for the following reasons:

- Waste Management – increased contractor cost for mulch preparation and staffing cost for casuals covering vacancies of permanent roles
- Thorak Cemetery – increased staffing cost for leave periods and consultants cost for a business case to receive government appropriation for this regional service
- Community Services – includes the cost of operating Taminmin Library which was not included in the original budget and was completely funded through a government grant





How does the Net Result compare with previous years?

Net Results including non-monetary elements

2018-19	2017-18	2016-17	2015-16
(\$4.1m)	(\$9.0m)	(\$8.8M)	(\$2.4m)

Council's Net Deficit has reduced significantly compared to the previous two years. The reason for the reduction is a decrease in depreciation expenses and an increase in grants received specifically for improvements to infrastructure assets (increased by \$2 million compared to 2017-18). The additional funds received are not sustainable for Council as Council cannot rely on one-off grants funding.

Current Ratio

The current Ratio reflects the ability of Council to cover current liabilities with money held in financial reserves. Council's current ratio has further increased this year and is still far above the local government benchmark of 1.5. This is important as Council has to not only fund current liabilities but ensure funds for future infrastructure costs are available.

Liquidity ratio

2018-19	2017-18	2016-17	2015-16
10.28	7.01	8.5	6.96

Rates Outstanding

Council is committed to the ongoing collection of outstanding rates and charges. Over the past seven years Council has successfully reduced the outstanding rates from 63.08% to 20.61% in the prior year. Council lost valuable time in 2018-19 in collecting debt as the contracted debt collector discontinued their operations. Therefore, Council was not able to further decrease the rates debt in 2018-19.

Percent of rates and charges outstanding

2018-19	2017-18	2016-17	2015-16
22.46%	20.61%	23.47%	22.52%

Financial Reserves

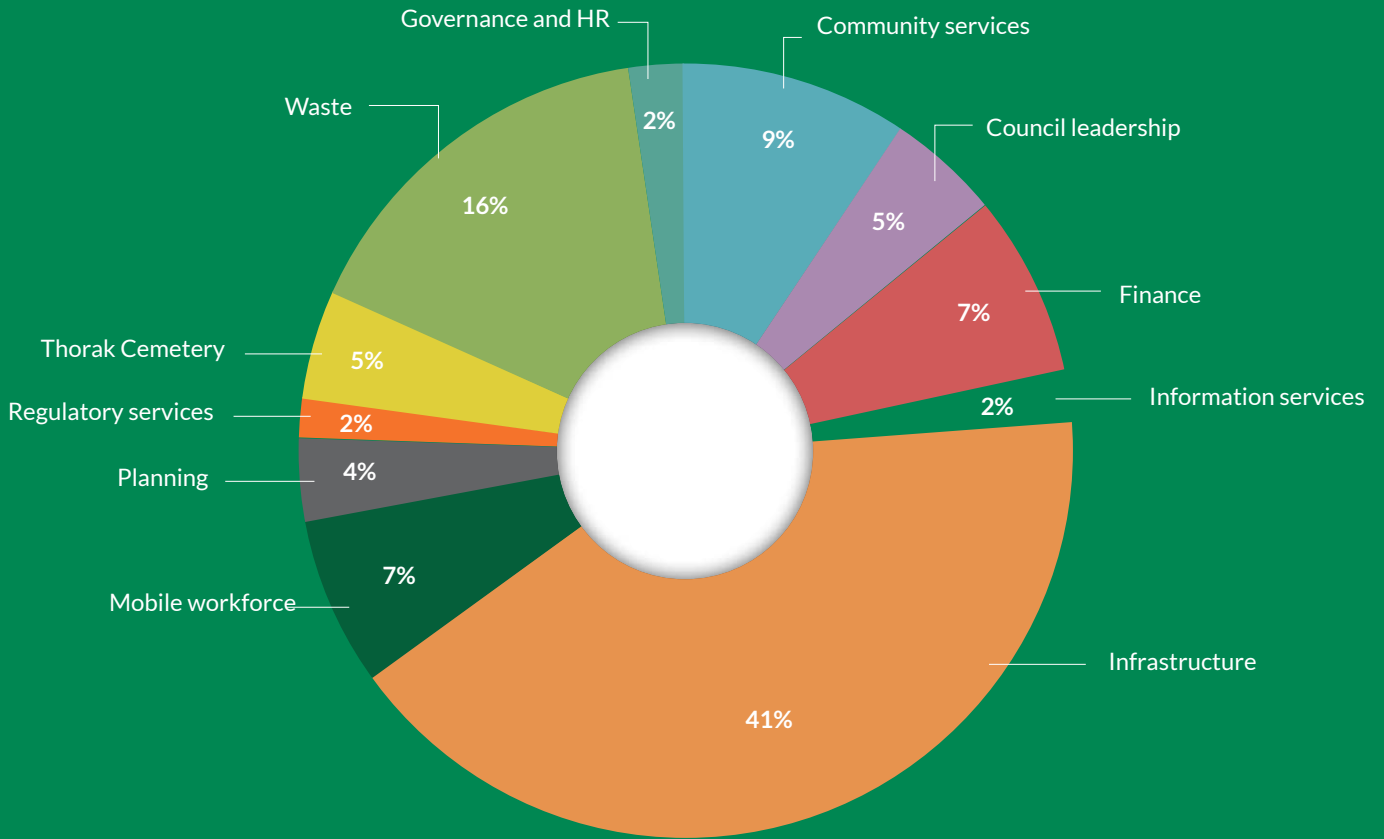
The financial reserves provide a source of funds for future commitments to assist meeting obligations to current and future generations. Council is tying all available funds to specific areas of future use in line with policy. These cash backed reserves however will be depleted over future years as Council addresses demands for renewing and replacing its substantial infrastructure assets.

Financial Reserves balances

2018-19	2017-18	2016-17	2015-16
\$23.2m	\$21.7m*	\$14.1m	\$14.4m

*Change in policy to improve transparency by tying all available funds in financial reserves to specific areas of future use.

For every \$100 of expenditure, Council delivers the following services:



*52 graves
and 62 new
plots created.*

Performance Reporting

COUNCIL LEADERSHIP

Directorate – Office of the Chief Executive

Responsible Officer	Chief Executive Officer
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Program Description

Provide strategic leadership, good governance, community engagement, advocacy and decision-making to achieve corporate outcomes.

Achievements

- Support to the Office of the Mayor and Chief Executive Officer.
- Implementation of Year One of the Community Engagement Strategy and Action Plan.
- Four Litchfield Women in Business Network events; Boosting Business Innovation in Litchfield, Territory Success Stories, International Women's Day: Visions of Balance Art Exhibition and Launch, and the Free Business Tax Seminar.
- Litchfield Women in Business Network monthly morning teas.
- Elected Members support and Council meetings.
- Successful advocacy for Mango Industry StrategicRoads Project.

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$0	\$10,030
Operational Expenditure	\$953,231	\$980,551
Net Operating Surplus (costs)	\$953,231	\$970,521
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0



Key Performance Indicators

KPI	Target	Actual	2018-19 Result
Community Survey – Satisfaction with Council's role in Advocacy	>60%	70% of residents aware of the role said good or very good	
Community Survey – Strategic Direction	>50%	49% of residents said good or very good	
Community Engagement Strategy – Actions Year 1	Done	Complete	
Community Survey: Complete	Done	Complete	
Overall satisfaction	>65%	55%	
Importance of Community engagement	>90%	Question amended 'How well is Council keeping the community up to date?' 57%	
Social Media Management – Unique engagement clicks on Facebook posts	>500	32,351	
New Residents Information Kit	Done	Complete	
Elected Members training and development – Number of professional development sessions	> 2 sessions	Complete	
Council meetings and activities – Executive Leadership:			
Outstanding actions from plans	<20	6	
Media Monitoring and Management – Media response time	<24 hours	Achieved	

Performance Reporting

HUMAN RESOURCES and WORK HEALTH & SAFETY

Directorate – Office of the Chief Executive









Responsible Officer	HR & WHS Advisor
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Program Description

Responsible for managing the WHS system and a range of operational, advisory and strategic human resource services that meet statutory requirements and enable Council to attract, develop and retain great staff.

Achievements

- Internal Leadership Team coaching program increasing management capabilities
- Implementation of staff values and behaviours, improving satisfaction ratings
- Development of uniform operational plans
- Staff Training in Anti-discrimination, First Aid, Staff Appraisals, Independent Commission Against Corruption

KPI	Target	Actual	2018-19 Result
Reward and Recognition Program	Implemented	Implemented	
HR Policies, Procedures, Checklists reviewed, developed and compliant	Complete	90% complete	
Staff Turnover rate	<20%	31%	
Staff Survey satisfaction	>70%	75%	
Corporate training and development framework including induction	Developed	90% Complete	
Work Health and Safety Management System:			
Lost time injuries	<3	6*	
Workers comp claims	<3	3	

*Long term absence 1
Below 5 Working Days of Absence 3
Above 5 Working Days of Absence 2



Performance Reporting

PLANNING & DEVELOPMENT

Directorate – Infrastructure and Operations

Responsible Officer	Planning and Development Manager
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Program Description

Review and provide comment on all regional plans, policies, development proposals and planning applications relevant to Litchfield Municipality, guided by Northern Territory and Council plans, policies and consideration of the amenity of residents.

Approve design and construction documentation, undertake onsite inspections and provide approvals for future Council assets in new developments and subdivisions.

Achievements

Land Use Planning

Council's role in the NT planning and development process is as a referral agency with the opportunity to assess all development proposals and planning applications within the municipality.

Strategic Planning

Council has assessed and provided comments for Planning Scheme Amendment, Rezoning, Concurrent and Area Plan applications which all required Ministerial approval. Of the six applications received, four were for rezoning of sites and two were related to proposed changes to the NT Planning Scheme.

Number of applications	2017-18	2018-19
	8	6

Statutory Land Use Planning

Of all the development applications received and referred to Council for comment, five were proposals to subdivide new lots, three were proposals for combined subdivision and consolidation (typically boundary realignments), and four were proposals for unit title subdivisions.

Number of applications	2017-18	2018-19
	69	57

Mining Leases and Permits






Mining Leases and Permits are managed under the **Mining Act**. As part of their approval process Council can make submissions; Council typically comments on appropriate access to the site from Council roads and haulage routes along Council roads.

Number of applications	2017-18	2018-19
	30	15

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$51,836	\$128,975
Operational Expenditure	\$688,273	\$730,145
Net Operating Surplus (costs)	(\$636,437)	(\$601,169)
Capital Revenue	\$60,353	\$139,701
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$60,353	\$139,701

Key Performance Indicators

Planning and Development	Target	Actual	2018-19 Result
Comments submitted on applications	>95	100%	
Plan approvals issued within 10 days	>90%	Achieved	
Issue works permits associated with a Development Permit	<5 days	Achieved	
Planning procedures and checklists	Complete	Complete	
Developer Contribution Plan	Complete	Underway	



Performance Reporting

INFRASTRUCTURE AND WORKS

Directorate – Infrastructure and Operations

Responsible Officer	Road Network Manager
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Program Description

Plan, provide and manage Council's road network and other infrastructure to ensure the social, cultural and economic success of the Litchfield Municipality.

Achievements

- There were 12 tenders awarded in 2018-19 for ongoing service provision and undertaking capital works projects.
- Unsealed roads were graded three times during 2018-19, including a full maintenance grade that includes table drains, off let drains and table drain blocks.
- Oxford Road was upgraded from gravel to a sealed road.
- Resheeting was performed on Mocatto Road Floodway, Spencer Road, Lambells Lagoon Road, Spencer Road (Peacock Road to End), Letchford Road Floodway and Magpie Way.
- Line marking was completed on 149 roads throughout the municipality at a cost of over \$274,000.
- Roadside trees were trimmed, and obstructions removed in 84 locations at a cost of almost \$169,000, helping to keep residents safe when driving in the Litchfield Municipality.

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$2,583,776	\$3,395,129
Operational Expenditure	\$3,101,389	\$3,007,108
Net Operating Surplus (costs)	(\$517,613)	(\$388,021)
Capital Revenue	\$3,436,877	\$4,836,564
Capital Expenditure	\$5,767,345	\$5,585,594
Net Capital Surplus (costs)	(\$2,330,468)	(\$749,030)

Capital Works Project	Budget	Status
Resealing of roads	\$1,000,045	Complete – cost \$814,720
Fred Pass Road Drainage Upgrade – Beaumont to Strangways Roads (Blackspot funding)	\$478,000	Complete – cost \$408,072
Re-sheeting of roads	\$400,000	Complete – cost \$382,688
Purchase of 3 Armadillo Traffic Counters	\$18,000	2 Purchased – cost \$10,909
Purchase and installation of safety rails along Leonino Road	\$90,000	Complete – cost \$48,980
Purchase and installation of safety rails along Hicks Road	\$90,000	Complete – cost \$59,900
Carruth Road Line-marking	\$30,000	Complete – cost \$31,527
Installation of Culverts on Pioneer Drive/Beddington Road Intersection	\$200,000	Complete – cost \$233,469
Installation of Culverts along Beddington Road	\$110,000	
Pavement Repairs and strengthening along Whitewood Road	\$427,000	Partially complete – cost \$351,431 Carried forward 2019-20
Oxford Road Sealing	\$400,000	Complete – cost \$149,548
Freds Pass Road Upgrade (carried forward from 2017-18)	\$1,070,500	Complete – cost \$408,072
Finn Road Upgrade (carried from 2017-18)	\$1,400,000	Complete – cost \$1,693,565
Irrigation System	\$6,800	Complete – cost \$15,721
Council building - meeting room	\$11,000	Complete – cost \$8,540



Key Performance Indicators

Works	Target	Actual	2018-19 Result
Process for informing community about road closures	Developed	Underway	
Capital Works Program delivered on time and in budget	>80%	85%	
Asset Management Policy and Plans	Developed	Underway	
Asset Inspection/Maintenance Program	Developed	Complete	
Productive Roads Project	Complete	Announced and awaiting funding	
Road Renewals, Upgrades and Maintenance Programs:			
Community Survey – Satisfaction with maintenance of local roads	>60%	66%	
Property Maintenance Program delivered on time and in budget	>90%	Complete	
Drainage Upgrades and Maintenance Program:			
On time and in Budget	>90%	99%	
Community Survey – Satisfaction with roadside drainage	>60%	62%	
Wet season road network management	<48 hours	Achieved	
Grant applications	Developed	Complete	



221 tonnes of asphalt used on patching potholes

Performance Reporting

MOBILE WORK FORCE (MWF)

Directorate – Infrastructure and Operations

Responsible Officer	MWF Manager
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Program Description

Provide an effective and efficient maintenance service for Council's road verges, drainage easements, signs, reserves, excised lands, areas surrounding waste transfer stations and Council buildings using well maintained plant and equipment.

Achievements

- Two rounds of slashing and mowing of over 800kms of road.
- Litter collection
- Maintenance of road signage and guideposts undertaken, with 182 guide posts installed, and 496 road signs repaired or installed
- Approximately 1000kms of Council owned fire breaks and road reserves were sprayed and slashed.

Weed management continued to be a focus for the Mobile Work Force. Council worked with Bush Fires NT and Weeds Branch NT to maintain strong weed management and burn programs through slashing and spraying.

Capital Works Project	Budget	Status
Building of shed	\$450,000	Shed construction tender awarded and earthworks complete
Tractor with loader replacement	\$150,000	Complete (actual cost - \$102,100)
Mower replacement	\$38,000	Complete (actual cost \$28,656.44)

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$1,249,031	\$1,337,814
Net Operating Surplus (costs)	(\$1,249,031)	(\$1,337,814)
Capital Revenue	\$60,000	\$0
Capital Expenditure	\$188,000	\$134,096
Net Capital Surplus (costs)	(\$128,000)	(\$134,096)



Key Performance Indicators

Mobile Work Force	Target	Actual	2018-19 Result
Slashing and mowing 900kms road network (equivalent to 7,200kms per round) before July fire bans	2 rounds	100% both rounds	
Fire breaks and road reserves slashing of 1000km	>75%	90%	
Replace non-compliant signs in the signage program to Australian standards	100%	90%	
Reduce lost time due to plant & equipment breakdown	<20 lost hours	Achieved	
Plant serviced within 3 days of service due date	100%	90%	
Weed spraying roadside furniture (signs, guide posts, culverts, power poles & pits). Target Gamba grass and classified weeds, 900km verges and 1000km excised lands	150,000 litres	Achieved	



Performance Reporting

WASTE MANAGEMENT

Directorate – Infrastructure and Operations

Responsible Officer	Waste Manager
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Program Description

Implementing an environmentally sustainable, safe and cost-effective waste management system through Council's waste transfer stations and recycling operations.

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$3,048,423	\$3,110,242
Operational Expenditure	\$2,765,452	\$3,131,438
Net Operating Surplus (costs)	\$282,971	(\$21,196)
Capital Revenue	\$0	\$0
Capital Expenditure	\$204,677	\$193,403
Net Capital Surplus (costs)	(\$204,677)	(\$193,403)





Achievements









- Waste to Landfill has dropped this year by 716 tonnes, reducing volume of waste sent to landfill at Shoal Bay Waste Management Facility.
- Mulch sales doubled this year with nearly 8000 cubic metres sold, clearing the backlog from Cyclone Marcus.
- TVs and Computers collections have doubled this year, this has been a well-received program by the community, and they are positively engaging with it.
- The Howard Springs Waste Transfer Station has received a shade structure over the gatehouse to provide shelter. A gatehouse has been constructed at Berry Springs Waste Transfer Station providing essential amenities for staff.

The following chart provides an overview of the waste and recycling material collected across the three transfer stations:

	2017-18	2018-19	Change
Waste to Landfill (tonnes)	7713	6842	↓
General Waste Disposal (tonnes)	7253	6441	↓
Construction Waste (tonnes)	459	401	↓
Green Waste Commercial (tonnes)	374	369	↓
Green Waste Domestic (tonnes)	2807	1596	↓
Total Recyclables Incoming (tonnes)	1874	1614	↓
Total Incoming Waste (tonnes)	12768	10420	↓
Cardboard (tonnes)	183	203	↑
Co-mingle (tonnes)	134	133	↓
Scrap Metal (tonnes)	1241	1056	↓
White Goods (tonnes)	123	8	↓
Air Conditioners (tonnes)	6	20	↑
Tvs and Computers (tonnes)	0	22	↑
Cash for Containers (tonnes)	45	53	↑
Wire (tonnes)	0	1	↑
Total Dry Recyclables (tonnes)	1730	1495	↓
Tyres (tonnes)	8	11	↑
Used Oil (tonnes)	49	39	↓
Batteries (tonnes)	87	68	↓
Wet Recyclables (tonnes)	144	119	↓
Total Recycling (tonnes)	1874	1614	↓
Crushed Concrete (sold) (tonnes)	647	21	↓
Wood Mulch (sold) (tonnes)	385	36	↓
Mulch (sold) (tonnes)	1032	2393	↑
Total Reprocessed (tonnes)	2064	2450	↑
Total Diversion (tonnes)	1313	1355	↑
Total waste diverted from landfill (%)	31%	39%	↑
Total waste dry recyclables (%)	14%	13%	↓
Green waste on-sold as mulch (%)	71%	127%	↓

Capital Works Project	Budget	Status
Vibrating Plate Compactor to suit Caterpillar Backhoe	\$14,677	Completed (cost - \$12,090)
Shade Shelter at Howard Springs Waste Transfer Station	\$60,000	Completed (cost - \$26,309)
Gatehouse at Berry Springs Waste Transfer Station, including power and water services	\$130,000	Completed (cost - \$128,947)

Key Performance Indicators

Waste Management	Target	Actual	2018-19 Result
Waste tonnage transferred to Shoal Bay	<10,000	6842 tonnes	
% of green waste received that is on-sold as mulch	>80%	122%	
Safe operation of waste transfer stations; Community satisfaction with waste transfer stations	>80%	83%	
Cost per tonne of throughput (operational cost for all materials received)	established baseline	\$299	
Resale of recycled materials; Community satisfaction with waste recycling	>55%	60%	
Total waste recycled (diverted from landfill)	>30%	39%	
Total waste dry recyclables	>15%	13%	
Waste Audits	October 2018	Complete	



Performance Reporting

REGULATORY SERVICES	
Directorate – Infrastructure and Operations	
Responsible Officer	Regulatory Services Manager
<p>Program Description Administer Council’s Dog Management By-Laws; promote responsible dog ownership through public education and initiatives, assist with the management and control of feral dogs and address abandoned vehicles.</p>	

Achievements

The Regulatory Services team administers Council’s Dog Management By-laws, promotes responsible dog ownership through public education and initiatives, assists with the management and control of feral dogs and addresses abandoned vehicles.

Regulatory Services staff (Rangers) are authorised officers under Section 122 of the Local Government Act.

There were 3,164 registered dogs (90% of all dogs on record) at the end of June. There has been an increase in customer requests relating to animal management, with a large percentage relating to unregistered dogs. There were decreases in dog menace and attacks reported.

Council encourages responsible dog ownership and provides a low-cost microchipping service that provided microchipping to 175 dogs this year. Education activities included a Dog Awareness Program presented by Rangers to students at Bees Creek Primary School. There were 338 dogs impounded for the year and 44 infringements issued for dog related offences, compared to 74 infringements issued in 2017-2018.

Council’s Animal Management Plan consultation process occurred, with it being prepared in final draft at the end of June. The consultation included a discussion paper from which the feedback was used to assist in the preparation of the Animal Management Plan. The draft Animal Management Plan then underwent a consultation process in draft before its finalisation. The Animal Management Plan provides Council with a strategic direction for animal management, with a focus on educational and responsible dog ownership.

Lost Dog Reports



Activities carried out this financial year include:

	2016-17	2017-18	2018-19	Variance
Dog at Large	399	417	428	↑
Dog Menace Animal	13	13	7	↓
Dog Attack Animal	69	64	56	↓
Lost Dog Reports	154	178	117	↓
Dog Menace Person	31	27	32	↑
Dog Attack Person	3	11	6	↓
Nuisance Barking	43	42	46	↑
Unregistered Dog	N/A	15	141	↑
Trap Request	19	42	44	↑
Feral Dog Reports	7	1	8	↑
Surrendered Dog	N/A	3	5	↑
Deceased Dog (removal)	N/A	8	3	↓
Abandoned Vehicle	N/A	41	43	↑
Other	15	14	11	↓
Total	753	876	947	↑

The table below provides the pound statistics for the 2018-19 financial year.

The table shows 75% of dogs are released to owners and 22% of dogs are transferred to PAWS.

Impounded Dogs	2017-18 Total	2018-19 Total
Released to Owner	248	234
Re-homed – Other	5	3
Transfer to Paws	91	82
Transfer to RSPCA	23	13
Euthanised	20	6
Total Impounded Dogs	387	338





2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$70,750	\$158,640
Operational Expenditure	\$364,614	\$331,806
Net Operating Surplus (costs)	(293,864)	(\$173,166)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

Regulatory Services	Target	Actual	2018-19 Result
Education program delivered to primary schools	>1	1	
Dogs registered increased	>10%	6% increase*	
Registered dogs that are desexed	>45%	73%	
Community Survey satisfaction with animal management	>50%	52%	
Animal Management Plan	Complete	Complete (adopted in July 2019 due to timing of Council Meeting)	
Record and investigate customer requests	Actioned in <2 days	100%	
Customer requests completed within 14 days	90%	90%	
Remove vehicles abandoned on roadsides	No target	43 abandoned vehicles removed	
Provide a microchipping program	No target	175 dogs microchipped by Council	

* The number of registered dogs has increased by 6%, short of the 10% target. Council is focussing on this through its Animal Management Plan, adopted in July 2019.

Performance Reporting

FINANCE

Directorate – Community and Corporate Services

Responsible Officer

Finance Manager

Program Description

Provide financial services to assist Council in making informed decisions and allocating resources efficiently and effectively in the short and long-term whilst ensuring Council meets all its statutory and regulatory obligations. Provide the first point of contact for residents and visitors and manage rates records in accordance with policy and legislative requirements.

Achievements

Municipal Plan

Finance has been able to support the organisation in developing a comprehensive budget for the Municipal Plan 2019–20, improving the financial information provided and increasing the transparency for our residents.

Monthly and annual financial reporting

Council has improved the quality and detail on monthly financial reporting presented to Council.

Improvements have been made to enable Council to track the recovery of current and prior years' rates debt. Additionally, Council approved the annual audited financial statements within legislative timelines with inclusion into the Annual Report.

Long Term Financial Plan








In conjunction with the Municipal Plan 2019–20 the Long-Term Financial Plan was reviewed and adopted by Council. The plan reports against Council's financial Key Performance Indicators as set in the Strategic Plan.

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018–19 Result
Operational Revenue	\$8,472,205	\$9,928,806
Operational Expenditure	\$1,523,732	\$1,543,180
Net Operating Surplus (costs)	\$6,948,473	\$8,385,626
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0



Key Performance Indicators

Finance	Target	Actual	2018-19 Result
Annual budget/Annual Report/Municipal Plan Compliant	100%	100%	
Monthly and annual financial reporting, including audit – unqualified audit	Complete	Completed	
Long term rating strategy - Rates coverage ratio-lowering Council's dependency on government grants and other funding sources	>50%	58%*	
Long term financial plan			
Liquidity ratio	>1:1	10.28:1	
Asset sustainability ratio	>60%	52%	
Current ratio	>1	10.28	
Debt service ratio	>1	0:1	
Review the customer request management system	Complete	Complete	
Rates and accounts receivable collection – current years rates outstanding as at 30 June 2019	<15%	7.3%	
Community Survey satisfaction in customer service	>60%	62%	

* includes waste charge

Performance Reporting

INFORMATION SERVICES

Directorate – Community and Corporate Services

Responsible Officer	Information Services Manager
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Program Description

Manage Council's information and communications systems to ensure alignment with business needs and excellent customer service.

Achievements

The Information and Communication Technologies (ICT) Improvement Plan (2018-2022) was initiated in 2017-18. With the guidance of the ICT Improvement Plan, several projects in 2018-19 were undertaken.

- In late 2018, Litchfield Council Office internet had a performance upgrade which resulted in a tenfold increase in the speed of the Fibre connection at Council Office (100/100).
- Thorak Regional Cemetery replaced its existing Microwave link connection with a Fibre internet solution in early 2019. The Cemetery Office is now operating with a more suitable system that is running internet speeds at 50/50.
- Litchfield Council, for the first time, tendered the ICT Managed Services. The tender was successfully awarded to a winning contractor in April 2019 for a period of three years.
- In 2018, Litchfield Council established an ICT Governance Committee to assume the responsibility and stewardship of ICT governance for Council.
- Established the supply of high-resolution imagery via the internet. This allows Council to access the twice-yearly updated imagery facilitating asset management.
- Established online applications for its Geographic Information System services. This project will see improved mapping capabilities available to the Council officers.
- Replacement of Taminmin Community Library ADSL connection with a Fibre internet solution resulting in a more suitable system running internet speeds at 50/50.



2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$509,486	\$470,058
Net Operating Surplus (costs)	(\$509,486)	(\$470,058)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

Information Services	Target	Actual	2018-19 Result
Percentage of Service Desk requests closed against open requests during a period	90%	95.4%	
CRM workflows for service delivery developed – usage increasing	>5%	3% decrease*	
Responsible Officers record corporate documents in EDRMS in line with Policy	90%	100%	
Incoming mail processed and recorded in system	<1 day	Achieved	
Implementation of the ICT Improvement Plan – Annual Actions	>90%	91.4%	
Manage Council's GIS – age of GIS Imagery of populated areas	<5 years	June 2019	

* Review of the Customer Management Request workflows has revealed inefficiencies in ensuring requests are not entered multiple times and therefore decreasing the number of requests in the system.

Performance Reporting

COMMUNITY SERVICES & COMMUNITY DEVELOPMENT

Directorate – Community and Corporate Services

Responsible Officer	Director of Community and Corporate Services
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Program Description

Support and resource Recreation Reserves committees of management to provide fit for purpose sport and recreational facilities. Develop inspection regimes and maintenance programs for playgrounds and tree maintenance on Recreation Reserves and manage Council's Community Grants Scheme and support community events and programs.

Achievements

- Coordinated events for Australia Day, Road Safety Day Event and Launch of the Youth Policy
- Sourced and secured various grant funding. Supported community organisations by distributing the Community Grants Scheme funding and ensured the promotion of Litchfield Council.
- Worked closely with the Reserve Committees and community groups to increase participation at Council's Recreation Reserves and improve facilities and usability of the reserves.
- Developed Council's inaugural Youth Policy and sustained membership on Palmerston and Rural Youth Services Network.

2018-19 Budget and Results (excluding depreciation)

Community Development including Recreation Reserves

	2018-19 Budget	2018-19 Result
Operational Revenue	\$82,000	\$99,957
Operational Expenditure	\$1,430,995	\$1,308,103
Net Operating Surplus (costs)	(\$1,348,995)	(\$1,208,146)
Capital Revenue	\$81,181	\$69,970
Capital Expenditure	\$411,181	\$467,712
Net Capital Surplus (costs)	(\$330,000)	(\$397,742)





LIBRARY SERVICES

Directorate – Community and Corporate Services

Responsible Officer	Director of Community and Corporate Services
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Program Description

Provide community library services.

Achievements

- Successful School Holiday Programs attracting over 2080 attendees
- Increase of over 30% of likes on the library Facebook page.

2018-19 Budget and Results (excluding depreciation)

Library Services

	2018-19 Budget	2018-19 Result
Operational Revenue	\$0	\$252,987
Operational Expenditure	\$0	\$199,033
Net Operating Surplus (costs)	\$0	\$53,954
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0

Key Performance Indicators

KPI	Target	Actual	2018-19 Results
Use of community halls increasing	>8 hrs per week	0*	
Community events and programs calendar produced	Complete	Complete	
Grants received by Council acquitted within agreed timeframes	100%	100%	
Community procedures and checklists developed	Complete	Complete	
Annual Community Grants Scheme - Number of Community events and programs supported	8	12	
Community Survey satisfaction with Recreation Reserves	>65%	83%	
Australia Day Event community participation	>300	350	
Playground inspection program develop and implement	Complete	Complete	

* Use of community halls could not be increased through advertisement. A review of the facilities will need to be conducted.

Performance Reporting

GOVERNANCE & RISK

Directorate – Community and Corporate Services

Responsible Officer	Governance & Risk Advisor
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Program Description

Provide and support best practice governance, statutory compliance and risk management for Council.

Achievements

A total of 6 policies were reviewed by Council and 7 administrative policies approved by the Chief Executive Officer.

Council received a final successful close out letter from the Department of Local Government, Housing and Community Development

Two internal audits were conducted on:

- Council's payroll processes and
- Contract management processes.

Negotiations continued regarding the development of Meeting Procedure By-laws with Council receiving a set of Draft By-laws for consideration.






Employment of a Records Management Officer and implementation of an updated records management policy, procedure and business classification system including the establishment of an approved records disposal schedule.

2018-19 Budget and Results (excluding depreciation)

	2018-19 Budget	2018-19 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$489,335	\$480,374
Net Operating Surplus (costs)	(\$489,335)	(\$480,374)
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
Net Capital Surplus (costs)	\$0	\$0



Key Performance Indicators

Key Output	Target	Actual	2018-19 Result
Compliance with legislative requirements as per Department of Local Government Compliance Checklist	100%	100%	
Risk Management Audit Committee Meetings Number	4	4	
Internal Audits conducted in accordance with RMAC endorsed Annual Internal Audit Program	3	2	
Amenity protection By-law developed	Complete	Not Complete*	
Coordinate records management review and improvements	Complete	Complete	

* Development of *By-laws* has been delayed due to capacity in NTG Parliamentary Counsel.

Performance Reporting

THORAK REGIONAL CEMETERY

Directorate – Community and Corporate Services

Responsible Officer Thorak Manager

Program Description

Operate the Thorak Regional Cemetery and Crematorium for the Top End efficiently and effectively in accordance with approved plans and the Northern Territory Cemeteries Act, Regulations and Council policies.

Achievements:

- The Asset Management Plan was accepted by the Board.
- Optic fibre was installed giving a faster and more stable internet connection.
- Two new beams were installed in the Garden of Angel section, creating an additional 52 graves. One new beam was installed into Section E creating 62 new plots.
- All high-risk trees have been either removed or pruned according to the Tree Report 2019.
- The KPMG Business Case, commissioned by Litchfield Council, City of Darwin and City of Palmerston was submitted to the Minister for Housing and Community Development.
- An information brochure has been designed and will be printed and distributed.
- A Memorial Display Policy was approved allowing stone mason and similar trades to display their memorials and monuments for an annual fee.
- The extended Cremation Service established last year has been very successful with 9 packages sold.

Services	2016/17	2017-18	2018-19	Variance
Burials	95	94	138	Up
Cremations	140	181	186	Up
Chapel Hire	55	67	79	Up
TOTAL	290	342	403	Up

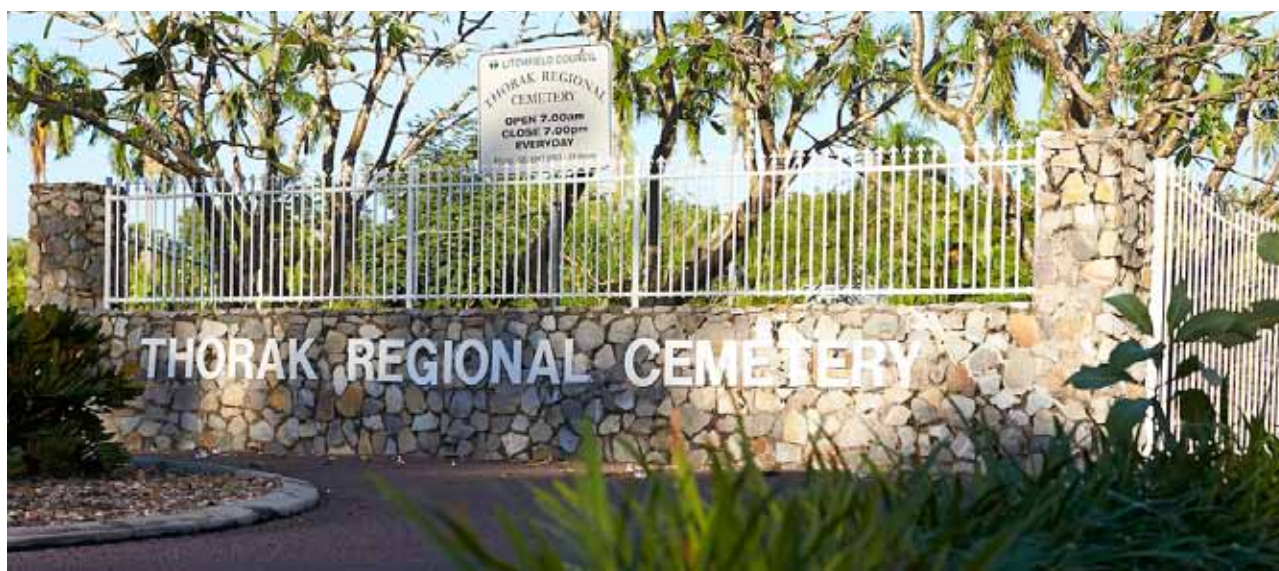


2018-19 Budget and Results (excluding depreciation)













	2018-19 Budget	2018-19 Result
Operational Revenue	\$777,447	\$1,119,814
Operational Expenditure	\$820,749	\$950,801
Net Operating Surplus (costs)	(\$43,302)	\$169,014
Capital Revenue	\$0	\$0
Capital Expenditure	\$17,530	\$0
Net Capital Surplus (costs)	\$17,530	\$0

Key Performance Indicators

KPI	Target	Actual	2018-19 Result
Compliance with legislative requirements	100%	100%	
Achievement of operational budget	100%	100%	
Community Survey: Importance of Thorak	>60%	Question amended to ranking of importance with Thorak ranking 10 th most important service out of 10	
Satisfaction with Thorak	>65%	92%	
Chapel use	>50% capacity	75%	
Memorial Inspection	Annual	Annual	
Maintenance of plant and equipment and building up keep	Staff efficiency increases	Service levels defined	
Sales Growth	>10%	>10% increase	






















Summary of Key Performance Indicators

KPI	Target	Actual	2018-19 Result
Community Survey – Satisfaction with Council’s role in Advocacy	>60%	70% of residents aware of the role said good or very good	
Community Survey – Strategic Direction	>50%	49% of residents said good or very good	
Community Engagement Strategy – Actions Year 1	Complete	Complete	
Community Survey: Complete	Complete	Complete	
Overall satisfaction	>65%	55%	
Importance of Community engagement	>90%	Question amended ‘How well is Council keeping the community up to date?’ 57%	
Social Media Management – Unique engagement clicks on Facebook posts	>500	32,351	
New Residents Information Kit		Complete	
Elected Members training and development – Number of professional development sessions	> 2 sessions	Complete	
Council meetings and activities – Executive Leadership: Outstanding actions from plans	<20	6	
Media Monitoring and Management – Media response time	<24 hours	Achieved	
Reward and Recognition Program	Implemented	Implemented	
HR Policies, Procedures, Checklists reviewed, developed and compliant	Complete	90% complete	
Staff Turnover rate	<20%	31%	
Staff Survey satisfaction	>70%	75%	
Corporate training and development framework including induction	Developed	90% Complete	
Work Health and Safety Management System: Lost time injuries	<3	6	
Workers comp claims	<3	3	
Comments submitted on applications	>95	100%	
















KPI	Target	Actual	2018-19 Result
Plan approvals issued within 10 days	>90%	Achieved	
Issue works permits associated with a Development Permit	<5 days	Achieved	
Planning procedures and checklists	Complete	Complete	
Developer Contribution Plan	Complete	Underway	
Process for informing community about road closures	Developed	Underway	
Capital Works Program delivered on time and on budget	>80%	85%	
Asset Management Policy and Plans	Developed	Underway	
Asset Inspection/Maintenance Program	Developed	Complete	
Productive Roads Project	Complete	Announced and awaiting funding	
Road Renewals, Upgrades and Maintenance Programs:			
Community Survey – Satisfaction with maintenance of local roads	>60%	66%	
Property Maintenance Program delivered on time and on budget	>90%	Complete	
Drainage Upgrades and Maintenance Program:			
On time and in Budget	>90%	99%	
Community Survey – Satisfaction with roadside drainage	>60%	62%	
Wet season road network management	<48 hours	Achieved	
Grant applications	Developed	Complete	
Slashing and mowing 900kms road network (equivalent to 7,200kms per round) before July fire bans	2 rounds	100% both rounds	
Fire breaks and road reserves slashing of 1000km	>75%	90%	
Replace non-compliant signs in the signage program to Australian standards	100%	90%	
Reduce lost time due to plant & equipment breakdown	<20 lost hours	Achieved	
Plant serviced within 3 days of service due date	100%	90%	

KPI	Target	Actual	2018-19 Result
Weed spraying roadside furniture (signs, guide posts, culverts, power poles & pits). Target Gamba grass and classified weeds, 900km verges and 1000km excised lands	150,000 litres	Achieved	
Waste tonnage transferred to Shoal Bay	< 10,000	6842 tonnes	
% of green waste received that is on-sold as mulch	>80%	122%	
Safe operation of waste transfer stations; Community satisfaction with waste transfer stations	>80%	83%	
Cost per tonne of throughput – established baseline	\$TBD	End of year calculation to occur following end of year processing	
Resale of recycled materials; Community satisfaction with waste recycling	>55%	60%	
Total waste recycled (diverted from landfill)	>30%	39%	
Total waste dry recyclables	>15%	13%	
Waste Audits	October 2018	Complete	
Education program delivered to primary schools	>1	1	
Dogs registered increased	>10%	6% increase	
Registered dogs that are desexed	>45%	73%	
Community Survey satisfaction with animal management	>50%	52%	
Animal Management Plan	Complete	Complete (adopted in July 2019 due to timing of Council Meeting)	
Record and investigate customer requests	Actioned in <2 days	100%	
Customer requests completed within 14 days	90%	90%	
Remove vehicles abandoned on roadsides	No target	43 abandoned vehicles removed	
Provide a microchipping program	No target	175 dogs microchipped by Council	
Annual budget/Annual Report/Municipal Plan Compliant	100%	100%	
Monthly and annual financial reporting, including audit – unqualified audit	Complete	Completed	



KPI	Target	Actual	2018-19 Result
Long term rating strategy - Rates coverage ratio-lowering Council's dependency on government grants and other funding sources	>50%	58%	
Long term financial plan			
Liquidity ratio	>1:1	10.28:1	
Asset sustainability ratio	>60%	52%	
Current ratio	>1	10.28	
Debt service ratio	>1	0:1	
Review the customer request management system	Complete	Complete	
Rates and accounts receivable collection – current years rates outstanding as at 30 June 2019	<15%	7.3%	
Community Survey satisfaction in customer service	>60%	62%	
Percentage of Service Desk requests closed against open requests during a period	90%	95.4%	
CRM workflows for service delivery developed – usage increasing	>5%	3% decrease	
Responsible Officers record corporate documents in EDRMS in line with Policy	90%	100%	
Incoming mail processed and recorded in system	<1 day	Achieved	
Implementation of the ICT Improvement Plan – Annual Actions	>90%	91.4%	
Manage Council's GIS – age of GIS Imagery of populated areas	<5 years	June 2019	
Use of community halls increasing	>8 hrs per week	0	
Community events and programs calendar produced	Complete	Complete	
Grants received by Council acquitted within agreed timeframes	100%	100%	
Community procedures and checklists developed	Complete	Complete	
Annual Community Grants Scheme - Number of Community events and programs supported	8	12	
Community Survey satisfaction with Recreation Reserves	>65%	83%	
Australia Day Event community participation	>300	350	

KPI	Target	Actual	2018-19 Result
Playground inspection program develop and implement	Complete	Complete	
Compliance with legislative requirements as per Department of Local Government Compliance Checklist	100%	100%	
Risk Management Audit Committee Meetings Number	4	4	
Internal Audits conducted in accordance with RMAC endorsed Annual Internal Audit Program	3	2	
Amenity protection By-law developed	Complete	Not Complete	
Coordinate records management review and improvements	Complete	Complete	
Compliance with legislative requirements	100%	100%	
Achievement of operational budget	100%	100%	
Community Survey			
Importance of Thorak	>60%	Question amended to ranking of importance with Thorak ranking 10 th most important service out of 10	
Satisfaction with Thorak	>65%		92%
Chapel use	>50% capacity	75%	
Memorial Inspection	Annual	Annual	
Maintenance of plants and equipment and building up keep	Staff efficiency increases	Service levels defined	
Sales Growth	>10%	>10% increase	

Litchfield Council

General Purpose Financial Reports

for the year ended 30 June 2019

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Litchfield Council
Annual Financial Statements
for the year ended 30 June 2019

OFFICER'S STATEMENT

I, Daniel Fletcher, the Chief Executive Officer of the Litchfield Council, hereby certify that the Annual Financial Statements:

(a) have been drawn up in accordance with the applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Council and the results for the year; and

(b) are in accordance with the accounting and other records of Council.



.....
Daniel Fletcher
CHIEF EXECUTIVE OFFICER

Date: 31 October 2019

Litchfield Council
Statement of Comprehensive Income
for the year ended 30 June 2019

	Notes	2019 \$	2018 \$
INCOME			
Rates	2	10,431,217	9,811,439
Statutory charges	2	155,368	64,359
User charges	2	1,612,219	1,175,109
Grants, subsidies and contributions	2	4,942,103	5,703,928
Investment income	2	815,990	758,200
Reimbursements	2	22,198	60,224
Other income	2	136,571	150,389
Total Income		18,115,666	17,723,648
EXPENSES			
Employee costs	3	6,646,145	5,737,007
Materials, contracts & other expenses	3	7,637,181	7,875,804
Depreciation, amortisation & impairment	3	12,921,357	16,615,287
Total Expenses		27,204,683	30,228,098
OPERATING SURPLUS / (DEFICIT)		(9,089,017)	(12,504,450)
Asset disposal & fair value adjustments	4	(103,011)	(14,626)
Amounts received specifically for new or upgraded assets	2	4,064,461	2,127,544
Physical resources received free of charge	2	1,010,687	1,351,911
NET SURPLUS / (DEFICIT) (transferred to Equity Statement)		(4,116,880)	(9,039,621)
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Changes in revaluation surplus - infrastructure, property, plant & equipment	7	-	52,548,161
Total Other Comprehensive Income		-	52,548,161
TOTAL COMPREHENSIVE INCOME		(4,116,880)	43,508,540

This Statement is to be read in conjunction with the attached Notes.

Litchfield Council
Statement of Financial Position
as at 30 June 2019

ASSETS	Notes	2019	2018
		\$	\$
Current Assets			
Cash and cash equivalents	5	2,305,545	2,215,070
Trade & other receivables	5	3,327,702	2,178,778
Other financial assets	5	21,371,107	20,586,716
Total Current Assets		<u>27,004,354</u>	<u>24,980,564</u>
Non-current Assets			
Infrastructure, property, plant & equipment	7	309,111,797	315,500,765
Other non-current assets	6	3,739,185	3,042,080
Total Non-current Assets		<u>312,850,982</u>	<u>318,542,845</u>
Total Assets		<u>339,855,336</u>	<u>343,523,409</u>
LIABILITIES			
Current Liabilities			
Trade & other payables	8	2,652,453	2,244,294
Provisions	8	576,397	621,414
Total Current Liabilities		<u>3,228,850</u>	<u>2,865,708</u>
Non-current Liabilities			
Provisions	8	473,646	387,981
Total Non-current Liabilities		<u>473,646</u>	<u>387,981</u>
Total Liabilities		<u>3,702,496</u>	<u>3,253,689</u>
NET ASSETS		<u>336,152,840</u>	<u>340,269,720</u>
EQUITY			
Accumulated Surplus		17,011,621	22,733,631
Asset Revaluation Reserves	9	295,859,891	295,859,891
Other Reserves	9	23,281,328	21,676,198
TOTAL EQUITY		<u>336,152,840</u>	<u>340,269,720</u>

This Statement is to be read in conjunction with the attached Notes.

Litchfield Council

Statement of Changes in Equity for the year ended 30 June 2019

	Notes	Acc'd Surplus	Asset Rev'n Reserve	Other Reserves	TOTAL EQUITY
		\$	\$	\$	\$
2019					
Balance at end of previous reporting period		22,733,631	295,859,891	21,676,198	340,269,720
Net Surplus / (Deficit) for Year		(4,116,880)			(4,116,880)
Other Comprehensive Income					
Transfers between reserves and accumulated surplus		(1,605,130)		1,605,130	-
Balance at end of period		17,011,621	295,859,891	23,281,328	336,152,840
2018					
Balance at end of previous reporting period		39,373,634	243,311,730	14,075,816	296,761,180
Net Surplus / (Deficit) for Year		(9,039,621)			(9,039,621)
Other Comprehensive Income					
Changes in revaluation surplus - infrastructure, property, plant & equipment			52,548,161		52,548,161
Transfers between reserves and accumulated surplus		(7,600,382)		7,600,382	-
Balance at end of period		22,733,631	295,859,891	21,676,198	340,269,720

This Statement is to be read in conjunction with the attached Notes

Litchfield Council
Statement of Cash Flows
for the year ended 30 June 2019

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2019	2018
		\$	\$
Receipts:			
Rates - general & other		10,228,155	10,066,513
Fees & other charges		1,922,517	1,389,907
Investment receipts		782,982	751,346
Grants utilised for operating purposes	2	4,433,105	6,131,723
Reimbursements		22,198	-
Other operating receipts		328,366	210,613
Payments:			
Employee costs		(6,059,479)	(5,773,967)
Materials, contracts & other expenses		(8,433,608)	(7,656,707)
Other operating payments		(92,013)	(80,606)
Net Cash provided by Operating Activities		3,132,223	5,038,822
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Amounts specifically for new or upgraded assets	2	4,064,461	2,127,544
Sale of replaced assets		58,989	-
Sale of surplus assets		-	19,560
Payments:			
Expenditure on renewal/replacement of assets		(2,002,288)	(4,412,663)
Expenditure on new/upgraded assets		(4,378,519)	(1,476,077)
Net purchase of investment securities		(784,391)	(1,012,179)
Net Cash used in Investing Activities	39	(3,041,748)	(4,753,815)
Net Increase in cash held		90,475	285,007
Cash & cash equivalents at beginning of period	11	2,215,070	1,930,063
Cash & cash equivalents at end of period	11	2,305,545	2,215,070

This Statement is to be read in conjunction with the attached Notes

Litchfield Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, and relevant Northern Territory legislation.

The financial report was authorised for issue by certificate under clause 16 of the *Local Government (Accounting) Regulations* dated 31 October 2019.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

In 2018-19 the Council has reviewed the useful life of all infrastructure assets which has resulted in a reduction of approximate \$3.7m in depreciation cost. The review has been supported by qualified valuers.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2 The Local Government Reporting Entity

Litchfield Council is incorporated under the *NT Local Government Act* and has its principal place of business at 7 Bees Creek Road, Freds Pass NT. These financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports.

3 Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Council obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as incomes in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

In recent years the payment of untied financial assistance grants has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference	
2016/17	\$4,459,048	\$2,939,690	+	\$1,519,358
2017/18	\$3,073,489	\$3,027,805	+	\$45,684
2018/19	\$3,262,720	\$3,166,490	+	\$96,230

Because these grants are untied, the Australian Accounting Standards require that payments be recognised as income upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The actual amounts of untied grants received during the reporting periods (including the advance allocations) are disclosed in Note 2a.

3.1 Construction Contracts

Construction works undertaken by the Council for third parties are generally on an agency basis where the third party reimburses the Council for actual costs incurred, and usually do not extend beyond the reporting period. As there is no profit component, such works are treated as 100% completed.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the *Local Government Act 2014*. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 13.

5 Infrastructure, Property, Plant & Equipment

5.1 Land under roads

The Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 *Land under Roads*. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of the Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

5.2 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to *infrastructure, property, plant & equipment* when completed ready for use.

5.3 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

5.4 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 7.

5.5 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7.

5.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets carried at fair value whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Council were deprived thereof, are not assessed for impairment.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

6.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as the Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Council does not make payment for untaken sick leave.

Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and the Council's involvement with the schemes are reported in Note 16.

8 Leases

Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

In respect of finance leases, where the Council substantially carries the entire risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Council is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

9 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

10 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been used in preparing these reports.

AASB 15	Revenue from Contracts with Customers
AASB 16	Leases
AASB 1058	Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above - AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

(Standards not affecting local government have been excluded from the above list.)

AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities*, which will commence from 1 July 2019, affect the timing with which revenues, particularly special purpose grants, are recognised. Amounts received in relation to contracts with sufficiently specific performance obligations will in future only be recognised as these obligations are fulfilled. In these Statements, the sum of approximately \$3.6m has been recognised as revenue, in accordance with the current Standards, but may in future be recorded as a liability "Amounts in Advance" until the performance obligations have been fulfilled.

AASB 16 *Leases*, which will commence from 1 July 2019, requires that the right of use conveyed by leasing contracts - except leases with a maximum term of 12 months and leases for non-material amounts - be recognised as a form of Infrastructure, Property, Plant and Equipment, and that the lease liability be disclosed as a liability.

At 30 June 2019, Council has no leases to which this treatment will need to be applied.

11 New Accounting Standards

In the current year, the Council adopted all the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

AASB 9 *Financial Instruments*

The Council applied AASB 9 *Financial Instruments* for the first time which became effective for annual periods beginning 1 July 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).

There has been no material impact upon adoption of this standard as the classification and recognition of the Council's financial assets and liabilities has not changed.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures.

There have been no changes to impairment losses following the adoption of AASB 9. Other than the new disclosure requirements, the application had no material impact on the Council's financial report.

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2 - INCOME

	Notes	2019 \$	2018 \$
RATES REVENUES			
<u>General Rates</u>			
Residential		6,732,902	6,366,958
Commercial/Industrial		651,446	619,575
Other		74,330	69,907
		<u>7,458,678</u>	<u>7,056,440</u>
<u>Other Rates</u> (including service charges)			
Waste Management Services		2,853,843	2,754,999
Road Seal Levy		118,696	-
		<u>2,972,539</u>	<u>2,754,999</u>
		<u>10,431,217</u>	<u>9,811,439</u>
STATUTORY CHARGES			
Animal registration fees & fines		155,368	64,359
		<u>155,368</u>	<u>64,359</u>
USER CHARGES			
Cemetery income		1,119,814	917,981
Community Halls Hire		27,877	16,163
Subdivision and development fees		266,294	43,061
Permit Fees		3,921	6,243
Waste Disposal Fees		167,083	149,657
Rate Search Fees		22,325	18,884
Sundry		4,905	23,120
		<u>1,612,219</u>	<u>1,175,109</u>
INVESTMENT INCOME			
Interest on investments:			
Banks & other		588,626	538,410
Interest on overdue rates and charges		227,364	219,790
		<u>815,990</u>	<u>758,200</u>
REIMBURSEMENTS			
- for private works		12,168	50,248
- other		10,030	9,976
		<u>22,198</u>	<u>60,224</u>
OTHER INCOME			
Insurance & other recoupments		57,844	3,805
Sundry		78,727	146,584
		<u>136,571</u>	<u>150,389</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS			
Amounts received specifically for new or upgraded assets		4,064,461	2,127,544
Other grants, subsidies and contributions		4,942,103	5,703,928
		<u>9,006,564</u>	<u>7,831,472</u>

The functions to which these grants relate are shown in Note 12.

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 2 - INCOME (con't)

		2019	2018
	Notes	\$	\$
Sources of grants			
<i>Commonwealth government</i>		6,533,296	4,802,922
<i>State government</i>		2,470,268	2,870,759
<i>Other</i>		3,000	157,791
		<u>9,006,564</u>	<u>7,831,472</u>
 Conditions over grants & contributions			
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>			
<i>Unexpended at the close of the previous reporting period</i>		3,183,077	2,772,990
<i>Less: expended during the current period from revenues recognised in previous reporting periods:</i>			
<i>Infrastructure</i>		<u>(868,951)</u>	<u>(1,688,832)</u>
<i>Subtotal</i>		<u>(868,951)</u>	<u>(1,688,832)</u>
 <i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>			
<i>Infrastructure</i>		<u>1,362,001</u>	<u>2,098,919</u>
<i>Subtotal</i>		<u>1,362,001</u>	<u>2,098,919</u>
<i>Unexpended at the close of this reporting period</i>		<u>3,676,127</u>	<u>3,183,077</u>
 <i>Net increase / (decrease) in assets subject to conditions in the current reporting period</i>		<u>493,050</u>	<u>410,087</u>
 PHYSICAL RESOURCES RECEIVED FREE OF CHARGE			
<i>Roads, Culverts & Footpaths</i>		<u>1,010,687</u>	<u>1,351,911</u>
TOTAL PHYSICAL RESOURCES RECEIVED		<u>1,010,687</u>	<u>1,351,911</u>

Litchfield Council

Working Paper - RECONCILIATION OF GRANTS RECEIVED for the year ended 30 June 2019

This schedule records all grants received, including from other levels of Government, whether described as grants, subsidies or otherwise. (Amounts shown as negative are awaiting reimbursement to Council.)

	Opening Balance 1 July 2018	Movements		Closing Balance 30 June 2019
		Received/ Receivable	Expended	
GRANTS				
	\$	\$	\$	\$
GENERAL PURPOSE				
Federal Assistance Grant - general purpose	253,012	583,018	545,220	290,810
Federal Assistance Grant - roads	1,312,030	2,679,702	2,627,149	1,364,583
Subtotal	1,565,042	3,262,720	3,172,369	1,655,393
SPECIFIC PURPOSE				
Roads to Recovery	0	723,377	723,377	0
Road Safety Grant - Howard Park Reserve	0	2,759	2,759	0
Australia Day and Youth Week	0	3,000	3,000	0
Northern Territory Libraries - Operational Grant	0	252,023	198,069	53,954
NDRRA - Funding for Cyclone Marcus Clean up	0	698,224	698,224	0
Subtotal	0	1,679,383	1,625,429	53,954
TOTAL OTHER GRANTS	1,565,042	4,942,103	4,797,798	1,709,347
Comparatives	1,971,378	5,546,137	552,934	1,565,042
GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS				
SPECIFIC PURPOSE				
SPG - Howard Park Reserve - Irrigation Upgrades	6,388	0	3,156	3,232
SPG - Mobile Workforce Shed	214,020	0	26,057	187,963
Freds Pass Reserve Capital Upgrade \$3m (NTG)	464,211	0	300,256	163,955
Freds Pass Reserve Capital Upgrade \$2m (NTG)	2,000,000	0	53,856	1,946,144
SPG - Council Office Solar System	50,095	0	50,095	0
SPG - Humpty Doo Village Green Hall Upgrade	33,824	0	20,992	12,832
Stronger Communities Grant - Howard Park Reserve Kitchens	15,000	0	15,000	0
Northern Territory Government Major Projects Grant - Freds Pass Road	399,539	274,151	673,690	0
DIPL - safety upgrades at Girraween School	0	15,000	15,000	0
Department Local Government Energy Efficiency Grant - Streetlights	0	162,800	0	162,800
DIPL - Finn Road Upgrade	0	1,693,565	1,693,565	0
NDRRA Monsoonal Trough January 2018	0	1,848,975	712,936	1,136,039
SPG - Howard Park Reserve - Playground Upgrade	0	69,970	60,762	9,208
TOTAL GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS	3,183,077	4,064,461	3,625,365	3,622,173
Comparatives	2,307,740	2,127,544	1,651,746	3,183,077
Recognised as revenue in advance of expenditure	4,748,119			5,331,520
	4,748,119			5,331,520

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - EXPENSE

	Notes	2019 \$	2018 \$
EMPLOYEE COSTS			
Salaries and Wages		4,764,261	4,317,575
Employee leave expense		1,002,719	695,966
Superannuation - defined contribution plan contributions	16	564,169	481,066
Workers' Compensation Insurance		98,231	104,053
Other		216,765	138,347
Total Operating Employee Costs		6,646,145	5,737,007
Total Number of Employees		52	50
<i>(Full time equivalent at end of reporting period)</i>			
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		54,650	34,872
- Other Services		-	3,838
Bad and Doubtful Debts		8,609	52,301
Elected members' expenses		244,399	223,132
Election expenses		-	124,300
Subtotal - Prescribed Expenses		307,658	438,443
<u>Other Materials, Contracts & Expenses</u>			
Cemetery Operations		389,709	234,815
Contractors		4,235,484	4,694,193
Energy		218,123	235,886
Insurance		257,360	205,737
Maintenance		511,601	466,569
Legal Expenses		68,536	25,288
Donations and Community Support		119,318	123,789
Computer / IT Costs		352,495	315,639
Parts, accessories & consumables		119,895	230,858
Professional services		598,604	470,096
Sundry		458,398	434,491
Subtotal - Other Materials, Contracts & Expenses		7,329,523	7,437,361
		7,637,181	7,875,804

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - EXPENSE con't

	2019	2018
Notes	\$	\$
DEPRECIATION, AMORTISATION & IMPAIRMENT		
Depreciation		
Buildings	947,707	889,066
- Sealed Roads	9,417,534	11,281,488
- Unsealed Roads	1,428,783	2,864,101
- Road Culverts	369,478	339,798
- Kerbs & Gutters	35,964	32,385
- Driveway Vehicle Crossings	103,598	182,851
- Footpaths	22,985	19,612
- Road signs	42,785	110,452
- Inverts	-	878
- Point Generic	63,618	39,500
- Driveways	7,429	503,043
- Bicycle Paths	20,586	24,915
- Storm Waste Drains	-	-
- Streetlights	39,004	21,088
- Plant & Equipment	44,086	34,919
- Motor Vehicles	280,125	191,470
- Thorak Buildings	67,842	49,888
- Thorak - Motor Vehicles	29,833	29,833
	<u>12,921,357</u>	<u>16,615,287</u>

Note 4 - ASSET DISPOSALS AND FAIR VALUE ADJUSTMENTS

	2019	2018
Notes	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	58,989	19,560
Less: Carrying amount of assets sold	(162,000)	(34,186)
Gain (Loss) on disposal	<u>(103,011)</u>	<u>(14,626)</u>
NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS	<u>(103,011)</u>	<u>(14,626)</u>

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 5 - CURRENT ASSETS

	Notes	2019 \$	2018 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		<u>2,305,545</u>	<u>2,215,070</u>
		2,305,545	2,215,070
TRADE & OTHER RECEIVABLES			
Rates - General & Other		2,101,108	1,898,046
Accrued Revenues		237,512	204,504
Debtors - general		856,681	100,578
GST Recoupment		160,876	-
Prepayments		<u>29,334</u>	<u>22,070</u>
Total		<u>3,385,511</u>	<u>2,225,198</u>
Less: Allowance for Doubtful Debts		<u>(57,809)</u>	<u>(46,420)</u>
		3,327,702	2,178,778
OTHER FINANCIAL ASSETS			
Bank Investments - Term Deposits		<u>21,371,107</u>	<u>20,586,716</u>
		21,371,107	20,586,716

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

Note 6 - NON-CURRENT ASSETS

	Notes	2019 \$	2018 \$
FINANCIAL ASSETS			
OTHER NON-CURRENT ASSETS			
Capital Works-in-Progress		<u>3,739,185</u>	<u>3,042,080</u>
		3,739,185	3,042,080

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

	Fair Value Level	2018 \$'000				2019 \$'000			
		Fair Value	Cost	Acc' Dep'n	Carrying Amount	Fair Value	Cost	Acc' Dep'n	Carrying Amount
Land - Council owned	2	14,387,856	-	-	14,387,856	-	-	14,387,856	
Land - Drainage	3	6,638,569	-	-	6,638,569	1,936,631	-	8,575,200	
Buildings	2	34,169,360	229,823	(10,110,548)	24,288,635	489,813	(11,058,255)	23,600,918	
Infrastructure		-	-	-	-	-	-	-	
- Sealed Roads	3	331,613,100	270,484	(131,066,848)	200,816,736	3,209,731	(140,484,382)	194,338,449	
- Unsealed Roads	3	50,162,000	-	(25,427,833)	24,734,167	378,833	(26,856,616)	23,684,217	
- Road Culverts	3	36,755,158	25,234	(8,886,622)	27,893,770	548,354	(9,256,100)	28,047,412	
- Kerbs & Gutters	3	1,765,900	8,856	(723,000)	1,051,756	59,780	(758,964)	1,066,716	
- Driveway Vehicle Crossings	3	10,440,385	-	(2,878,052)	7,562,333	50,474	(2,981,650)	7,509,209	
- Footpaths	3	799,800	-	(269,200)	530,600	157,201	(292,185)	664,816	
- Road signs	3	719,180	22,722	(294,691)	447,211	108,942	(337,476)	490,646	
- Inverts	3	-	-	-	-	-	-	-	
- Point Generic	3	1,089,960	88,937	(390,744)	788,153	197,816	(454,362)	833,414	
- Driveways	3	281,450	14,510	(34,654)	261,306	60,285	(42,083)	299,652	
- Bicycle Paths	3	711,000	-	(305,000)	406,000	-	(325,586)	385,414	
- Storm Waste Drains	3	608,490	-	-	608,490	-	-	608,490	
- Streetlights	3	1,562,142	-	(802,159)	759,983	-	(841,163)	720,979	
- Office Equipment	2	587,995	-	(587,995)	-	-	(587,995)	-	
- Plant & Equipment	2	586,300	34,538	(210,025)	410,813	191,633	(254,111)	523,822	
- Motor Vehicles	2	2,343,716	133,991	(604,876)	1,872,831	133,991	(767,001)	1,430,706	
- Other Assets	2	21,229	-	(21,229)	-	-	(21,229)	-	
- Thorak Buildings	2	2,403,600	25,396	(535,440)	1,893,556	25,396	(603,282)	1,825,714	
- Thorak - Motor Vehicles	2	293,000	-	(145,000)	148,000	-	(174,833)	118,167	
Reinstatement costs		-	-	-	-	-	-	-	
Total IPP&E		497,940,190	854,491	(183,293,916)	315,500,765	7,548,880	(196,097,273)	309,111,797	
Comparatives		383,336,698	16,192,018	(126,269,669)	273,259,047	854,491	(183,293,916)	315,500,765	

This Note continues on the following pages.

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2018	CARRYING AMOUNT MOVEMENTS DURING YEAR				2019	
	\$	\$				\$	
	Carrying Amount	Additions		Disposals	Depreciation	Net Revaluation	Carrying Amount
		New / Upgrade	Renewals				
Land - Council owned	14,387,856	-	-	-	-	-	14,387,856
Land - Drainage	6,638,569	1,936,631	-	-	-	-	8,575,200
Buildings	24,288,635	251,449	8,541	-	(947,707)	-	23,600,918
Infrastructure	-	-	-	-	-	-	-
- Sealed Roads	200,816,736	1,144,847	1,794,400	-	(9,417,534)	-	194,338,449
- Unsealed Roads	24,734,167	-	378,833	-	(1,428,783)	-	23,684,217
- Road Culverts	27,893,770	523,120	-	-	(369,478)	-	28,047,412
- Kerbs & Gutters	1,051,756	50,924	-	-	(35,964)	-	1,066,716
- Driveway Vehicle Crossings	7,562,333	50,474	-	-	(103,598)	-	7,509,209
- Footpaths	530,600	157,201	-	-	(22,985)	-	664,816
- Road signs	447,211	86,220	-	-	(42,785)	-	490,646
- Inverts	-	-	-	-	-	-	-
- Point Generic	788,153	108,879	-	-	(63,618)	-	833,414
- Driveways	261,306	45,775	-	-	(7,429)	-	299,652
- Bicycle Paths	406,000	-	-	-	(20,586)	-	385,414
- Storm Waste Drains	608,490	-	-	-	-	-	608,490
- Streetlights	759,983	-	-	-	(39,004)	-	720,979
- Office Equipment	-	-	-	-	-	-	-
- Plant & Equipment	410,813	22,999	134,096	-	(44,086)	-	523,822
- Motor Vehicles	1,872,831	-	-	(162,000)	(280,125)	-	1,430,706
- Other Assets	-	-	-	-	-	-	-
- Thorak Buildings	1,893,556	-	-	-	(67,842)	-	1,825,714
- Thorak - Motor Vehicles	148,000	-	-	-	(29,833)	-	118,167
Reinstatement costs	-	-	-	-	-	-	-
Total IPP&E	315,500,765	4,378,519	2,315,870	(162,000)	(12,921,357)	-	309,111,797
<i>Comparatives</i>	<i>273,259,047</i>	<i>1,476,077</i>	<i>4,866,953</i>	<i>(34,186)</i>	<i>(16,615,287)</i>	<i>52,548,161</i>	<i>315,500,765</i>

This note continues on the following pages.

Litchfield Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Valuation of Assets

General Valuation Principles

Accounting procedure: Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 *Fair Value Measurement*: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, fair value is taken to be the current replacement cost.

Highest and best use: For land which the Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land.

Much of the land under the Council's care and control is Crown land or has been declared as community land. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to the Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to the Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

Land Under Road

The Council being of the opinion that it is not possible to attribute a value sufficiently reliable to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Land & Land Improvements

Fair value hierarchy level 2 valuations: Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land: Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

These assets were valued as at 30 June 2018 valuation by Opteon Pty Ltd.

Buildings & Other Structures, Infrastructure and other assets shown as fair value hierarchy level 3

There is no known market for these assets and they are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by the Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

Buildings & Other Structures

These assets were valued as at 30 June 2018 valuation by Opteon Pty Ltd.

Infrastructure

These assets were valued as at 30 June 2018 valuation by Opteon Pty Ltd.

Capitalisation Thresholds

Capitalisation thresholds used by the Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land	No threshold. All items will be recognised
Building & Other Structures	\$ 5,000
Roads	
- Sealed	\$10,000
- Pavement	\$10,000
- Unsealed	\$10,000
- Earthworks	\$10,000
- Road Culverts	\$5,000
- Stormwater Drainage	\$10,000
- Kerbs & Gutter	\$1,000
- Driveway Vehicle Crossings	\$10,000
- Footpaths	No threshold. All items will be recognised
- Road Signs	No threshold. All items will be recognised
- Inverts	\$10,000
- Point Generic	No threshold. All items will be recognised
- Driveways	\$10,000
- Bicycle Paths	No threshold. All items will be recognised
Office Furniture	\$5,000
Plant & Equipment	\$5,000
Motor Vehicles	\$5,000

Litchfield Council
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2019

Note 7 (con't) – INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Land	No limited useful life
Building & Other Structures	10 to 80 years
Roads – Surface --Sealed	13 to 25 years
Roads – Surface -Unsealed	10 to 15 years
Roads - Pavement	40 years
Roads - Earthworks	100 years
Kerbs & Gutter	50 years
Road Culverts	100 years
Footpaths	20 to 50 years
Driveway Vehicle Crossings	100 years
Road Signs	15 years
Inverts	30 years
Point Generic	15 to 70 years
Driveways	20 to 50 years
Bicycle Paths	20 to 50 years
Office Equipment	5 to 10 years
Plant & Equipment	3 to 20 years
Motor Vehicles	5 to 10 years

Note 8 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		1,252,161	-	1,296,661	-
Payments received in advance		334,605	-	340,312	-
Accrued expenses - employee entitlements		687,910	-	141,892	-
Accrued expenses - other		93,981	-	185,994	-
Deposits, Retentions & Bonds		283,796	-	279,435	-
		2,652,453	-	2,244,294	-
PROVISIONS					
Employee entitlements (including on costs)		576,397	473,646	621,414	387,981
		576,397	473,646	621,414	387,981

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 9 - RESERVES

ASSET REVALUATION RESERVE	1-7-2018	Net Increments/ (Decrements)	Transfers, Impairments	30-6-2019
Notes	\$	\$	\$	\$
Land - Council owned	125,175,674	-	-	125,175,674
Buildings	15,583,834	-	-	15,583,834
Infrastructure		-	-	-
- Roads	109,927,734	-	-	109,927,734
- Road Culverts	27,923,542	-	-	27,923,542
- Kerbs & Gutters	761,825	-	-	761,825
- Driveway Vehicle Crossings	9,290,043	-	-	9,290,043
- Footpaths	263,238	-	-	263,238
- Road signs	958,744	-	-	958,744
- Inverts	6,141	-	-	6,141
- Point Generic	711,325	-	-	711,325
- Driveways	4,076,579	-	-	4,076,579
-Bicycle Parts	551,219	-	-	551,219
Motor Vehicles	425,046	-	-	425,046
Plant and Equipment	204,947	-	-	204,947
TOTAL	295,859,891	-	-	295,859,891
Comparatives	243,311,730	52,548,161	-	295,859,891

OTHER RESERVES	1-7-2018	Transfers to Reserve	Transfers from Reserve	30-6-2019
Developer Contributions reserve	723,088	139,701	(20,529)	842,260
Waste Management Reserve	4,156,475	447,439	-	4,603,914
Asset Reserve	10,710,930	383,779	-	11,094,709
Election Reserve	100,000	-	-	100,000
Disaster Recovery Reserve	500,000	-	-	500,000
Strategic Initiatives Reserve	500,000	-	-	500,000
Unexpended Grants Reserve	4,748,119	9,006,564	(8,423,163)	5,331,520
Thorak Regional Cemetery	237,586	71,339	-	308,925
TOTAL OTHER RESERVES	21,676,198	10,048,822	(8,443,692)	23,281,328
Comparatives	14,075,816	17,024,859	(9,424,477)	21,676,198

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

cont. Note 9 - RESERVES

PURPOSES OF RESERVES

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Other Reserves

These are cash backed reserves to meet anticipated future needs. In each case the amount related to a perceived future requirement which is not currently a liability.

Disaster Recovery Reserve	This reserve will fund expenses occurred due to storms, storm surges, and floods or any other natural disaster. The fund will enable Litchfield Council to recover from these disasters and return to operations. Where external funds are received after an event for the purpose of disaster recovery, these funds shall be used to replenish this reserve.
Strategic Initiative Reserve	This reserve will fund strategic initiatives and Information Technology improvements for the future development of Litchfield Council in line with the Municipal Plan and the Long Term Financial Plan. Specific Initiatives must be identified in order to have funds allocated.
Election Reserve	This reserve will fund expenses related to Local Government elections and By-Elections.
Asset Reserve	This reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plans.
Waste Management Reserve	This reserve holds funding for activities related to Waste Management. This could be the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Waste Management or strategic development of the Waste Service delivery.
Developer Contributions Reserve*	This reserve holds contributions received by the Council from developers in line with Litchfield Council Developer Contribution Plan. Restrictions apply as set out in both the Plan and under provisions outlined in the <i>Planning Act</i> .
Unexpended Grants and Contributions*	This reserve holds the balance of unexpended grants and contributions received from external contributors. The funds are held in the reserve until expensed in line with the individual funding agreements.

Thorak Regional Cemetery

These funds represent the funds transferred to Council from City of Darwin when Council assumed responsibility in 2008 and the operating surplus from operation of the Thorak Regional Cemetery since 2008. Funds are reserved for the renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan at Thorak Regional Cemetery.

*Externally restricted reserves

Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

	Notes	2019 \$	2018 \$
CASH & FINANCIAL ASSETS			
Unexpended amounts received from Federal and Territory Government		5,331,521	4,748,119
Developer Contributions		842,260	157,791
		<u>6,173,781</u>	<u>4,905,910</u>
TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS		<u>6,173,781</u>	<u>4,905,910</u>

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	5	2,305,545	2,215,070
Balances per Cash Flow Statement		<u>2,305,545</u>	<u>2,215,070</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		(4,116,880)	(9,039,621)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		12,921,357	16,615,287
Net increase (decrease) in unpaid employee benefits		586,666	(36,960)
Change in allowances for under-recovery		11,389	40,514
Non-cash asset acquisitions		(1,010,687)	(1,351,911)
Grants for capital acquisitions treated as Investing Activity		(4,064,461)	(2,127,544)
Net (Gain) Loss on Disposals		103,011	14,626
		<u>4,430,395</u>	<u>4,114,391</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(1,160,313)	266,751
Net increase (decrease) in trade & other payables		(137,859)	657,680
Net Cash provided by (or used in) operations		<u>3,132,223</u>	<u>5,038,822</u>

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

Physical resources received free of charge	2	1,010,687	1,351,911
Amounts recognised in Income Statement		<u>1,010,687</u>	<u>1,351,911</u>

(d) Financing Arrangements

Council does not have in place any financing facilities or arrangements.

Litchfield Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 12 - FUNCTIONS

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY			ECONOMIC AFFAIRS		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2019	2019	2018	2019	2019	2018	2019	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING REVENUES									
Rates	7,289,497	7,458,678	7,056,440	-	-	-	118,696	118,696	-
Statutory & User Charges	133,789	288,460	79,924	70,750	158,640	64,859	6,500	1,889	49,305
Grants - NT recurrent	-	-	2,500	-	-	-	-	-	-
Grants - NT capital	-	-	-	-	-	-	-	-	-
Grants - Cw/with recurrent	481,108	583,018	502,872	-	-	-	3,181,957	4,101,303	2,570,617
Grants - Cw/with capital	-	-	-	-	-	-	-	-	2,453,827
Contributions & Donations	-	-	-	-	-	-	-	-	157,791
Investment Income	620,000	748,455	675,396	-	-	-	-	-	-
Reimbursements & Other Revenues	-	57,864	100,566	-	-	494	60,000	15,663	65,773
Total	8,524,394	9,136,475	8,417,698	70,750	158,640	65,353	3,367,153	4,237,551	5,297,313
OPERATING EXPENSES									
Employee Costs	2,578,076	2,571,752	1,908,946	306,814	275,302	302,287	1,405,810	1,424,459	1,879,757
Materials, Contracts & Other	1,722,701	1,719,112	2,469,270	57,800	56,504	70,917	2,641,890	2,596,795	2,504,016
Depreciation, Amortisation, Impairment	359,762	277,535	84,409	216	167	1,845	15,003,974	11,574,652	15,572,006
Total	4,660,539	4,568,399	4,462,625	364,830	331,973	375,049	19,051,674	15,595,906	19,955,779
TOTALS	3,863,855	4,568,076	3,955,073	(294,080)	(173,333)	(309,696)	(15,684,521)	(11,358,355)	(14,658,466)
TOTAL ASSETS UTILISED									
		28,473,539	26,297,291	24,855	24,855	4,167	285,757,500	285,757,500	287,527,365

2019

144,000

200,646

15,325

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

cont. Note 12 - FUNCTIONS

	ENVIRONMENTAL PROTECTION			HOUSING & COMMUNITY AMENITIES		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2019	2018	2019	2019	2019	2018
	\$	\$	\$	\$	\$	\$
OPERATING REVENUES						
Rates	2,835,023	2,754,999	-	-	-	-
Statutory & User Charges	144,000	171,237	-	-	-	-
Grants - NT recurrent	-	-	-	-	-	16,321
Grants - NT capital	-	-	-	-	-	-
Grants - Cwith recurrent	-	-	-	-	-	-
Grants - Cwith capital	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-
Investment Income	55,000	71,308	-	-	-	-
Reimbursements & Other Revenues	14,400	3,805	-	-	-	-
Total	3,048,423	3,110,242	3,001,349	-	-	16,321
OPERATING EXPENSES						
Employee Costs	1,273,032	1,203,352	-	-	-	-
Materials, Contracts & Other	1,559,420	1,395,391	129,000	83,365	78,378	
Depreciation, Amortisation, Impairment	200,646	160,759	-	-	-	
Total	3,033,098	3,312,886	2,759,502	129,000	83,365	78,378
	15,325	(202,644)	241,847	(129,000)	(83,365)	(62,057)
TOTALS						
TOTAL ASSETS UTILISED						
		2,969,842	3,123,535		720,979	759,983

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

cont. Note 12 - FUNCTIONS

	RECREATION, CULTURE & RELIGION			EDUCATION		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2019	2019	2018	2019	2019	2018
	\$	\$	\$	\$	\$	\$
OPERATING REVENUES						
Rates	-	-	-	-	-	-
Statutory & User Charges	30,000	31,701	-	-	-	-
Grants - NT recurrent	4,000	257,782	-	-	-	-
Grants - NT capital	-	-	-	-	-	-
Grants - Cw/with recurrent	-	-	-	-	-	-
Grants - Cw/with capital	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Reimbursements & Other Revenues	48,000	63,461	39,975	-	-	-
Total	82,000	352,944	39,975	-	-	-
OPERATING EXPENSES						
Employee Costs	101,845	107,309	-	-	-	-
Materials, Contracts & Other	1,299,150	1,399,827	1,094,043	-	-	5,800
Depreciation, Amortisation, Impairment	1,058,467	816,543	716,547	-	-	-
Total	2,459,462	2,323,679	1,810,590	-	-	5,800
TOTALS	(2,377,462)	(1,970,735)	(1,770,615)	-	-	(5,800)
TOTAL ASSETS UTILISED		19,580,359	22,932,526			

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

cont. Note 12 - FUNCTIONS

	CEMETERY			TOTAL		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2019	2019	2018	2019	2019	2018
	\$	\$	\$	\$	\$	\$
OPERATING REVENUES						
Rates		-	-	10,243,216	10,431,217	9,811,439
Statutory & User Charges	777,447	1,119,814	934,143	1,162,486	1,767,587	1,299,468
Grants - NT recurrent	-	-	-	4,000	257,782	18,821
Grants - NT capital	-	-	-	-	-	-
Grants - Cwith recurrent	-	-	-	3,663,065	4,684,321	3,073,489
Grants - Cwith capital	-	-	-	-	-	2,453,827
Contributions & Donations	-	-	-	-	-	157,791
Investment Income	-	-	11,496	675,000	815,990	758,200
Reimbursements & Other Revenues	-	-	-	122,400	158,769	210,613
Total	777,447	1,119,814	945,639	15,870,167	18,115,666	17,783,648
OPERATING EXPENSES						
Employee Costs	500,749	491,241	442,665	6,166,326	6,646,145	5,737,007
Materials, Contracts & Other	150,917	399,560	317,989	7,560,878	7,637,181	7,935,804
Depreciation, Amortisation, Impairment	126,613	97,674	79,721	16,749,678	12,921,357	16,615,287
Total	778,279	988,475	840,375	30,476,882	27,204,683	30,288,098
TOTALS	(832)	131,339	105,264	(14,606,715)	(9,089,017)	(12,504,450)
TOTAL ASSETS UTILISED		2,328,262	2,878,542		339,855,336	343,523,409

Litchfield Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 12 (con't) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

General Public Services

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services; also includes Natural Disaster relief.

Public Order & Safety

Fire protection; local emergency services; animal control and impounding; control of public places; control of signs, hoardings and advertising, community policing and probationary matters.

Economic Affairs

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs, CDEP and transport and other industries, saleyards and tourism.

Environmental Protection

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, ground water and surface water.

Housing & Community Amenities

Housing, housing and development, water supply and street lighting.

Recreation, Culture and Religion

Facilities and venues, recreation parks and reserves, culture and religion services, museums and libraries.

Education

Administration, inspection, support, operation, etc. of education programs and services.

Cemetery

All activities related to the operation of the Thorak Regional Cemetery.

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13 - FINANCIAL INSTRUMENTS

Accounting Policies - Recognised Financial Instruments

<p>Bank, Deposits at Call, Short Term Deposits</p>	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & conditions: Short term deposits have an average maturity of 271 days and an average interest rates of 2.61% (2018: 300 days, 2.71%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
<p>Receivables - Rates & Associated Charges (including legal & penalties for late payment)</p> <p>Note: This group of receivables possess a credit enhancement, the Council is empowered under the provisions of the Local Government Act 2009 to sell an owner's property to recover outstanding rate debts. This results in immaterial Expected Credit Losses. Impairment will exist only if arrears are deemed to be greater than the proceeds the Council would receive from the sale of the respective property.</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Secured over the subject land, arrears attract interest of 17% (2018: 17%) Although the Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the Northern Territory.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Receivables - Fees & other charges</p>	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although the Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
<p>Liabilities - Creditors and Accruals</p>	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 13 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	2,305,545	-	-	2,305,545	2,305,545
Receivables	886,015	-	-	886,015	1,284,403
Other Financial Assets	21,371,107	-	-	21,371,107	21,371,107
Total	24,562,667	-	-	24,562,667	24,961,055
<u>Financial Liabilities</u>					
Payables	1,964,543	-	-	1,964,543	1,964,543
Total	1,964,543	-	-	1,964,543	1,964,543
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<u>Financial Assets</u>					
Cash & Equivalents	2,215,070	-	-	2,215,070	2,215,070
Receivables	305,082	-	-	305,082	305,082
Other Financial Assets	20,586,716	-	-	20,586,716	20,586,716
Total	23,106,868	-	-	23,106,868	23,106,868
<u>Financial Liabilities</u>					
Payables	2,140,895	-	-	2,140,895	2,140,895
Total	2,140,895	-	-	2,140,895	2,140,895

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted.

The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. In accordance with regulations, all Council investments are made with authorised deposit taking institutions. Except as detailed in Notes 5 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Litchfield Council
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 14 - COMMITMENTS FOR EXPENDITURE

	Notes	2019	2018
		\$	\$
Capital Commitments			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Roads & Footpaths		<u>711,305</u>	1,220,695
		<u>711,305</u>	<u>1,220,695</u>
These expenditures are payable:			
Not later than one year		<u>711,305</u>	1,220,695
		<u>711,305</u>	<u>1,220,695</u>
Other Expenditure Commitments			
Other non-capital expenditure commitments in relation to investment properties:			
Maintenance and other Service provision contracts		1,114,870	195,443

Note 15 - FINANCIAL INDICATORS

	2019	2018	2017	2016
Current Ratio				
<u>Current Assets - Externally Restricted Assets</u>	10.28:1	7.01:1	8.5:1	6.96:1
Current Liabilities				
Debt Service Ratio				
<u>Net Debt Service Cost</u>	0:1	0:1	0:1	0:1
Operating Revenue*				
* as defined				
Rate Coverage Percentage				
<u>Rate Revenues</u>	41.17%	39.81%	36.12%	28.30%
Total Revenues				
Rates & Annual Charges Outstanding Percentage				
<u>Rates & Annual Charges Outstanding</u>	22.46%	20.61%	23.47%	22.52%
Rates & Annual Charges Collectible				

Litchfield Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 16 – SUPERANNUATION

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the Northern Territory Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (9.50% in 2017-18; 9.50% in 2018-19). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Contributions to Other Superannuation Schemes

The Council also makes contributions to other superannuation schemes selected by employees under the “choice of fund” legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 17 - INTERESTS IN OTHER ENTITIES

Entities consolidated within these Statements

The principal activities and entities conducted other than in the Council's own name that have been included in these consolidated financial statements are:

Thorak Regional Cemetery (Ownership interest 100%)

All transactions and balances between Council and controlled entities have been eliminated.

Note 18 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under the Council's policy FIN26. In all, 13 persons in 2018-19 (15 persons in 2017-18) were paid the following total compensation:

	2019	2018
	\$	\$
Salaries, allowances & other short term benefits	1,279,616	1,289,527
TOTAL	1,279,616	1,289,527



Independent audit report to the Chief Executive Officer of Litchfield Council

Report on the Audit of the Financial Report

We have audited the accompanying general purpose financial report of Litchfield Council ("the Council") and its controlled entities, which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Chief Executive Officer's Certificate.

In our opinion, the financial report of the Litchfield Council and its controlled entities is in accordance with the *Northern Territory Local Government Act 2008*, including:

- (a) giving a true and fair view of the financial position of the Litchfield Council as at 30 June 2019 and of the Council's performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) Local Government regulations.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the *Northern Territory Local Government Act 2008* and 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer ("CEO") of the Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2008* and for such internal control as the CEO determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is 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 management either intends to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with the Chief Executive Officer and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Merit Partners



Matthew Kennon
Director

DARWIN

31 October 2019

Thorak Regional Cemetery

Special Purpose Financial Reports for the year ended 30 June 2019

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Special Purpose Financial Report for the year ended 30 June 2019

Board of Trustee's STATEMENT

I, Daniel Fletcher, the Chief Executive Officer of the Litchfield Council on behalf of the Thorak Regional Cemetery Board of Trustees, hereby certify that the Annual Financial Statements:

- (a) have been drawn up in accordance with the applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Council and the results for the year; and
- (b) are in accordance with the accounting and other records of Council.



.....
Daniel Fletcher
CHIEF EXECUTIVE OFFICER

Date: 31 October 2019

Thorak Regional Cemetery
Statement of Comprehensive Income
for the year ended 30 June 2019

	2019	2018
Notes	\$	\$
INCOME		
Interments	651,685	525,840
Cremations	249,662	195,052
Exclusive Rights Fees	5,052	10,000
Ground Maintenance	5,880	45,620
Chapel and Marquee Hire	31,395	26,509
Memorial installation and permits	36,658	35,676
Funeral Director Fees	3,792	4,688
Sundry Income	17,394	8,215
Administration Fee	85,099	66,381
Rent Income	23,886	16,163
Investment Income	9,311	11,496
Total Income	1,119,814	945,640
EXPENSES		
Salaries	430,608	395,665
Superannuation	45,294	38,100
Other Employee costs	6,709	3,375
Insurance	36,979	26,363
Legal Fees	18,987	3,520
Auditing Fees	9,600	6,974
Consultants	38,177	16,200
Administration Expenses	75,970	71,799
Advertising	-	2,894
Motor Vehicle Expenses	36,912	26,286
Utilities	72,288	66,006
Telephone Expenses	14,040	3,485
Security	3,761	3,900
Grounds Maintenance	53,820	17,897
Repairs & Maintenance	36,846	19,649
Equipment Hire	-	571
Plant & Equipment Expenses	6,897	4,412
Grave Digging	43,680	40,960
Memorial Expenses	14,251	9,965
Sundry Expenses	5,730	2,635
Doubtful Debt	251	-
Depreciation Expenses	97,675	79,721
Total Expenses	1,048,475	840,377
OPERATING SURPLUS / (DEFICIT)	71,339	105,263
TOTAL COMPREHENSIVE INCOME	71,339	105,263

This Statement is to be read in conjunction with the attached Notes.

Thorak Regional Cemetery
Statement of Financial Position
as at 30 June 2019

ASSETS	Notes	2019	2018
		\$	\$
Current Assets			
Cash and cash equivalents	2	644,631	456,011
Trade & other receivables	2	42,755	37,057
Other financial assets	2	341,626	343,918
Total Current Assets		1,029,012	836,986
Non-current Assets			
Infrastructure, property, plant & equipment	3	1,943,881	2,041,556
Total Non-current Assets		1,943,881	2,041,556
Total Assets		2,972,893	2,878,542
LIABILITIES			
Current Liabilities			
Trade & other payables	4	399,601	368,082
Provisions	4	46,164	59,065
Total Current Liabilities		445,765	427,147
Non-current Liabilities			
Provisions	4	42,600	38,206
Total Non-current Liabilities		42,600	38,206
Total Liabilities		488,365	465,353
NET ASSETS		2,484,528	2,413,189
EQUITY			
Accumulated Surplus		2,230,171	2,230,171
Other Reserves	5	254,357	183,018
TOTAL EQUITY		2,484,528	2,413,189

This Statement is to be read in conjunction with the attached Notes.

Thorak Regional Cemetery

Statement of Changes in Equity

for the year ended 30 June 2019

2019	Notes	Acc'd Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		2,230,171	183,018	2,413,189
Restated opening balance		2,230,171	183,018	2,413,189
Net Surplus / (Deficit) for Year		71,339		71,339
Other Comprehensive Income				
Transfers between reserves		(71,339)	71,339	-
Balance at end of period		2,230,171	254,357	2,484,528

2018	Notes	Acc'd Surplus \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		2,230,171	77,755	2,307,926
Restated opening balance		2,230,171	77,755	2,307,926
Net Surplus / (Deficit) for Year		105,263		105,263
Other Comprehensive Income				
Transfers between reserves		(105,263)	105,263	-
Balance at end of period		2,230,171	183,018	2,413,189

This Statement is to be read in conjunction with the attached Notes

Thorak Regional Cemetery
Statement of Cash Flows
for the year ended 30 June 2019

		2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
Receipts from customers		1,101,815	973,655
Payments:			
Payments to suppliers and employees		<u>(920,528)</u>	<u>(765,088)</u>
Net Cash provided by Operating Activities		<u>181,287</u>	<u>208,567</u>
 CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts:			
Receipts for Investments		5,041	11,533
Net disposal of investment securities		2,292	74,114
Payments:			
Expenditure on renewal/replacement of assets		<u>-</u>	<u>(25,396)</u>
Net Cash provided by Investing Activities		<u>7,333</u>	<u>60,251</u>
Net Increase (Decrease) in cash held		<u>188,620</u>	<u>268,818</u>
Cash & cash equivalents at beginning of period	6	<u>456,011</u>	<u>187,193</u>
Cash & cash equivalents at end of period	6	<u>644,631</u>	<u>456,011</u>

This Statement is to be read in conjunction with the attached Notes

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Financial Reporting Framework

Thorak Regional Cemetery ("the Cemetery") is not a reporting entity because in the opinion of the Board of Trustees "the Board" there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the Boards' reporting requirements under the *Cemeteries Act* and *Cemeteries Regulations*.

1.2 Compliance with Australian Accounting Standards

This special purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, and relevant Northern Territory legislation.

1.3 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.4 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying the Cemetery's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.5 Rounding

All amounts in the financial statements have been rounded to the nearest dollar (\$).

2. Income recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Cemetery obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

Revenue from burials, cremation and internments is recognised when the services have been rendered to the public and can be measured reliably.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Grants, and other contributions are recognised as revenues when the Cemetery obtains control over, or the right to receive, the assets, it is probable that future economic benefits comprising the asset will flow to the Cemetery, and the amount can be reliably measured. Where grants, contributions and donations recognised as incomes during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts subject to those undischarged conditions are disclosed in these notes. Also disclosed is the amount of grants, contributions and receivables recognised as income in a previous reporting period which were obtained in respect of the Cemetery's operations for the current reporting period. Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to Cemetery and it can be measured reliably.

3. Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Board's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 7 .

4. Infrastructure, Property, Plant & Equipment

4.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Cemetery includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

4.2 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Additions acquired subsequent to a revaluation are recognised at cost until next revaluation of that asset class.

4.3 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Cemetery, best reflects the consumption of the service potential embodied in those assets.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

5. Payables

5.1 Trade and Other Payables

Trade and other payables are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

5.2 Payments Received in Advance & Deposits

Amounts (other than grants) received from external parties in advance of service delivery, are recognised as liabilities until the service is delivered, or the amount is refunded as the case may be.

Employee Benefits

6.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as the Cemetery experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Cemetery does not make payment for untaken sick leave.

6.2 Superannuation

The Cemetery makes employer superannuation contributions in respect of its employees to Statewide Super and a number of other Superannuation Funds selected by employees under the 'choice of fund' legislation.

The schemes have two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

Thorak Regional Cemetery

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (con't)

Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period.

AASB 15 Revenue from Contracts with Customers

AASB 16 Leases

AASB 1058 Income of Not-for-Profit Entities

Standards containing consequential amendments to other Standards and Interpretations arising from the above –

AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-6, AASB 2014-7, AASB 2014-8, AASB 2014-9, AASB 2014-10, AASB 2015-1, AASB 2015-2, AASB 2015-3, AASB 2015-4, AASB 2015-5, AASB 2015-6 and AASB 2015-7.

Other than AASB 16 and AASB 1058 the Cemetery is of the view that none of the above new standards or interpretations will materially affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

Accounting Standard AASB 16 *Leases* may have a material effect on the amounts disclosed in these reports, particularly in relation to Infrastructure, Property, Plant & Equipment, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.

Accounting Standard AASB 1058 *Income for Not-for-Profit Entities* may have a material effect on the amounts disclosed in these reports, particularly in relation to revenue from Grant & Subsidies, but does not commence until the 2019/20 financial period, and it is not the Cemetery's intention to adopt this Standard early.

Note 2 - CURRENT ASSETS

	Notes	2019 \$	2018 \$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		644,631	456,011
		644,631	456,011
TRADE & OTHER RECEIVABLES			
Accrued Revenues		6,256	26
Debtors - general		36,499	35,729
Prepayments		-	1,302
Total		42,755	37,057
Less: Allowance for Doubtful Debts		-	-
		42,755	37,057
OTHER FINANCIAL ASSETS			
Bank Investments - Term Deposits		341,626	343,918
		341,626	343,918

Thorak Regional Cemetery
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 3 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (IPP&E)

		2018 \$'000			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount
- Thorak Buildings	3	2,428,996	-	(535,440)	1,893,556
- Thorak - Motor Vehicles	3	293,000	-	(145,000)	148,000
Total IPP&E		2,721,996	-	(680,440)	2,041,556

This Note continues on the following pages.

		2019 \$'000			
	Fair Value Level	Fair Value	Cost	Acc' Dep'n	Carrying Amount
- Thorak Buildings	3	2,428,996	-	(603,282)	1,825,714
- Thorak - Motor Vehicles	3	293,000	-	(174,833)	118,167
Total IPP&E		2,721,996	-	(778,115)	1,943,881

This Note continues on the following pages.

Thorak Regional Cemetery
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 4 - LIABILITIES

	Notes	2019		2018	
		Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		12,239	-	14,787	-
Payments received in advance		334,605	-	340,312	-
Accrued expenses		52,757	-	12,983	-
		399,601	-	368,082	-
PROVISIONS					
Employee entitlements (including oncosts)		46,164	42,600	59,065	38,206
		46,164	42,600	59,065	38,206

Note 5 - RESERVES

OTHER RESERVES	1-7-2018	Transfers to Reserve	Transfers from Reserve	30-6-2019
Torak REGIONAL Cemetery	183,018	71,339	-	254,357
TOTAL OTHER RESERVES	183,018	71,339	-	254,357
<i>Comparatives</i>	<i>77,755</i>	<i>105,263</i>	<i>-</i>	<i>183,018</i>

PURPOSES OF RESERVES

These are cash backed reserves to meet anticipated future needs. This reserve is internally restricted and the amount relates to a perceived future requirement which is not currently a liability.

Thorak Regional Cemetery
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2019 \$	2018 \$
Total cash & equivalent assets	2	<u>644,631</u>	<u>456,011</u>
Balances per Cash Flow Statement		<u>644,631</u>	<u>456,011</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	71,339	105,263
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	97,675	79,721
Investment Income	<u>(9,311)</u>	<u>(11,533)</u>
	159,703	173,451
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(1,428)	(6,162)
Net increase (decrease) in trade & other payables	31,519	27,741
Net increase (decrease) in other provisions	<u>(8,507)</u>	<u>13,537</u>
Net Cash provided by (or used in) operations	<u>181,287</u>	<u>208,567</u>

Note 7 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p>Terms & Conditions: Deposits are returning fixed interest rates at 2.70% with a maturity date of 365 days (2018: 2.75%, 365 days).</p> <p>Carrying Amount: approximates fair value due to the short term to maturity.</p>
Receivables - Fees & other charges	<p>Accounting Policy: Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p>Terms & Conditions: Unsecured, and do not bear interest. Although Cemetery is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Cemetery's boundaries.</p> <p>Carrying Amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Cemetery.</p> <p>Terms & Conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying Amount: approximates fair value.</p>

Thorak Regional Cemetery
Notes to and forming part of the Financial Statements
for the year ended 30 June 2019

Note 7 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2019	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	644,631	-	-	644,631	644,631
Receivables	42,755	-	-	42,755	42,755
Other Financial Assets	341,626	-	-	341,626	341,626
Total	1,029,012	-	-	1,029,012	1,029,012
<u>Financial Liabilities</u>					
Payables	399,601	-	-	399,601	346,844
Total	399,601	-	-	399,601	346,844
2018	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	456,011	-	-	456,011	456,011
Receivables	35,755	-	-	35,755	35,755
Other Financial Assets	355,414	-	-	355,414	343,918
Total	847,180	-	-	847,180	835,684
<u>Financial Liabilities</u>					
Payables	27,770	-	-	27,770	27,770
Total	27,770	-	-	27,770	27,770

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Cemetery.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Cemetery is the carrying amount, net of any allowance for doubtful debts. All Cemetery investments are made with authorised deposit taking institutions. Except as detailed in Note 2 in relation to individual classes of receivables, exposure is concentrated within the Cemetery's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Cemetery's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Cemetery will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Cemetery has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.



Independent auditor's report to the members of Thorak Regional Cemetery

Auditor's Opinion

We have audited the accompanying special purpose financial report of Thorak Regional Cemetery ("the Cemetery"), which comprises the Balance Sheet as at 30 June 2019, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Board of Trustee's Statement.

In our opinion, the accompanying financial report of the Cemetery presents fairly, in all material respects, the financial position of Thorak Regional Cemetery as at 30 June 2019 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial report.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Cemetery in accordance with the independence requirements of the Australian professional accounting bodies. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Cemetery to meet the requirements of the *Cemeteries Act (NT) 2016*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

Responsibilities of the Board of Trustees for the Financial Report

The Board of Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Cemeteries Act (NT) 2016* and for such internal control as the Board of Trustees determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Trustees are responsible for assessing the Cemetery'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 the Board of Trustees either intend to liquidate the Cemetery or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our 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 our 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 the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cemetery's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Trustees.
- Conclude on the appropriateness of the Board of Trustees' 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 Cemetery's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Matthew Kennon
Director
Darwin

Date: 31 October 2019

