

# Annual Report

2016/2017



**LITCHFIELD  
COUNCIL**

*Community effort is essential*

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*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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# PART 1

# Corporate information

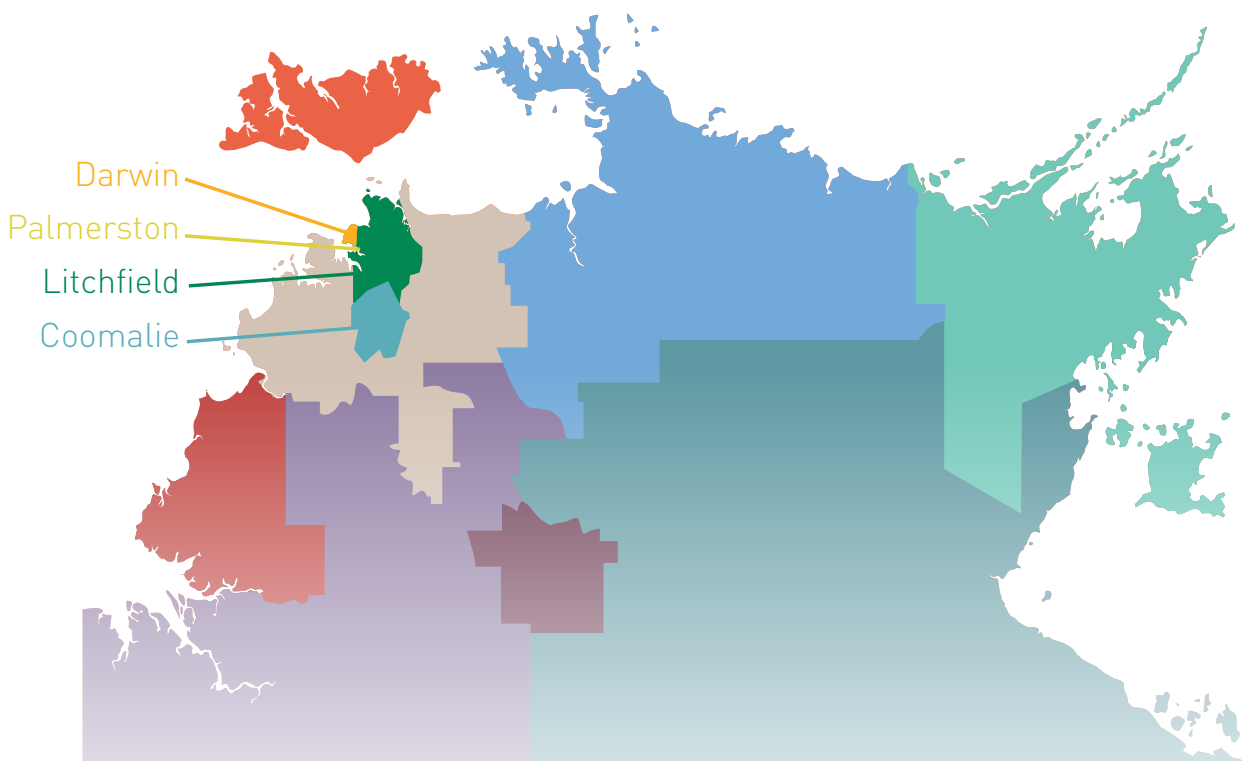
## ABOUT US

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

Litchfield Shire became Litchfield Council in July 2008 when revisions to the *Northern Territory Local Government Act* led to Territory-wide changes to the way Local Government is structured.

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

Elected members usually serve a four-year term; however an election was held for Litchfield Council in November 2015 after Council was placed under official management. The current Council members will serve a 21-month term before a Local Government General Election, to be held in August 2017.









## VISION

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







# STRATEGIC PLAN 2016–2020

Our Strategy comprises four priorities for our community, and within those, we work on 20 outcomes that we know matter to our communities. These priorities and outcomes are underpinned by four principles, to ensure an effective and sustainable Council:






## Priority # 1 Everything you need

-  Roads
-  Waste
-  Water
-  Public Transport
-  Cleanliness
-  Drainage




## Priority # 2 A great place to live

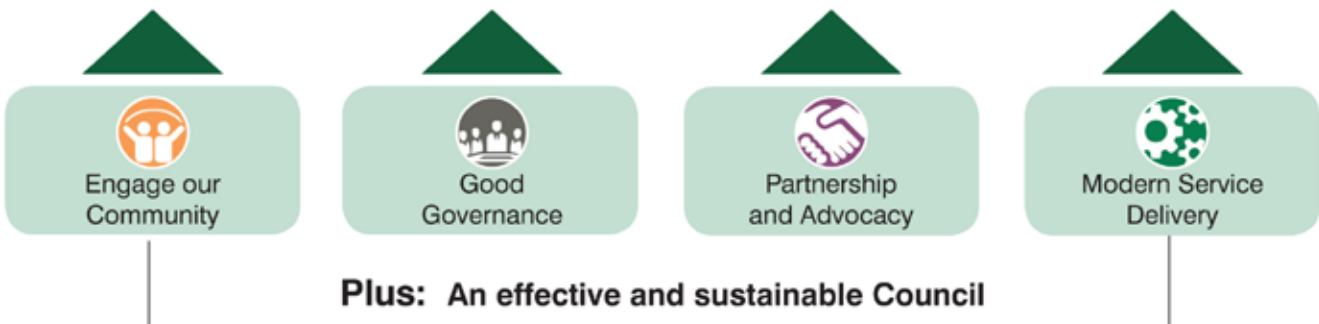
-  Social Activity
-  Culture
-  Community
-  Recreation
-  Animal Control
-  Sense of Place

## Priority # 3 A beautiful natural environment

-  Protection
-  Open Space
-  Weeds
-  Sustainability
-  Fire

## Priority # 4 A vibrant economy

-  Economic Development
-  Local Employment
-  Strong Local Business



## COUNCIL'S SIX MAJOR ROLES

Council carries out its important functions by doing six things:

### 01



#### 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.

#### 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 influences.



### 02

### 03



#### Fund

We fund a limited number of activities and events that we don't operate ourselves, through grants, programs and scholarships.

#### 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, and the way our reserves are best used for maximum community benefit.



### 04

### 05



#### Work with community

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.

#### Partner

Much 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, and road and water authorities.



### 06

## OUR SUCCESS MEASURES

We measure success in many ways, and each of our services, funding endeavours, partnerships and advocacy efforts have associated success measures. The below diagram shows how Council has performed, making Litchfield the best place to live in the Top End.

### WE ARE SUCCESSFUL WHEN



#### Liveability

10% improvement in liveability over 4 years.

**85%** of residents feel safe at home during the day.

**54%** of residents said Council was performing excellent or good in nine service areas.

**81%** of residents rated the recreation reserves as excellent or good.



#### Waste

10% less waste to landfill.

#### WASTE TO LANDFILL



#### Dogs

More than 95% dog issues responded to promptly.

20% increase in microchipped dogs over 4 years.

#### NUMBER OF DOGS MICROCHIPPED



Dog related issues responded to within 24 hours.

**99%**



#### Revenue

Rate to revenue ratio below 50%.

Overdue rates below 5%.

Rate to revenue ratio

**49.6%**

Overdue rates

**14%**

## OUR REGION

Located in the Top End of the Northern Territory, Litchfield Municipality covers an area of 3100 square kilometres and includes coastal and riverine areas, rainforests and lagoons.

Boasting a rural lifestyle with a wide range of well managed services and facilities, Litchfield is the fastest growing municipality in the Northern Territory, with 26% growth in population over the past five years.

Litchfield Municipality neighbours the City of Darwin, the City of Palmerston and Coomalie Community Government Council.

### POPULATION\*

# 25,238



Male\* – 59.4% Female\* – 40.6%

# 8,281



RATEABLE PROPERTIES

# 614.1 kms

SEALED ROADS



# 108.5 kms

UNSEALED ROADS



# 6,125

SIGNS

# 7

RECREATION RESERVES



# 3



WASTE TRANSFER STATIONS

# 5,696

MICROCHIPPED DOGS



# 7.1 kms

DEDICATED BICYCLE PATHS



\* Source: id consulting Litchfield Council Community Profile



## MESSAGE FROM THE MAYOR



On behalf of Council, I am pleased to present the Litchfield Council Annual Report 2016/17.

In keeping with our commitment to position Litchfield to be the best place to live in the Top End, over the past year we concentrated on improving our engagement with the community and developing long term plans and policies to position Litchfield well into the future.

We are actively managing the challenges of our growing and changing population of 25,238 by continuing to represent the community and advocate in your interest on a range of issues, including land use planning, to ensure our rural amenity is protected and enhanced. Council worked with the Northern Territory Planning Commission to establish inaugural community advisory committees to guide future development for Howard Springs and Coolalinga /Fred's Pass activity centres.

Over the past year, I have met with ministers and government advisors on important community matters, such as the ratepayer burden of Thorak Regional Cemetery, and I have been pleased with the reception Litchfield has received. Our reputation with Government is strong.

Council understands well that partnering with our community is essential and in 2016/17 we set up our new Community Grants Scheme, turning 'cash for cans' income into an annual community grants program. Nine community groups benefited from grants totalling \$22,500.

In 2016/17 we undertook several projects. Our Aquatic Facilities Needs study clearly found that a 25 metre learn to swim facility south of Fred's Pass is needed. With clear evidence, we continue to work with the Territory Government to progress this project.

I would like to thank the Litchfield Community for its ongoing support. Around 1000 residents responded to our survey on waste management, providing valuable input into the development of our new waste strategy, due for completion in late 2017. Likewise, our community's interest and input helped shape the development of our new Dog Management By-laws.

These and many other 2016/17 achievements outlined in this report could not have been possible without my fellow Councillors, whose tireless energy and enthusiasm for representing our community, is impressive and unwavering.

Finally, I would like to thank our CEO Kaylene Conrick for her continued dedication and commitment to Litchfield Council and I thank the capable and talented staff she leads.

**Maree Bredhauer**

Mayor

## MESSAGE FROM THE CEO

I am pleased and proud to report that 2016/17 marked some significant achievements for Litchfield Council.

We have concentrated on improving our customer service and how we deliver services. These improvements were reflected in the results achieved in the 2017 Community Survey, some of which are outlined below.

Over the year, new services, including our first Dogs Day Out event, providing free microchipping and de-sexing vouchers and community education programs in our schools on responsible pet ownership, demonstrated that we are listening to our community and tailoring our services to respond to areas that concern you most.

In 2016/17 we stepped up our engagement activities, adding pop-up stalls at shopping centres, a Council Facebook page and community reference groups to our range of engagement tools. A local group of community residents guided Council’s improvements to the Berry Springs Waste Transfer station, adding value and innovation to the project. Thank you to these and other community members who contribute with us towards making Litchfield the best place to live in the Top End.

It has also been a year of challenges, with the development of our first Long Term Financial Plan indicating significant challenges ahead in financing the upkeep and improvement of our roads, buildings, recreation reserves and other assets as our community changes and grows. We continue to work hard to improve our long term financial sustainability including improving our performance in the collection of outstanding rate revenue.

I would like to thank Mayor Maree Bredhauer and our Councillors for their guidance, enthusiasm and support over the past year. I would also like to thank our staff for their ongoing commitment and effort to serving our community.

**Kaylene Conrick**  
Chief Executive Officer



## OUR COUNCIL



The Mayor and Councillors were elected in November 2015 in a general election called by the Minister for Local Government and Community Services.

**Mayor Maree Bredhauer** – Mayor

**Councillor Christine Osborn** – Central Ward

**Councillor Kirsty Hunt** – East Ward

**Councillor Letchimi Wright** – North Ward

**Councillor Doug Barden** – South Ward

## ELECTED MEMBERS ALLOWANCE

JULY 2016 – JUNE 2017

	MEETINGS				ALLOWANCE \$						
	Ordinary	Special	Apologies	Total	Base	Electoral	Professional Development	Extra Meeting	Reimburse Child Care Exp	Internet Access	Total
Maree Bredhauer	12	4	0	16	73,095	19,239	-	-	-	600	92,934
Doug Barden	12	4	0	16	13,146	4,811	-	5,180	-	600	23,737
Kirsty Hunt	11*	4	1	14	16,189	4,410	-	3,920	-	550	25,068
Christine Osborn	12	4	0	16	19,045	4,811	-	2,380	-	600	26,836
Letchimi Wright	12	4	1	15	15,834	4,811	-	4,200	-	600	25,445

\*Councillor Kirsty Hunt resigned as an Elected member in accordance with the NT Local Government Act in her pursuit as a candidate for election in the NT Legislative Assembly. Councillor Hunt's resignation was effective as of 1 August 2016 with her reinstatement on 2 September 2016.

## 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 and the *Local Government (Accounting) Regulations* and the Accounting Standards. In addition, the Committee monitors, reviews and advises the Chief Executive Officer on compliance, risk management and policy matters and acts as an independent line of reporting for the auditor to Council.

The RMAC comprises three members; the independent chair Iain Summers and two appointed councillors, Cr Kirsty Hunt and Cr Letchimi Wright.

The RMAC met in October and December 2016 and in March 2017. Matters presented included:

- The 2015/16 Annual Report and Financial Statements
- Risk management and policy framework documents
- Performance monitoring of progress against Council's key performance indicators
- Progress on implementing internal audit recommendations; and
- Council's Long Term Financial Plan.

A twelve-month work plan was established for the RMAC.

## FREEDOM OF INFORMATION

Litchfield Council is identified as a public-sector organisation under the *Northern Territory Information Act*. For the 2016/2017 financial year, Council responded to the following information requests:

Applications under the <i>Information Act</i>	2016/2017
How many freedom of information requests were open as at 1 July 2016?	0
How many applications to access personal information?	1
How many applications to access Government Information?	0
How many accepted applications were withdrawn?	0
How many unaccepted applications?	0
How many accepted applications were finalised?	1
How many applications were still open as at 30 June 2017?	0



## OUR STAFF

As at 30 June 2017 there were 53 staff filling 49 full time equivalent (FTE) roles.

The variance between the staffing plan in the 2016/17 Municipal Plan and the actual staff numbers at the end of the financial year is 4.47 FTE, comprising:

- Asset Management Officer – 1 FTE Vacant
- Berry Springs Waste Transfer Station – 0.5 FTE Vacant
- Mobile Work Force Wet Season Casuals – 1.67 FTE Vacant
- Environment and Education Officer – 1 FTE Redundant in May 2017
- Thorak Administrator – 0.3 FTE Vacant

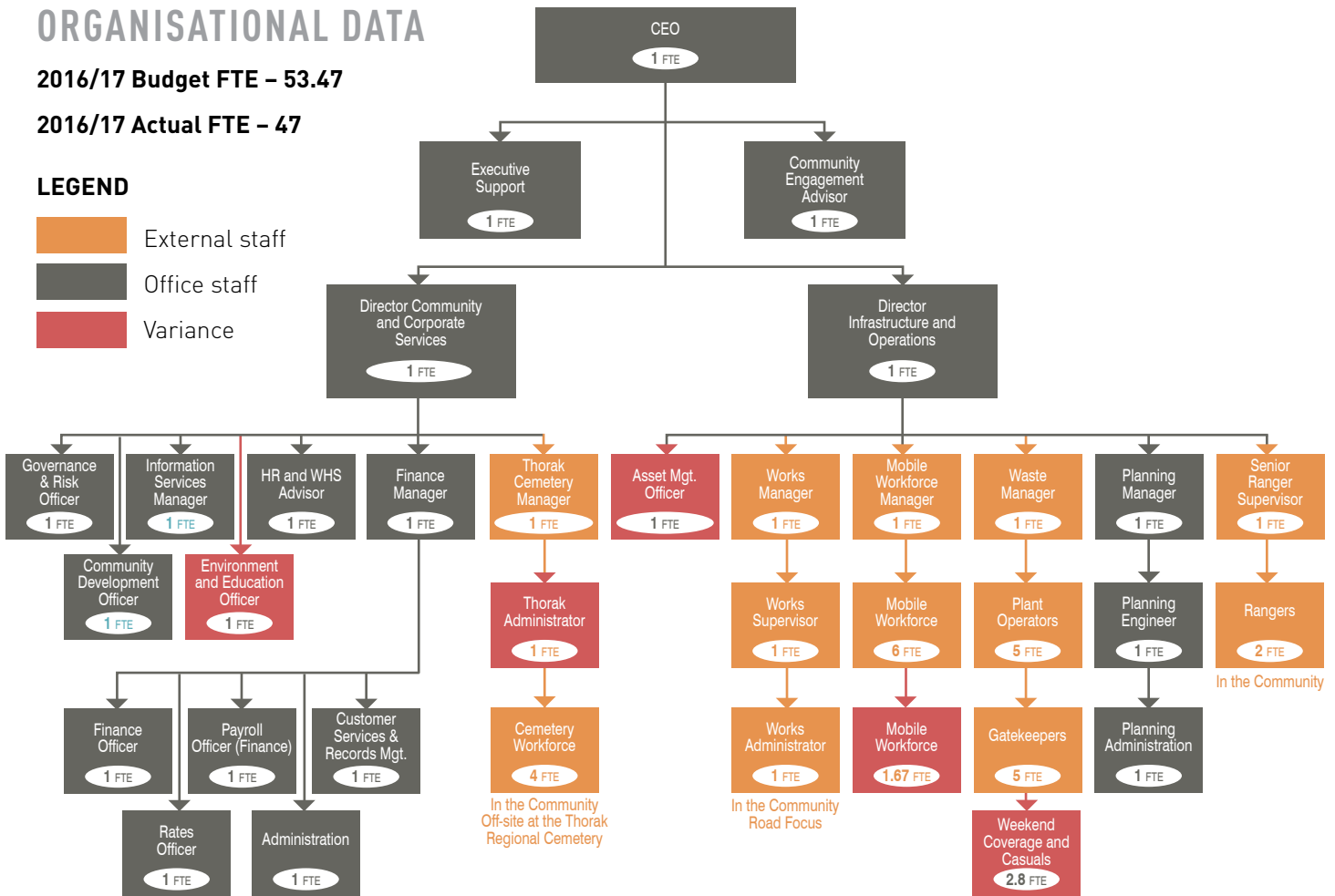
### ORGANISATIONAL DATA

2016/17 Budget FTE – 53.47

2016/17 Actual FTE – 47

#### LEGEND

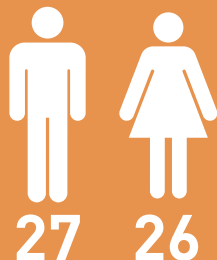
- External staff
- Office staff
- Variance



### EMPLOYMENT DATA (TOTAL HEAD COUNT)

TOTAL STAFF

53



### YEARS OF SERVICE



# PART 2

# Year in review

## HIGHLIGHTS 2016/17

### Priority # 1 Everything you need



#### Roads

Council continued to manage an extensive capital works program, including the road reseals and other capital works such as cycle path upgrades, culvert extensions and installing wig wag warning lights in front of Howard Springs Primary School to improve student and parent safety.

In November 2016, upgrades to the intersection of Freds Pass, Redcliffe and Krichauff Roads, were completed at a total cost of \$1.24 million. Council successfully attracted Federal Government Blackspot funding of \$600,000 towards this project.



#### Waste

A safety audit of the Berry Springs Waste Transfer Station in early 2016 identified a number of issues that needed addressing to increase the safety of the public and staff using this facility.

Following a public meeting attended by approximately 100 residents, a community working group was established to implement the audit findings and guide improvements to the Transfer Station.

The table below shows the works, status, budget and actual cost.

Berry Springs WTS	Budget	Status	Actual Cost
Install security camera	\$9,882	✓	\$8,474
1km of new fence and gates	\$44,297	✓	\$53,264
Installation of waste performance boards	\$2,000	✓	\$1,419
Improved facilities for staff	\$10,000	ongoing	



Council installed waste performance boards at all three Waste Transfer Stations.

A Community Reference Group was formed to assist Council to develop a Waste Management Strategy. This new initiative included a strategic review of the current waste services and the preparation of a comprehensive Strategy for the next 10 years. As at 30 June 2017, the draft Strategy is planned to go on public exhibition inviting community for feedback in early 2018, following the election of the new Council.



## Priority # 2 A great place to live



### Social Activity

The Litchfield Municipality is host to a diverse range of popular events and activities. Below are examples of a broad range of social activities that occurred during the 2016/17 period.

#### 2017 Annual Freds Pass Show – May

Council is a major sponsor of the Freds Pass Rural Show contributing \$40,000 to this event held annually in May attracting around 25,000 people.

A Council grant of \$5,000 in 2016/17 was provided to Berry Springs Recreation Reserve Committee towards its Territory Day celebrations held annually on 1 July and the Berry Springs Car Show.

McMinns Lagoon Reserve Association was awarded Council's Australia Day Community Event of the Year for its successful Bushcare's Major Day Out event in September 2016. McMinns Lagoon Reserve is a popular destination for wildlife enthusiasts, including groups such as Conservation Volunteers NT.



### Culture

Litchfield Council conducted four Australian Citizenship ceremonies in 2016/17.

Nineteen people became new Australians citizens in a ceremony held on Australian Citizenship Day, 17 September 2016 with a further 14 new citizens welcomed during a special ceremony at our Australia Day event.

	2014/15	2015/16	2016/17
Citizenship Ceremonies	5	5	4
Number of New Citizens	38	38	49

**NEW CITIZENS**  
**49**  
 FROM  
**11**  
**COUNTRIES**



### Community

#### Queens Baton Relay regional announcement – March

The 2018 Gold Coast Commonwealth Games announced Litchfield Council as one of the four Northern Territory locations for the Queen's Baton Relay to be held on Thursday 1 March 2018. The relay will include our local heroes and culminate in a community celebration event.

#### National Youth Week



Litchfield Council hosted a National Youth Week 'Dream Big with the Mayor' lunch on 3 April 2017. Year 9 students from each of the three middle and senior schools in the Municipality joined the Mayor for lunch.



### Recreation

Council contributed just under \$1 million to the maintenance and operations of its seven Recreation Reserves in 2016/17.

Five of the Reserves are managed by community committees of management, with two managed directly by Council. Further information on the seven recreation reserves can be found on page 41.

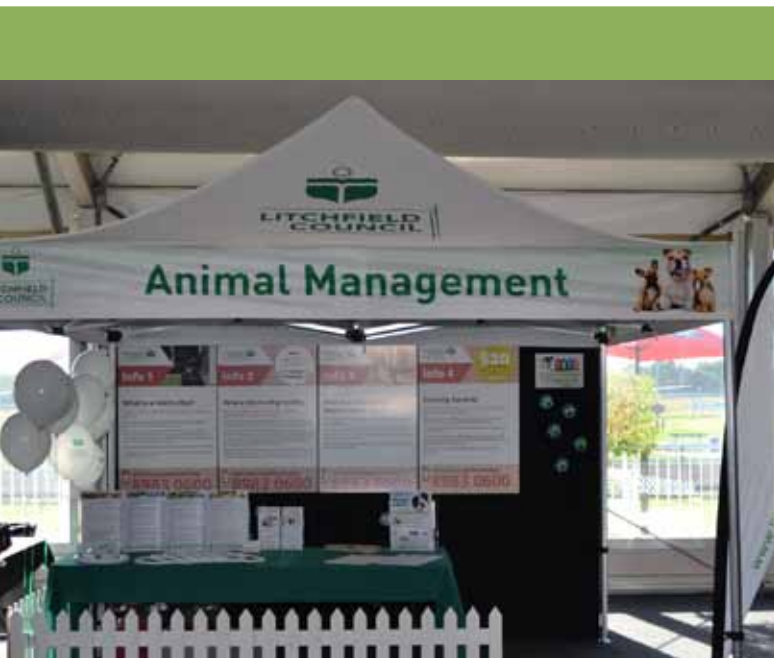


## Animal Control

**99**  **DOGS  
DE-SEXED**

Council is committed to encouraging responsible dog ownership in our community. In 2016/17 a new dog de-sexing initiative provided \$100 vouchers to resident dog owners to assist with the cost of de-sexing their pet.

A significant achievement in 2016/17 was Council's adoption of new Dog Management By-laws after years of development and community engagement. The new By-laws introduced the requirement for all dogs to be registered and extends Council's ability to address roaming dogs and dangerous dogs.

**Dogs Day Out – September**

Council presented a 'Dogs Day Out' event in September 2016 to promote our first free microchipping day to Litchfield residents. Information stalls, hydro bath services, pet adoption and refreshment stalls made the day an all-round success for our residents and their beloved dogs.

Also in September, we commenced our Feral Dog Control Program in the Virginia area. Feral dogs continue to impact on our residents' amenity, property and safety, with the Virginia area identified by sighting reports as one of our most affected areas. This new initiative was successful with a pack of nine feral dogs trapped and destroyed.



## Sense of Place

**Australia Day – January**

Inspiring locals were recognised for their community contributions and outstanding achievements and 14 residents became Australian citizens at the Litchfield Council's Australia Day event, held at Freds Pass Sport and Recreation Reserve on 26 January 2017. Litchfield Council 2017 Australia Day Awards recipients are:

Citizen of the Year

***Mr Dean McManamny***

Young Citizen of the Year

***Miss Brittany Sims Hampton***

Community Event of the Year

***McMinns Lagoon  
Bushcare's Major Day Out***



## Priority # 3 A beautiful natural environment



### Fire

In accordance with the 10-Year Bushfire Management Plan adopted by Council in 2016, the Mobile Work Force has continued to maintain our fire breaks through slashing and backburning in conjunction with Bushfires NT.

Council spent \$6,040 implementing the Bushfire Management Plan actions in 2016/17.

## Priority # 4 A vibrant economy



### Economic Development

It is Council's objective to support appropriate sustainable economic development and growth whilst maintaining the rural amenity.

In 2016/17 Council continued road upgrade works of Anzac Parade, at a total cost of \$1.8m from a NTG grant, supporting the expansion of the Humpty Doo Barramundi Farm, Middle Point. The Farm is a local Top End success story employing local people in our community.



### Strong Local Business

#### Litchfield Women in Business Network – October

Council's Women in Business Network (LWIBN) was launched during 2016 October Business Month, with an event 'Making Connections – Introducing the Litchfield Local Women in Business Network'.

The LWIBN aims to establish a strong and supportive network group for women in Litchfield in business through facilitating meaningful networking opportunities, supporting connections to share new ideas and raising awareness of our members. Council believes a strong WIBN



contributes to a strong Litchfield economy.

## PART 3

# Council and the Community

## 2017 LITCHFIELD COUNCIL ANNUAL COMMUNITY SURVEY

The annual community survey provides Council with the opportunity to hear direct from residents and ratepayers about our services, how important different services are and how well we are performing.

The 2017 Community Survey identified 54% of respondents rated the overall performance of Council as excellent or good, with 46% average and below.

Residents were asked about importance and satisfaction with Council services, with results shown in the following table:

Service	How Important	Satisfaction
	Very Important and Important	Excellent, Good
Maintenance of local roads	99%	56%
Road drainage	95%	57%
Waste Transfer Stations	93%	78%
Weed management	91%	40%
Roadside maintenance	90%	45%
Animal management	85%	35%
Waste Recycling	84%	55%
Recreation Reserves	80%	65%
Thorak Regional Cemetery	58%	64%

The three services identified with the largest gap between importance and satisfaction and the areas Council should focus on were:

- Weed Management
- Animal Management; and
- Roadside Maintenance

Fifty-three percent of Litchfield residents stated that they were very proud to live in Litchfield with 32 percent somewhat proud.

## COMMUNITY GRANTS SCHEME

Over the last year, Council introduced a new initiative that saw trash being turned into cash and given back to the community. Money raised from recycling old car batteries and drink containers was distributed to community groups as part of a new Community Grants Scheme.

The Scheme enables Council to extend its reach and progress Council's strategic objectives with three types of grants:



**Annual Community Grants** of up to \$5000 were awarded to community groups providing activities, programs, and/or events under one of the four priority outcome areas in Council's Strategic Plan.

**Community Initiative Grants** of up to \$500 provide flexibility for Council to support, at any time through the year, individuals and groups, to build community capacity.

**Council Partnerships and Support Grants** are sponsorship and partnership opportunities. In 2016/17 some of these partnerships included \$40,000 to the Annual Freds Pass Rural Show, \$5,000 to the Palmerston and Rural Seniors Festival and \$200 each to our ten local schools for Community Service Awards.

Litchfield Council held its inaugural **Annual Community Grants Awards evening** on Thursday 29 June 2017, awarding \$22,500 to nine successful community groups.

Community Grant Recipient	Application Purpose	Amount
Berry Springs Primary School	Recycling Warriors Project	\$3000
Berry Springs Recreation Reserve	Territory Day and Berry Springs Car Show	\$5000
Darwin Animal Rescue Group	Cat de-sexing vouchers project	\$2500
Litchfield Horse and Pony Club	Purchase of a mower	\$3400
Litchfield Polocrosse Club	Upgrading the oval at Livingstone Reserve	\$2557
Southern Districts Cricket Club	Purchase of first aid kits and gazebos	\$2470
Wildcare	'Bunt your Barbed Wire' project	\$2724
Howard Springs Primary School	Writers Day Out project	\$500
Humpty Doo Scouts	Purchase of personal locator beacon	\$349

## NEW INITIATIVES

Council's 2016/17 Municipal Plan included new initiatives to address strategic priorities and community needs. The table below reports on these the initiatives:

New Initiative	Budget	Status	Actual Cost
<b>Free Microchipping Day - 500 microchips</b>	\$6,000	Approximately 450 microchips	\$5050.00
<b>Feral Dog Management Program</b>	\$40,000	✓	\$31,850
<b>Animal Management Initiative</b>	\$30,000	✓	\$16,358
<b>Southport Mira Square Centre</b>	\$20,000	Main project deferred to 2017/18. Council purchased an all Weather Community Notice Board.	\$5,000
<b>Freds Pass Show Donation</b>	\$40,000	✓	\$40,000
<b>Aquatics Facility Study</b>	\$30,000	✓ NTG funding	\$40,000
<b>Schools Community Service Award</b>	\$2,000	✓	\$2,000
<b>Palmerston &amp; Rural Seniors Group Sponsorship Grant</b>	\$5,000	✓	\$5,000
<b>Women's Business Network</b>	\$12,000	✓	\$6,611
<b>Additional Community Support Donations</b>	\$10,000	✓	\$10,000
<b>IT System – clean for space reduction</b>	\$12,000	✓	\$9,800
<b>IT Improvement Plan</b>	\$25,000	Commenced & carried over to 2017/18	\$9,800
<b>Developer Contribution Plan Review</b>	\$160,000	Commenced & carried over to 2017/18	\$35,691
<b>Road formation for battle-axe roads</b>	\$50,000	Report prepared for costing of a selection of private roads	\$24,445
<b>Waste Management Strategy</b>	\$50,000	Commenced & carried over to 2017/18	\$43,571
<b>Additional operator at Berry Springs Waste Transfer Station</b>	\$81,950	✓	
<b>Council Offices – maintenance and cleaning of roof</b>	\$10,000	✓	\$8,710
<b>Council Offices – painting of verandah, postings and railings</b>	\$8,000	✓	\$8,000
<b>Mobile Work Force Shed Study</b>	\$40,000	Commenced & carried over to 2017/18	\$12,990

# PART 4

# Financial Summary

Overall Council's financial situation is sound.

The current ratio at 30 June is 8.5:1, an improvement from the previous financial year.

Council has substantial reserves totalling \$14m which are mostly earmarked for future infrastructure works. These reserves are cash backed but will be depleted over future years as Council addresses demands for the replacement and renewal of its substantial infrastructure assets.

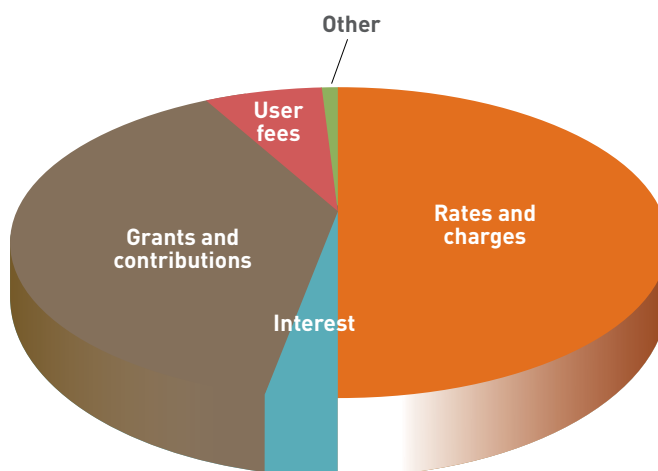
## COUNCIL'S INCOME IN THE 2016/17 FINANCIAL YEAR

Total income in 2016/17 was 14% (\$3,152,362) less than 2015/16, almost all of which was due to a non-recurrent grant of \$3m received in that year.

Council's income was 5.4% less than budget as set in the 2016/17 Municipal Plan.

### 4-Year Trend - INCOME

2016/17	2015/16	2014/15	2013/14
\$19.8M	\$22.9M	\$15.3M	\$14.0M



## RATES AND CHARGES

Council's rates and charges increased by 8% from 2015/16 due mainly to an increase in general rates (5.5%), new subdivisions and an \$11 increase in the waste charge for residential allotments.

Rates and charges were marginally greater than budget (\$320k).

Council continues to pursue the recovery of rates and charges by collecting long-term debt and engaging with residents to ensure new rates and charges are paid promptly.

The outstanding percentage has decreased significantly from three years ago as shown in the table below, but there is more work to be done in this area.

Council will continue its debt collection efforts and ensure agreed payment plans are adhered to.

### Rates & Annual Charges Outstanding Percentage

2016/17	2015/16	2014/15	2013/14
23.47%	22.52%	28.41%	50.68%

## GRANTS AND CONTRIBUTIONS

Council's grant revenue has decreased by 30% (\$3,294,955) compared to 2015/16 the main reason being the \$3m grant received in 2015/16 for the Freds Pass Reserve upgrade.

Council received Federal Assistance Grants of \$2.9m for 2016/17 but \$1.5m was also prepaid at 30 June 2017 and remained unspent at that date.

Other grants received in 2016/17 include Roads to Recovery, Black Spot Funding, Streetlight Maintenance and Waste Management Container grants which have all been expended. Council also received funds for the Library Service Needs Study, Mobile Work Force Shed and Howard Park Recreation Reserve Irrigation Upgrade, which have not been expended as at 30 June 2017.

Council continues to advocate for grants to assist with key projects and the establishment of sealed roads within the municipality.

## USER CHARGES

User charges received by Council for the 2016/17 financial year decreased by 16% compared to the 2015/16 financial year as a result of the following:

- Reduced burials at Thorak Regional Cemetery;
- Reduction in subdivision and development administration fees received;
- Decrease in green and commercial waste disposal fees received at the Waste Transfer Stations.

Accordingly, actual income was only 91.8% of budgeted income in the Municipal Plan.

Council recognises the national trend of reduction in burials and increase in cremations, which has impacted significantly on the Thorak charges income, and the financial pressure this trend puts onto continuing to provide the regional service.

## OTHER INCOME

Council's other income includes the proceeds received from the disposal of machinery and a motor vehicle at Thorak Regional Cemetery (\$37,891) and income received by numerous user groups for the use of Howard Park Recreation Reserve (\$52,248).

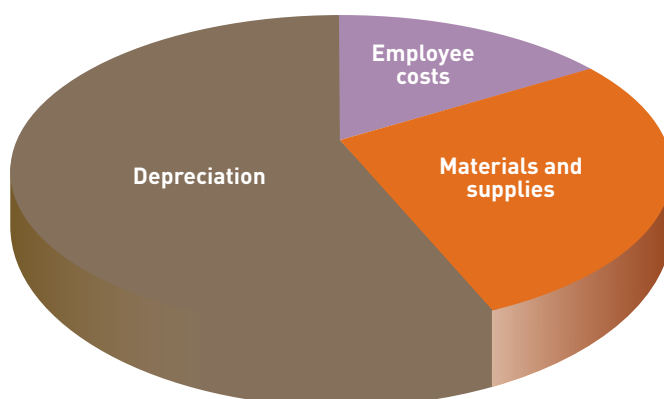
## COUNCIL'S EXPENDITURE IN THE 2016/17 FINANCIAL YEAR

Total expenditure decreased by less than 1% (\$92,355) compared to 2015/16 and Council overall achieved a saving of 2.8% compared to the budget for 2016/17.

The four-year trend below shows that Council had a significant increase of total expenses from the 2014/15 to 2015/16 year. This increase is due to the change in useful lives of Council's infrastructure assets resulting in depreciation almost doubling (increase of \$7.9m).

### 4-Year Trend - EXPENDITURE

2016/17	2015/16	2014/15	2013/14
\$29.8m	\$29.9m	\$21.3m	\$22.0m



## EMPLOYEE COSTS

Employee costs in 2016/17 increased by 10% (\$547,917) compared to the 2015/16 financial year. Employee costs include workers compensation, FBT, staff training and all other on-costs.

The increase from 2015/16 to 2016/17 financial year is due to restructures initiated in 2015/16 and extended vacancies in that financial year. Council has remained under the salary budget set by Council for 2016/17 whilst increasing the capacity of the organisation with targeted training opportunities for staff.

Employee costs were 1.6% less than budget.



## MATERIALS, CONTRACTORS AND OTHER EXPENSES

Expenditure on materials, contractors and other expenses decreased by 8% compared to the prior year. This is primarily a result of:

- No election costs in 2016/17;
- A reduction in contractors' expenses due to an improved road maintenance budget; and
- A reduction in contract costs as staff positions have been filled.

Council has saved 9% compared to the Municipal Plan budget and continues to strengthen procurement processes internally to achieve value for money arrangements with its contractors.

## DEPRECIATION

Council's 2016/17 Financial Statements include a significant depreciation expense (\$16.7m) as a result of the change in accounting estimates in accordance with AASB 116 Property, Plant and Equipment and the previous revaluation of assets as at 30 June 2015. The next revaluation of assets will take place in 2017/18.

## FINANCIAL RESERVES AND ASSET MANAGEMENT

Financial reserves provide a source of funds for future commitments to assist with meeting obligations to current and future generations.

Council's financial reserve balance as at 1 July 2016 was \$14,412,618. Increases to financial reserves in 2016/17 were as a result of:

- Developer contributions received;
- Waste management special rates;
- Surplus in the waste management division;
- Grants received yet to be expended; and
- Thorak Regional Cemetery's net surplus.

Reductions in reserves were due to capital works carried out during 2016/17. The overall financial reserve balance as at 30 June 2017 has reduced by \$257,081.

## HOW DOES THE RESULT COMPARE?

The net result for 2016/17 was a deficit of \$8,835,305 continuing a negative trend in recent years as per the following table:

### 4-Year Trend – NET RESULT

2016/17	2015/16	2014/15	2013/14
(\$8.8m)	(\$2.4m)	(\$4.1m)	(\$7.3m)

The increase in deficit of \$6.4m compared to prior year relates to:

- Expenses for major grants where income was recognised in 2015/16 (\$2.4m);
- New initiatives to improve Council services (\$0.3m); and
- Reduction in gifted assets (infrastructure assets transferred to Council by developers) (\$3.7m).



# PART 5

# Performance reporting

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# PROGRAM REPORTS

## PLANNING AND DEVELOPMENT

DIRECTORATE: OPERATIONS	
<b>Responsible Officer: Planning Manager</b>	<b>Number of FTEs: 4</b>
Strategic Priority	1. Everything You Need
	2. A Great Place to Live
	3. A Beautiful Natural Environment
	4. A Vibrant Economy
Outcome	1.1 Roads
	1.2 Public Transport
	1.6 Drainage
	2.5 Community
	2.6 A Sense of Place
	3.1 Protection
	3.2 Sustainability
	3.3 Open Space
	4.1 Economic Development
	4.1 Local Employment
Council Roles	Service Delivery, Advocacy
<b>Program Description</b> Review and provide commentary on all long-term regional plans, policies, development proposals and planning applications relevant to Litchfield Municipality, guided by Northern Territory and Council plans and policies and advocate for amenity for residents.	

## KEY OUTPUTS

### 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

Strategic planning is long-term planning that guides future development. Strategic planning activities primarily involve amendments to the NT Planning Scheme. This category includes rezoning applications, as well as Area Plans, Concurrent Applications and other amendments to the NT Planning Scheme policies and principles. The following table indicates the number of strategic planning applications assessed during the year.

Application Type	2016-17 Annual Total
Rezoning	1
Planning Scheme Amendment	2
Concurrent Application	0
<b>Total</b>	<b>3</b>

#### Notable strategic planning matters during the year were:

- 10 Secrett Road proposal to rezone from R (Rural) to RL (Rural Living)
- Changes to the Berrimah Farm Planning Principals and Area Plan, which is located immediately south of Litchfield Council's boundary.
- A planning scheme amendment to amend the NT Planning Scheme clause for requirements for private open space for single dwellings.
- Lichfield Council continues to work closely with the NT Planning Commission on Area Plans for Rural Activity Centres.

## STATUTORY LAND USE PLANNING

Statutory planning involves more short-term planning decisions involving specific development controls and applications. Statutory planning activities primarily involve applications for development and subdivision. The following table indicates the number of development applications assessed during the past year.

Application Type	2016-2017 Annual Total
Animal Boarding	0
Change of Use	6
Clearing of Native Vegetation	5
Consolidation	2
Educational Establishment	0
Excavation and Fill	4
Extension of Time	2
Home Occupancy/Contracting	0
Independent Unit	3
Industry	0
Medical Centre	1
Multiple Dwelling	3
Office	0
Other	13
Restaurant	3
Service Station	1
Shed	10
Shop	0
Shop and Office	1
Shop, Office and Restaurant	1
Showroom Sales	1
Single Dwelling	2
Subdivision	9
Subdivision and Consolidation	10
Undefined Use	0
Unit Title Subdivision	2
Variation	3
Warehouse	4
<b>Total</b>	<b>86</b>

### Notable statutory land use planning matters during the year were:

- Oxford Road subdivision finalised stages 1 and 2, creating 18 new lots.
- Service station off Mander Road on Stuart Highway, alongside the new bottle shop.
- Secrett Road subdivision for creation of 8 lots, currently in the design stage.
- Corner of Wells Creek Road and Henning Road, two shops and one warehouse in two single storey buildings.
- Coolalinga Central Precinct development proposals for Coolalinga Tavern, Hungry Jacks, KFC, Subway and Tackleworld.
- 31 Fairweather Crescent multiple dwelling development for a four-storey building with 35 two-bedroom dwellings.
- 43 Fairweather Crescent proposed change of use from showroom sales to medical clinic. Council did not support this application from Danila Dilba for an indigenous health clinic due to parking concerns. The Development Consent Authority also refused the application on these grounds.

\*For Council's comments on these applications see Council reports on the website [www.litchfield.nt.gov.au](http://www.litchfield.nt.gov.au)

## OTHER NOTABLE PLANNING AND DEVELOPMENT MATTERS

- Litchfield Council endorsed the Litchfield Council Development and Subdivision Standards 2017 in July.
- Council objected to a liquor licence for the Coolalinga Tavern which permitted opening hours to 2am. Licensing NT approved an amended licence for the Tavern, allowing opening hours to 1am.
- Council provided support for a variation application for a liquor licence at The Meathouse – Coolalinga to extend the current application to include patrons seated in an outside dining area.

## MINING LEASES AND PERMITS





Mining Leases and Permits are managed under the *Mining Act*. As part of the approval process, Council can make submissions. The following table indicates the number of applications assessed during the year.

Application Type	Annual Total 2016-17
Mining Lease	10
Mining Permit	7
<b>Total</b>	<b>20</b>

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$41,000	\$45,161
Operational Expenditure	\$807,192	\$640,051
<b>Net Operating Surplus (costs)</b>	<b>(\$766,192)</b>	<b>(\$594,890)</b>
Capital Revenue	\$293,000	\$214,483
Capital Expenditure	\$48,000	\$38,102
<b>Net Capital Surplus (costs)</b>	<b>245,000</b>	<b>\$176,381</b>

## KEY PERFORMANCE INDICATORS

Planning and Development	Target	Actual	2016/17 Result
Review Developer Contribution Plan within agreed timeframes	Complete	Part 1 has been completed, part 2 carries over to next financial year	
Issue (new) works permits	<5 days	<5 days	
Review development plans	<10 days	<10 days	
Respond to planning applications within required timeframes	>85%	Approximately 98%	

# WORKS

Directorate: Operations	
<b>Responsible Officer: Works Manager</b>	<b>Number of FTEs: 3</b>
Strategic Priority	1. Everything You Need
	2. A Great Place to Live
Outcome	1.1 Roads
	1.6 Drainage
	2.2 Recreation
Council Roles	Service Delivery
<b>Program Description</b> Develop, schedule, contract and implement annual programs for capital works, infrastructure asset renewal, maintenance and upgrade. Works also includes design preparation, specifications, estimates and tender documentation for works; supervise contracts; conduct routine maintenance inspections; apply for grants, and, ensure timely responses to ratepayer requests for services.	

## KEY OUTPUTS

Unsealed roads were graded three times during 2016/17, and a full maintenance grade including table drains, off let drains and table drain blocks at a cost of over \$120,000.

Sections of Bees Creek, Taylor, Melaleuca, Keleson, Power, Warren and Parkin Roads have been resheeted at a cost of almost \$300,000.

Line marking was completed on 25 roads throughout the Municipality at a cost of \$150,000.

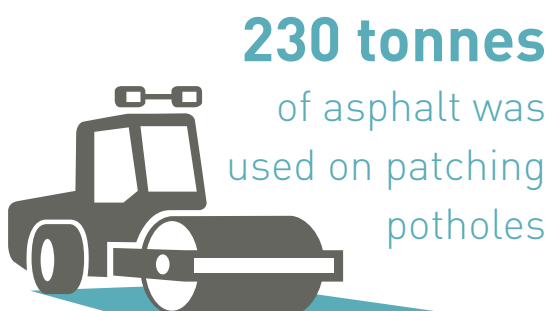
Road shoulders were repaired on all or part of 17 roads, some in preparation for resealing.

Roadside trees were trimmed and obstructions removed in 46 locations at a cost of almost \$110,000.

25 roads were resealed as part of the \$1.77m investment in the road resealing program with works including pavement rehabilitation prior to resealing, shoulder upgrades and line marking.

The table below shows the budget and actual cost for the Road Reseal Program and Infrastructure Maintenance Program and a comparison with last financial year's spend.

Program	2015/16 Spend	2016/17 Budget	2016/17 Result
Road Reseal Program	\$1,386,312	\$2,624,128	\$1,769,525
Infrastructure Maintenance Program	\$2,654,838	\$2,299,000	\$2,340,696



### Major projects throughout the year included:






Upgrade and realignment of the floodway 3.9kms down Leonino Road. This included installing a concrete margin and extending the existing culvert at a cost of almost \$305,000.

Upgrades to Anzac Parade that commenced in May 2016 were completed with a Regional Economic Infrastructure Fund grant received for the total cost of just over \$1m.

**2016/17 Budget and Results**

	<b>2016/17 Budget</b>	<b>2016/17 Result</b>
Operational Revenue	\$2,372,391	\$3,811,426
Operational Expenditure	\$3,381,699	\$3,042,081
<b>Net Operating Surplus (costs)</b>	<b>(\$1,009,308)</b>	<b>\$769,345</b>
Capital Revenue	\$4,753,656	\$3,959,795
Capital Expenditure	\$5,460,628	\$4,441,447
<b>Net Capital Surplus (costs)</b>	<b>(\$706,972)</b>	<b>(\$481,652)</b>

**KEY PERFORMANCE INDICATORS**

<b>Works</b>	<b>Target</b>	<b>Actual</b>	<b>2016/17 Result</b>
Works (Operating) Program – as adopted completed in timeframes	>90%	95%	
Works (Capital) Program – as adopted completed within agreed timeframes	>90%	95%	
Contracted work completed within agreed timeframes and in accordance with contracts	80%	90%	
Drainage and roads meet a condition rating of satisfactory or above	>75%	90%	
Emergency works response mobilised	<48 hours	NA	
Infrastructure maintenance works funded by Territory Government	50%	NA	
Infrastructure capital works funded by Federal Government	50%	95%	

## MOBILE WORK FORCE (MWF)

Directorate: Operations	
<b>Responsible Officer: MWF Manager</b>	<b>Number of FTEs: 8.67</b>
Strategic Priority	1. Everything You Need
	3. A Beautiful Natural Environment
Outcome	1.1 Roads
	1.4 Cleanliness
	3.4 Fire
	3.5 Weeds
Council Role	Service Delivery
<b>Program Description</b> Provide an effective and efficient maintenance service for Council's road verges, drainage easements, signs, reserves, excised lands and areas surrounding waste transfer stations and Council buildings using well-maintained plant & equipment.	

### KEY OUTPUTS

The work program included two rounds of slashing and mowing 800kms of road on both sides.

Approximately 1000kms of Council owned fire breaks and road reserves were slashed with some areas remaining too wet to complete.

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






A total of 3475 new or replaced guide posts were installed and 1209 road signs were repaired or replaced.

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$0	\$456
Operational Expenditure	\$1,240,314	\$1,189,751
<b>Net Operating Surplus (costs)</b>	<b>(\$1,240,314)</b>	<b>(\$1,189,295)</b>
Capital Revenue	\$80,000	\$248,522
Capital Expenditure	\$176,000	\$151,113
<b>Net Capital Surplus (costs)</b>	<b>(\$96,000)</b>	<b>\$97,408</b>



## KEY PERFORMANCE INDICATORS

Mobile Work Force	Target	Actual	2016/17 Result
Slashing and mowing 900kms road network (equivalent to 7,200kms per round) before July fire bans	2 rounds	2 rounds completed on approximately 7000kms	
1000kms of fire breaks and road reserves slashed within Council owned and managed land	>75%	90%, two fire breaks were too wet to complete	
Replace all non-compliant signs in the signage program to Australian standards	100%	80%, there has been a significant increase in signs being vandalised and needing replacement	
Reduce lost time due to plant & equipment breakdown	<20 lost hours	Complete	
Plant serviced within 3 days of service due date	90%	100%	

# WASTE MANAGEMENT

## KEY OUTPUTS

The following chart provides an overview of the total waste received at the three transfer stations combined and a comparison to previous years:



Directorate: Operations	
<b>Responsible Officer: Waste Manager</b>	<b>Number of FTEs: 12.8</b>
Strategic Priority	1. Everything You Need
	3. A Beautiful Natural Environment
Outcome	1.2 Waste
	3.2 Sustainability
Council Role	Service Delivery
Program Description	
Implementing an environmentally sustainable, safe and cost-effective waste management system through Council's waste, recycling and waste transfer stations.	

WASTE TYPE	Total 2014/15	Total 2015/16	Total 2016/17
Land Fill Waste Shoal Bay (tonnes)	9 121	9 411	8 683
Batteries (tonnes)	103	100	109
Recyclables			
Cardboard (cubic metre)	4 302	4 320	4 658
Cardboard (tonnes)	246	175	142
Co-mingle (cubic metre)	1 329	1 141	1 435
Co-mingle (tonnes)	242	107	130
Construction waste (tonnes)	1 271	463	457
Domestic vehicle (vehicles)	129 817	134 215	134 318
Green waste ute or trailer (cubic metre)	3 710	3 315	3 993
Green waste commercial (tonnes)	786	291	301
Mulch sales (cubic metre)	4 645	3 886	4 313
Non-Litchfield residents (users)	452	254	195
Scrap metal (tonnes)	1 374	1 292	1 207
Used oil (litres)	58 174	52 411	54 013
White goods (tonnes)	109	109	105
Wood mulch sold (cubic metre)	427	1310	272
Tyres	136	1 734	1 435
Air conditioners	Not recorded	317	11

**2016/17 Budget and Results**

	2016/17 Budget	2016/17 Actual Result
Operational Revenue	\$2,826,844	\$2,946,899
Operational Expenditure	\$2,824,048	\$2,580,172
<b>Net Operating Surplus (costs)</b>	<b>\$2,796</b>	<b>\$366,727</b>
Capital Revenue	\$419,700	\$426,871
Capital Expenditure	\$280,000	\$285,830
<b>Net Capital Surplus (costs)</b>	<b>\$139,700</b>	<b>\$141,042</b>

**KEY PERFORMANCE INDICATORS**

Waste Management	Target	Actual	2016/17 Result
Waste tonnage transferred to Shoal Bay	<10,000	8683 tonnes	
% of green waste received that is on-sold as mulch	>80%	100%	



## REGULATORY SERVICES

Directorate: Operations		
<b>Responsible Officer: Senior Ranger</b>	<b>Number of FTEs: 3</b>	
Strategic Priority	2.	A Great Place to Live
Outcome	2.4	Animal Control
Council Role	Service Delivery, Regulate, Work with Community	
<b>Program Description</b> Within the Municipality, oversee a public education program about animals, manage dogs through implementing and enforcing the Litchfield Council Rural Dog Management By-Law, manage the population of feral dogs and other animals, and address abandoned vehicles.		

### KEY OUTPUTS

	2015/16	2016/17
Dogs at large	325	400
Dog attacks (on animals)	78	69
Dog attacks (on people)	14	3
Dogs menacing people	27	31
Dogs menacing animals	15	13
Lost dog reports	237	154
Nuisance barking	55	43
Trap requests	35	19
Feral dog reports	13	7
Other (deceased dogs on road, animal welfare, misc)	26	18
<b>TOTAL</b>	<b>825</b>	<b>757</b>

Regulatory Services Officers (Rangers) held free dog microchipping events throughout the year with 450 dogs microchipped. Other responsible dog ownership programs included a de-sexing initiative that provided \$100 vouchers to dog owners to assist with the cost of de-sexing their dogs.






A dog awareness program for school aged children was developed and presented by Rangers to students at Sattler Christian College.

The Regulatory Services team attended the annual Freds Pass Rural Show and Woofstock, providing advice to dog owners.

**2016/17 Budget and Results**

	<b>2016/17 Budget</b>	<b>2016/17 Result</b>
Operational Revenue	\$43,500	\$37,999
Operational Expenditure	\$436,547	\$408,048
<b>Net Operating Surplus (costs)</b>	<b>(\$393,047)</b>	<b>(\$370,049)</b>
Capital Revenue	\$11,000	\$2,238
Capital Expenditure	\$48,000	\$42,937
<b>Net Capital Surplus (costs)</b>	<b>(\$37,000)</b>	<b>(\$40,699)</b>

**KEY PERFORMANCE INDICATORS**

<b>Regulatory Services</b>	<b>Target</b>	<b>Actual</b>	<b>2016/17 Result</b>
Increase in number of dogs microchipped	50%	Target exceeded with 1020 dogs added to the Council database compared to 656 in the previous year	
CRMs actioned within 5 working days	>90%	100%	
Public Education Program	Developed	The Dog Awareness for Kids school education program was developed and has been presented	
Feral Dog Management Plan	Implemented	The Feral Dog Management program was implemented in an identified area removing a problem pack of wild dogs.	
Decrease in number of dogs at large	<previous year	Council received 400 dog at large reports compared to 325 in the previous year*	

\*Council has increased communications to residents to report dogs at large to Council, which could contribute to the rise in reports.

# COMMUNITY AND CORPORATE SERVICES PERFORMANCE REPORT

## FINANCE

Directorate: Community & Corporate Services	
<b>Responsible Officer: Finance Manager</b>	<b>Number of FTEs: 7</b>
Strategic Priority	An Effective and Sustainable Council
Outcome	Good Governance
	Modern Service Delivery
Council Role	Service Delivery
<p><b>Program Description</b> Provide financial services to assist Council in making informed decisions regarding allocating resources efficiently and effectively in the short and long term, and to ensure Council meets all its statutory and regulatory obligations.</p>	

The Council's financial position overall is sound with cash and other financial assets remaining stable.

## KEY OUTPUTS

### ANNUAL BUDGET

Finance has been able to support the organisation in the development of a comprehensive budget for the Municipal Plan 2017/18, improving the financial information provided and increasing the transparency for our residents. Furthermore, the overall operational result for the 2016/17 financial year compared to budget has been favourable by \$0.66m due to improved financial management within the organisation.

### 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 financial performance compared to the annual budget throughout the year. Additionally, Council has been able to prepare and sign off the annual financial statements within legislative timelines.

### REVENUE COLLECTION

The Rates department within Council has further increased its focus on assisting residents in debt to find suitable payment arrangements and decrease the outstanding rates debt. Council's rates concession policy allows for residents in financial hardship to pay off debt on agreeable payment plans. The Rates department will continue to assist ratepayers in need whilst focusing on the overall goal of debt reduction.

### CUSTOMER SERVICE

The Customer Service team has been very busy in 2016/17 with more than 2,000 customer requests recorded with more requests in person or over phone resolved immediately.






### LONG TERM FINANCIAL PLAN

In 2016 Council adopted a comprehensive Long Term Financial Plan that focuses on funding Asset Management including renewal and upgrades as population grows.

**2016/17 Budget and Results**

	<b>2016/17 Budget</b>	<b>2016/17 Result</b>
Operational Revenue	\$7,492,433	\$8,290,899
Operational Expenditure	\$1,200,919	\$1,337,666
<b>Net Operating Surplus (costs)</b>	<b>\$6,291,514</b>	<b>\$6,953,233</b>
Capital Revenue	\$9,500	\$0
Capital Expenditure	\$35,000	\$35,294
<b>Net Capital Surplus (costs)</b>	<b>(\$25,500)</b>	<b>(\$35,294)</b>

**KEY PERFORMANCE INDICATORS**

<b>Finance</b>	<b>Target</b>	<b>Actual</b>	<b>2016/17 Result</b>
Compliance with management, statutory and regulatory budgeting and reporting	100%	100%	
Prior year's rates arrears	<5%	14%	
Current year's rates outstanding as at 28 February 2017	<5%	8.6%	
Rates to operating expense ratio	60-70%	76%	
Liquidity ratio	>1:1	11:01	

# INFORMATION SERVICES

Directorate: Community & Corporate Services	
<b>Responsible Officer: Information Services Manager</b>	<b>Number of FTEs: 1</b>
Strategic Priority	An Effective & Sustainable Council
Outcome	Engage our Community
	Good Governance
	Modern Service Delivery
Council Role	Service Delivery
<b>Program Description</b>	
Ensure the delivery of efficient and effective information technology and communications systems, infrastructure and support services, geographical information services and records management to enable improved services for Council's customers, deeper engagement, the capture and use of Council knowledge and effective processes.	

## KEY OUTPUTS



Manage Council's Geographical Information System (GIS) to support the effective maintenance and gathering of spatial information, data integrity and provision of mapping services.

The new initiative to improve the efficiency of the current IT system commenced.

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$37,909	\$22,491
Operational Expenditure	\$463,841	\$436,782
<b>Net Operating Surplus (costs)</b>	<b>(\$425,932)</b>	<b>(\$414,291)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## KEY PERFORMANCE INDICATORS

Information Services	Target	Actual	2016/17 Result
Timely resolution of technology issues	<1 day	3-5 working days for 90% of issues	
Staff using records management system	>80%		



# COMMUNITY SERVICES & DEVELOPMENT

Directorate: Community & Corporate Services	
<b>Responsible Officer: Community Development Officer</b>	<b>Number of FTEs: 1</b>
Strategic Priority	2. A Great Place to Live
	An Effective & Sustainable Council
Outcome	2.1 Social Activity
	2.2 Recreation
	2.3 Culture
	2.5 Community
Council Role	Service Delivery, Advocate, Fund, Work with Community, Partners
<p><b>Program Description</b>            Support Committees of Management in recreation reserves, the community grants program, annual student scholarships program and support for the Litchfield Collection at Taminmin Community Library; identify opportunities for grant funding for Council and community activities, and, support community events and programs.</p>	

## KEY OUTPUTS

### COMMUNITY RECREATION RESERVES

Council is proud of the recreation and leisure facilities available in our Municipality.

Community Committees of Management manage five of the seven recreation reserves in Litchfield, supported by operational and maintenance funding from Council.

**Berry Springs Recreation Reserve** is set on eight hectares adjacent to the Berry Springs Primary School. The Reserve has many facilities available to the public, including an oval, cricket pitch, tennis and basketball courts and BBQ facilities.

During 2016/17 the construction of a new caretakers dwelling at Berry Springs Reserve was completed with a \$189,455 NT Government grant and a \$40,536 contribution from Council, for a total cost of \$229,991.

Council provided a grant of approximately \$102,000 to Berry Springs Reserve Committee to manage and maintain the Reserve in 2016/17.

**Freds Pass Sport and Recreation Reserve** is situated on Bees Creek Road and covers 80 hectares set amongst native bushland, just off the Stuart Highway.

The Reserve has spectacular grounds, including an ornamental lake, picnic and BBQ facilities and a large open sided hall to hire.

As the sporting and recreational hub of the rural area, the Reserve is home to over 20 sporting and community groups and boasts seven polocrosse fields, a turf wicket, cricket nets, rugby league and rugby union fields, equestrian and dressage ovals, a soccer pitch, football ovals, paintball and an archery range.

In 2016/17 numerous improvements were undertaken as part of the \$3 million NT Government funding to upgrade the Reserve. These improvements included the construction of an ablution block at the Freds Pass Rural Markets site, various electrical upgrades and an initial investigation into the irrigation requirement of the Reserve. Total project costs to 30 June 2017 \$937,260.

Council provided funding of \$646,000 to the Freds Pass Sport and Recreation Management Board towards the management of the Reserve in 2016/17.

**Howard Park Recreation Reserve** is located on Whitewood Road in Howard Springs and covers just over four hectares of land. There are two spacious halls for hire, large grassy picnic areas and a large children's playground. The Reserve offers locals and visitors a space for rest and relaxation, a game of cricket or a skate at the skate park, with an undercover viewing platform.

The Scout Hall roof replacement project was funded by an NT Government grant of \$125,095. The total spend on the completion of the Scout Hall roof was \$119,043 with the remaining funds carried over to the 2017/2018 period.

Council spent \$101,000 on managing and maintaining the Reserve over the past year.

**Humpty Doo Village Green** is a five hectare reserve located on Challoner Circuit in Humpty Doo. This Reserve has a large open sided community hall, scout hall, a fully shaded skate park, lawn bowls, BBQ facilities and a large playground.

The Humpty Doo Village Green hosts the annual Anzac Day march and service and provides a great venue for Children's Book Week activities each year.

Council provided \$86,500 to the Humpty Doo Village Green Community Committee towards the management and maintenance of the reserve in 2016/17.

**Knuckey Lagoon Recreation Reserve** is set on 19 hectares on Brandt Road in Knuckey Lagoon.

The reserve has an air-conditioned conference room, an open sided hall with amenities, and natural bushland with six themed walking trails. This reserve is also

home to a World War II heritage site.

Council spent almost \$20,000 on Knuckey Lagoon Recreation Reserve in 2016/17.

**Livingstone Recreation Reserve** is a 65 hectare reserve situated on Livingstone Road in Livingstone.

The reserve features a large open sided hall with wheelchair access and views of the reserve's sports oval. Facilities also include a fully lit beach volleyball court, children's playground, and an undercover BBQ area with picnic tables. Livingstone Reserve is home to the Litchfield Horse and Pony Club.

An NT Government grant of \$195,500 was received to construct a shed for the Litchfield Horse and Pony Club at the Reserve. This project was completed at a total cost of \$204,321, including a Council contribution of \$8,821.



Council provided \$52,000 to the Livingstone Reserve Committee towards the management of the reserve during the 2016/17.

**McMinns Lagoon Recreation Reserve** is a natural 41 hectare reserve situated on Dreamtime Drive in McMinns Lagoon.

The reserve is well-known for its abundant wildlife and offers nature enthusiasts and bird watchers a wide spectrum of bird life and butterfly activity all year around. There is also a new shade-house for propagating native plants, walking track and picnic tables.

McMinns Lagoon Recreation Reserve Committee received approximately \$17,500 from Council in 2016/17 towards the management of the reserve.

## KEY PERFORMANCE INDICATORS

Community Development	Target	Actual	2016/17 Result
Grants acquitted within agreed timeframes	100%	100%	
Recreation Reserves operate under leases where appropriate	100%	100%	

# COMMUNITY EDUCATION

Directorate: Community & Corporate Services	
<b>Responsible Officer: Environment &amp; Education Officer</b>	<b>Number of FTEs: 1</b>
Strategic Priority	1. Everything You Need
	2. A Great Place to Live
	3. A Beautiful Natural Environment
	An Effective & Sustainable Council
Outcome	2.4 Waste
	2.5 Community
	3.2 Sustainability
	3.5 Weeds
Council Role	Work with Community, Partners
<b>Program Description</b> Provide ongoing education programs / information in relation to weeds, recycling and disposal of waste materials, to improve the environmental awareness and performance of Council's operations and local environmental awareness within the community.	

## KEY OUTPUTS

Council focused on improving environmental awareness within the community.

Council supported the Bushcare Major Day Out event held at McMinns Lagoon and the National Bird Watch events and attended three environment/educational group meetings to network and share ideas about different activities.

Waste performance boards were installed at the three waste transfer stations to provide residents and waste transfer station users 'real time' figures on landfill and recycling rates.

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$1,100	\$58,487
Operational Expenditure	\$1,282,230	\$1,427,273
<b>Net Operating Surplus (costs)</b>	<b>(\$1,281,130)</b>	<b>(\$1,368,786)</b>
Capital Revenue	\$3,000,000	\$19,178
Capital Expenditure	\$3,075,000	\$1,522,769
<b>Net Capital Surplus (costs)</b>	<b>(\$75,000)</b>	<b>(\$1,503,591)</b>

## KEY PERFORMANCE INDICATORS

Environment and Education Officer	Target	Actual	2016/17 Result
Education sessions in local schools	>10	5	
Community Education Programs	2	2	

# HUMAN RESOURCES AND WORK HEALTH & SAFETY

Directorate: Community & Corporate Services	
<b>Responsible Officer: HR &amp; WHS Adviser</b>	<b>Number of FTEs: 1</b>
Strategic Priority	An Effective & Sustainable Council
Outcome	Good Governance
Council Role	Service Delivery
Program Description	
Manage and deliver a suite of human resources services and Council's Work Health & Safety Program.	

## KEY OUTPUTS


During 2016/17, Council worked with staff on developing a fair and reasonable Enterprise Agreement.

A recruitment program for the two Directors was undertaken during this period, with both positions being successfully filled.

The following corporate and individual professional development training programs were rolled out to staff during the year:

- Working Smart with Microsoft Outlook
- Performance Management Training
- IAP2 Training - Engagement Essentials
- Developing Northern Australia Conference
- IPAA Resilience
- Firearms Training - AB&C Tranquiliser course
- Procurement Training
- Workzone Traffic Management Course
- Effective Conflict Resolution
- Embracing Diversity 2016 AIAM
- Cert III in Business Administration
- Cert IV Government (Investigations)
- Comprehensive First Aid Course
- Improving Budgeting & Forecasting Effectiveness
- Safety for Leaders
- Cert IV in WHS
- Cert IV in Leadership and Management
- Road Safety Audit Course
- InfoXpert End user and Administrator Training
- Meeting Procedures Course
- Australian Taxation and Payroll Course
- Microsoft Excel 2013-2016-Level 2

## KEY PERFORMANCE INDICATORS

Human Resources and Work Health and Safety	Target	Actual	2016/17 Result
Staff turnover rate	<20%	7.5%	

# GOVERNANCE & RISK

Directorate: Community & Corporate Services	
<b>Responsible Officer: Governance &amp; Risk Adviser</b>	<b>Number of FTEs: 1</b>
Strategic Priority	An Effective & Sustainable Council
Outcome	Good Governance
	Modern Service Delivery
Council Role	Service Delivery
<b>Program Description</b> Support the Audit Committee and ensure Council's compliance with the Local Government Act and other relevant legislation through providing advice, maintaining required registers, and developing and implementing a governance framework that supports best practice governance.	

## KEY OUTPUTS

Council provided support to the Risk Management and Audit Committee to ensure Council's compliance with the Local Government Act and other relevant legislation.

During this financial period the risk management framework policy (FIN08) was reviewed and updated and a policy framework (GOV01) was implemented. A compliance checklist has been established to ensure Council's compliance obligations are met.





A cloud based system was implemented to better manage and monitor delegations.

Council continued to maintain its freedom of information processes and ensured they were updated to conform with relevant legislation.

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$0	\$0
Operational Expenditure	\$420,850	\$357,323
<b>Net Operating Surplus (costs)</b>	<b>(\$420,820)</b>	<b>(\$357,323)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>

## KEY PERFORMANCE INDICATORS

Governance and Risk	Target	Actual	2016/17 Result
Compliance with legislative requirements as per Department of Local Government Compliance Checklist (DOLG)	100%	100% - Compliance checklist reviewed regularly	
Risk Management Audit Committee Meetings	4	3	
Internal audits conducted as defined in the Annual Internal Audit Program	3	1	
Governance & Risk management Framework	Complete	Complete	

## THORAK REGIONAL CEMETERY

Directorate: Community & Corporate Services	
<b>Responsible Officer: Thorak Manager</b>	<b>Number of FTEs: 6</b>
Strategic Priority	2. A Great Place to Live
	An Efficient & Sustainable Council
Outcome	2.5 Community
	2.6 Sense of Place
	Modern Service Delivery
Council Role	Service Delivery, Work with Community
<b>Program Description</b>	
Operate the Thorak Regional Cemetery in an efficient and effective manner in accordance with approved plans and the Northern Territory of Australia Cemeteries Act, Cemeteries regulations and Council policy.	

## KEY OUTPUTS

Thorak Regional Cemetery continued to provide friendly professional service amidst a serene park-like environment.

Services	2016/17
Burials	97*
Cremations	131*
Chapel	56

\*These figures represent only 14% of Litchfield service users.

During the past financial year, a new section was developed making available an additional 132 graves. The ground staff conducted an intensive repair program of the existing irrigation system with substantial improvements to water delivery. Council's registers and record keeping processes were migrated from manual to electronic, increasing administrative efficiency.

An independent service review of the cemetery operations was completed, with the key findings and recommendations adopted by Council.

### 2016/17 Budget and Results

	2016/17 Budget	2016/17 Result
Operational Revenue	\$842,450	\$786,090
Operational Expenditure	\$877,859	\$773,764
<b>Net Operating Surplus (costs)</b>	<b>(\$35,409)</b>	<b>\$12,326</b>
Capital Revenue	\$12,000	\$37,891
Capital Expenditure	\$40,000	\$30,201
<b>Net Capital Surplus (costs)</b>	<b>(\$28,000)</b>	<b>\$7,690</b>

## KEY PERFORMANCE INDICATORS

Thorak Regional Cemetery	Target	Actual	2016/17 Result
Compliance with cemetery regulations	100%	100%	
Achievement of Operational Budget	100%	100%	

# COUNCIL LEADERSHIP PERFORMANCE REPORT

## COUNCIL LEADERSHIP

Directorate: Office of the Chief Executive	
<b>Responsible Officer: Chief Executive Officer</b>	<b>Number of FTEs: 3</b>
Strategic Priority	4. A Vibrant Economy
	An Efficient & Effective Council
Outcome	4.1 Economic Development
	Engage Our Community
	Good Governance
	Partnerships & Advocacy
	Modern Service Delivery
<b>Program Description</b>	
Provide leadership for the organisation, ensuring good governance, clear and consistent communication, reputation management, media monitoring and management, community engagement, sound resource management practices and the delivery of timely services and safe operations, all in accordance with Council's strategic priorities, policies and plans and legislative requirements.	

## KEY OUTPUTS

The 2017 Annual Community Survey was developed and delivered, attracting 402 responses from residents. Fifty-four percent of respondents rated Council's overall performance as excellent or good.

A media policy was adopted by Council to guide clear and consistent communication and messaging and reputation management.

Eight media releases were distributed to all media channels in the Top End, with Council receiving positive coverage throughout the year.

Community engagement was a focus with Councillors and staff undertaking the Engagement Essentials Certificate from the International Association of Public Participation (IAP2).



Making Connections – Introducing the Litchfield Local Women in Business Network was a first for Litchfield and a unique opportunity for local women in business to come together. The inaugural event was held at Council on Monday 11 October 2016 with 24 women attending. Guest speaker, Dr Sally Isberg, 2015 NT Rural Woman of the Year for her research on crocodiles, provided an inspiring address about her achievements, challenges and progression through her career.



**2016/17 Budget and Results**

	<b>2016/17 Budget</b>	<b>2016/17 Result</b>
Operational Revenue	\$0	\$51,117
Operational Expenditure	\$923,742	\$809,587
<b>Net Operating Surplus (costs)</b>	<b>(\$923,742)</b>	<b>(\$758,470)</b>
Capital Revenue	\$0	\$0
Capital Expenditure	\$0	\$0
<b>Net Capital Surplus (costs)</b>	<b>\$0</b>	<b>\$0</b>















**KEY PERFORMANCE INDICATORS**















<b>Office of the Chief Executive</b>	<b>Target</b>	<b>Actual</b>	<b>2016/17 Result</b>
Develop a Professional Development Program for Councillors	Complete	Complete	
Annual Community Survey	Complete	Complete	
















*Morning tea held at Crazy Acres for the Litchfield Women In Business Network*

## Summary of Key Performance Indicators

	Target	Actual	2016/17 Result
<b>Planning and Development</b>			
Review Developer Contribution Plan within agreed timeframes	Complete	Part one has been completed, part two carries over to next financial year	
Issue (new) permits	<5 days	<5 days	
Review development plans	<10 days	<10 days	
Respond to planning applications within required timeframes	>85%	Approximately 98%	
<b>Works</b>			
Works (Operating) Program – as adopted completed in timeframes	>90%	95%	
Works (Capital) Program – as adopted completed within agreed timeframes	>90%	95%	
Contracted work completed within agreed timeframes and in accordance with contracts	80%	90%	
Drainage and roads meet a condition rating of satisfactory or above	>75%	90%	
Emergency works response mobilised	<48 hours	NA	
Infrastructure maintenance works funded by Territory Government	50%	NA	
Infrastructure capital works funded by Federal Government	50%	95%	
<b>Mobile Work Force</b>			
Slashing and mowing 900kms road network (equivalent to 7,200kms per round) before July fire bands	2 rounds	2 rounds completed on approximately 7000kms	
1000kms of fire breaks and road reserves slashed within Council owned and managed land	>75%	90%, two fire breaks were too wet to complete	
Replace all non-compliant signs in the signage program to Australian standards	100%	80%, the replacement of vandalised signs has significantly increased	
Reduce lost time due to plant & equipment breakdown	<20 lost hours	Complete	
Plant serviced within 3 days of service due date	90%	100%	

	Target	Actual	2016/17 Result
<b>Waste Management</b>			
Waste tonnage transferred to Shoal Bay	<10,000	8683 tonnes	
% of green waste received that is on-sold as mulch	>80%	100%	
<b>Regulatory Services</b>			
Increase in number of dogs microchipped	50%	Target exceeded with 1020 dogs added to the Council database compared to 656 in the previous year	
CRMs actioned within 5 working days	>90%	100%	
Public Education Program	Developed	Program developed and implemented to one school	
Feral Dog Management Plan	Implemented	The Feral Dog Management program was implemented in an identified area removing a problem pack of wild dogs.	
Decrease in number of dogs at large	<previous year	Council received 400 dog at large reports compared to 325 in the previous year	
<b>Finance</b>			
Compliance with management, statutory and regulatory budgeting and reporting	100%	100%	
Prior year's rates arrears	<5%	14%	
Current year's rates outstanding as at 28 February 2017	<5%	8.6%	
Rates to operating expense ratio	60-70%	76%	
Liquidity ratio	>1:1	11:01	
<b>Information Services</b>			
Timely resolution of technology issues	<1 day	3-5 working days for 90% of issues	
Staff using records management system	>80%	90%	

	Target	Actual	2016/17 Result
<b>Community Services and Community Development</b>			
Grants acquitted within agreed timeframes	100%	100%	
Recreation Reserves operate under leases where appropriate	100%	100%	
<b>Community Education</b>			
Education sessions in local schools	>10	5	
Community Education Programs	2	2	
<b>Human Resources and Work Health and Safety</b>			
Staff turnover rate	<20%	7.5%	
<b>Governance and Risk</b>			
Compliance with legislative requirements as per Department of Local Government Compliance Checklist (DOLG)	100%	100%	
Risk Management Audit Committee Meetings	4	3	
Internal audits conducted as defined in the Annual Internal Audit Program	3	1	
Governance & Risk management Framework	Complete	Complete	
<b>Thorak Regional Cemetery</b>			
Compliance with cemetery regulations	100%	100%	
Achievement of Operational Budget	100%	100%	
<b>Office of the Chief Executive</b>			
Develop a Professional Development Program for Councillors	Complete	Complete	
Annual Community Survey	Complete	Complete	

# PART 6

# Financial Statements

## LITCHFIELD COUNCIL

### General Purpose Financial Statements for the year ended 30 June 2017

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## OFFICER'S CERTIFICATE

For the year ended 30 June 2017

I, Kaylene Conrick, 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.



**Kaylene Conrick**  
Chief Executive Officer



**Date**

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	2017	2016
		\$	\$
<b>INCOME</b>			
Rates	2	9 812 902	9 041 804
Statutory charges	2	36 922	56 249
User charges	2	1 096 342	1 291 119
Grants, subsidies and contributions	2	7 869 167	11 164 122
Investment income	2	812 587	780 369
Reimbursements	2	15 217	188 880
Other income	2	140 916	413 872
<b>Total Income</b>		<b>19 784 053</b>	<b>22 936 415</b>
<b>EXPENSES</b>			
Employee costs	3	5 562 439	5 014 522
Materials, contracts & other expenses	3	7 467 712	8 070 251
Depreciation, amortisation & impairment	3	16 749 678	16 787 411
<b>Total Expenses</b>		<b>29 779 829</b>	<b>29 872 184</b>
<b>OPERATING DEFICIT</b>		<b>(9 995 776)</b>	<b>(6 935 769)</b>
Net gain (loss) on disposal or revaluation of assets	4	28 396	(15 140)
Amounts received specifically for new or upgraded assets	2	245 000	20 000
Physical resources received free of charge	2	887 075	4 566 642
<b>NET DEFICIT</b>		<b>(8 835 305)</b>	<b>(2 364 267)</b>
Other comprehensive income		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS</b>		<b>(8 835 305)</b>	<b>(2 364 267)</b>

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



# STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1 930 063	1 273 210
Trade & other receivables	5	2 486 043	2 393 448
Other financial assets	5	19 574 537	19 769 224
<b>Total Current Assets</b>		<b>23 990 643</b>	<b>23 435 882</b>
<b>Non-current Assets</b>			
Infrastructure, Property, Plant & Equipment	7	271 163 166	282 195 344
Other non-current assets	6	2 144 459	708 756
<b>Total Non-current Assets</b>		<b>273 307 625</b>	<b>282 904 100</b>
<b>Total Assets</b>		<b>297 298 268</b>	<b>306 339 982</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	8	1 573 163	2 056 532
Provisions	8	720 061	490 579
<b>Total Current Liabilities</b>		<b>2 293 224</b>	<b>2 547 111</b>
<b>Non-current Liabilities</b>			
Provisions	8	339 745	292 267
<b>Total Non-current Liabilities</b>		<b>339 745</b>	<b>292 267</b>
<b>Total Liabilities</b>		<b>2 632 969</b>	<b>2 839 378</b>
<b>NET ASSETS</b>		<b>294 665 299</b>	<b>303 500 604</b>
<b>EQUITY</b>			
Accumulated surplus		37 198 219	45 776 256
Asset revaluation reserves	9	243 311 730	243 311 730
Other reserves	9	14 155 537	14 412 618
<b>TOTAL EQUITY</b>		<b>294 665 299</b>	<b>303 500 604</b>

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



# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
<b>2017</b>					
Balance at end of previous reporting period		45 776 256	243 311 730	14 412 618	303 500 604
<b>Net Deficit for Year</b>		<b>(8 835 305)</b>	-	-	<b>(8 835 305)</b>
<b>Other Comprehensive Loss</b>		-	-	-	-
Amounts which will not be reclassified subsequently to operating result					
Transfers between reserves		257 268	-	(257 268)	-
<b>Balance at end of period</b>		<b>37 198 219</b>	<b>243 311 730</b>	<b>14 155 350</b>	<b>294 665 299</b>
<b>2016</b>					
Balance at end of previous reporting period		52 040 194	243 311 730	10 512 947	305 864 871
<b>Net Deficit for Year</b>		<b>(2 364 267)</b>	-	-	<b>(2 364 267)</b>
<b>Other Comprehensive Loss</b>		-	-	-	-
Amounts which will not be reclassified subsequently to operating result					
Transfers between reserves		(3 899 671)	-	3 899 671	-
<b>Balance at end of period</b>		<b>45 776 256</b>	<b>243 311 730</b>	<b>14 412 618</b>	<b>303 500 604</b>

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

# CASH FLOW STATEMENT

for the year ended 30 June 2017

		2017	2016
	Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates - general & other		9 689 096	9 533 433
Fees & other charges		1 361 838	1 474 230
Investment receipts		806 120	804 447
Grants utilised for operating purposes		8 459 355	12 001 431
Other operating receipts		2 570 503	2 202 079
<b>Payments</b>			
Employee costs		(5 378 080)	(4 866 840)
Contractual services & materials		(8 259 709)	(7 923 758)
Other operating payments		(2 794 225)	(2 193 901)
<b>Net Cash provided by Operating Activities</b>		<b>6 454 898</b>	<b>11 031 121</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Amounts specifically for new or upgraded assets		245 000	20 000
Sale of surplus assets		179 924	68 031
Net disposal of investment securities		194 687	-
<b>Payments</b>			
Expenditure on renewal/replacement of assets		(6 417 656)	(5 590 031)
Net purchase of investment securities		-	(4 620 195)
<b>Net Cash used in Investing Activities</b>		<b>(5 798 045)</b>	<b>(10 122 195)</b>
<b>Net Increase in cash held</b>		<b>656 853</b>	<b>908 926</b>
Cash & cash equivalents at beginning of period		1 273 210	364 284
<b>Cash &amp; cash equivalents at end of period</b>		<b>1 930 063</b>	<b>1 273 210</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2017****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 16 October 2017.

**1.2 Historical Cost Convention**

Except where 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 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 this Note.

**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.

**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 income 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 year the payment of untied financial assistance grants has varied from the annual allocation as follows:

	Cash Payment Received	Annual Allocation	Difference
<b>2016/17</b>	\$4 459 048	\$2 939 690	+ \$1 519 358

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 Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the difference between actual grants received and the grants entitlements allocated.

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

#### **4 Cash, Cash Equivalents and other Financial Instruments**

Cash Assets include all amounts readily convertible to cash on hand at 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 2008. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance is made for amounts where 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 forms part of Note 13.

#### **5 Infrastructure, Property, Plant & Equipment**

##### **5.1 Land under roads**

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 Council it is not possible to reliably attribute a fair value.

##### **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.

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architect's 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.

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 and equipment when completed ready for use.

##### **5.3 Subsequent Recognition**

Certain 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. Further detail of existing valuations, methods and valuers are provided at Note 7.

##### **5.4 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 Council, best reflects the consumption of the service potential embodied in those assets.

## 5.5 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 Council were deprived thereof, are not subject to impairment testing.

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 in line with creditor terms. No interest is payable on these amounts.

### 6.2 Payments Received in Advance & Deposits

Amounts (other than grants) 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 oncosts) 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 oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave, as 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. Council does not make payment for untaken sick leave.

### 7.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the SA Statewide 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 Council's involvement with the schemes are reported in Note 16.

## 8 GST Implications

In accordance with Interpretation 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; and
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

## 9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

## 10 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for 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, Council is of the view that none of the above new standards or interpretations will 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 Council’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 grants & subsidies, but does not commence until the 2019/20 financial period, and it is not Council’s intention to adopt this Standard early.

## 2 INCOME

	Notes	2017	2016
<b>RATES REVENUES</b>		\$	\$
General rates			
Residential		6 055 957	5 533 409
Commercial/Industrial		602 935	481 954
Other		75 166	70 524
		6 734 058	6 085 887
Special Rates			
Humpty Doo Waste Transfer Station		411 100	405 716
		411 100	405 716
Other Charges			
Waste management service		2 667 744	2 550 201
		2 667 744	2 550 201
		<b>9 812 902</b>	<b>9 041 804</b>
<b>STATUTORY CHARGES</b>			
Regulatory Services		36 922	56 249
		<b>36 922</b>	<b>56 249</b>
<b>USER CHARGES</b>			
Cemetery/crematoria fees		744 442	844 680
Rent received		18 816	15 088
Subdivision and development fees		45 160	104 793
Permit fees		7 639	8 860
Waste disposal fees		177 532	209 654
Rate search fees		16 800	21 487
Sundry		85 953	86 557
		<b>1 096 342</b>	<b>1 291 119</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Banks & other		573 309	513 523
Interest on overdue rates and charges		239 278	266 846
		<b>812 587</b>	<b>780 369</b>
<b>REIMBURSEMENTS</b>			
- For private works		13 717	149 397
- Other		1 500	39 483
		<b>15 217</b>	<b>188 880</b>

## 2 INCOME (CONTINUED)

Notes	2017	2016
	\$	\$
<b>OTHER INCOME</b>		
Insurance & other recoupments - infrastructure, property, plant & equipment	27 117	4 545
Rebates received	-	345 310
Sundry	113 799	64 017
	<b>140 916</b>	<b>413 872</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts received specifically for new or upgraded assets	245 000	20 000
Other grants, subsidies and contributions	7 869 167	11 164 122
	<b>8 114 167</b>	<b>11 184 122</b>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
<i>Commonwealth government</i>	7 237 828	6 280 154
<i>Northern Territory government</i>	629 605	4 678 055
<i>Other</i>	246 734	225 913
	<b>8 114 167</b>	<b>11 184 122</b>
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions that 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>	4 850 050	225 095
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads infrastructure</i>	(2 635 290 )	-
<i>Subtotal</i>	(2 635 290 )	-
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Roads infrastructure</i>	1 994 358	4 624 955
<i>Heritage &amp; cultural services</i>	70 000	-
<i>Subtotal</i>	2 064 358	4 624 955
<i>Unexpended at the close of this reporting period and held as restricted assets</i>	4 279 118	4 850 050
<b>Net (decrease) / increase in assets subject to conditions in the current reporting period</b>	<b>(570 932 )</b>	<b>4 624 955</b>
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Land & improvements	-	9 090
Roads, bridges & footpaths	887 075	4 557 552
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>	<b>887 075</b>	<b>4 566 642</b>



## 2A RECONCILIATION OF GOVERNMENT GRANTS

	Notes	Movements		Closing Balance 30 June 2017
		Received/ Receivable	Expended	
	\$	\$	\$	\$
<b>GRANTS (with discretion on use)</b>				
<b>GENERAL PURPOSE (Untied)</b>				
Grants Commission Grant - general purpose	N/A	729 135	481 109	248 026
Grants Commission Grant - roads funding	N/A	3 729 913	2 458 581	1 271 332
<b>Subtotal</b>		<b>- 4 459 048</b>	<b>2 939 690</b>	<b>1 519 358</b>
<b>SPECIFIC PURPOSE (Recurrent)</b>				
Roads to Recovery		- 2 178 780	2 178 780	-
Blackspot Funding		- 600 000	600 000	-
NT Government Major Projects grant - Anzac Parade	800 000	250 000	1 063 230	(13 230)
NT Government Major Projects grant - Freds Pass Road	500 000	-	84 750	415 250
Libraries - Feasibility Study		- 50 000	-	50 000
Streetlight Maintenance PAWA grant		- 62 060	62 060	-
Waste Management Container grant		- 10 890	10 890	-
Aquatic Needs Study	40 000	-	40 000	-
Other		- 11 655	11 655	-
<b>Subtotal</b>		<b>1 340 000</b>	<b>3 163 385</b>	<b>4 051 365</b>
<b>TOTAL OTHER GRANTS</b>		<b>1 340 000</b>	<b>7 622 433</b>	<b>6 991 055</b>
<b>Comparatives</b>				<b>1 340 000</b>
<b>GRANTS SPECIFICALLY FOR NEW/UPGRADED ASSETS</b>				
<b>SPECIFIC PURPOSE (Recurrent)</b>				
Howard Park Reserve irrigation grant		- 20 000	-	20 000
Mobile Work Force Shed grant		- 225 000	-	225 000
Freds Pass Reserve Capital upgrade grant	3 000 000	-	937 260	2 062 740
Howard Park Reserve Scout Roof grant	125 095	-	125 095	-
Livingstone Reserve Pony Club improvements	195 500	-	195 500	-
Berry Springs Reserve caretaker's dwelling	189 455	-	189 455	-
<b>TOTAL GRANTS SPECIFICALLY FOR NEW/ UPGRADED ASSETS</b>		<b>3 510 050</b>	<b>245 000</b>	<b>1 447 310</b>
<b>Comparatives</b>				<b>3 510 050</b>
Recognised as revenue in advance of expenditure		4 850 050		4 279 118
		<b>4 850 050</b>		<b>4 279 118</b>

### 3 EXPENSES

		2017	2016
	Notes	\$	\$
<b>EMPLOYEE COSTS</b>			
Salaries and wages		4 582 069	4 377 953
Employee leave expense		262 559	14 960
Superannuation - defined contribution plan contributions	16	439 636	382 511
Workers' compensation insurance		99 551	115 797
Fringe benefit tax		26 943	35 147
Other		151 681	88 154
<b>Total Operating Employee Costs</b>		<b>5 562 439</b>	<b>5 014 522</b>
<b>Total Number of Employees</b>			
		<b>53</b>	<b>46</b>
<i>(Full time equivalent at end of reporting period)</i>			
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<b>Prescribed Expenses</b>			
Auditor's remuneration			
- Auditing the financial reports		41 271	37 654
- Other Services		2 880	960
Bad and doubtful debts		8 208	56 899
Elected members' expenses		219 118	146 066
Election expenses		-	105 956
Official manager fees		-	27 948
<b>Subtotal - Prescribed Expenses</b>		<b>271 477</b>	<b>375 483</b>
<b>Other Materials, Contracts &amp; Expenses</b>			
Cemetery operations		296 259	369 718
Contractors		4 287 979	5 293 434
Energy		216 767	220 367
Insurance		201 977	194 677
Maintenance		528 295	446 753
Legal expenses		163 512	61 804
Donations and community support		101 473	66 147
Computer/IT costs		240 773	305 463
Parts, accessories & consumables		151 360	251 724
Professional services		640 884	161 677
Sundry		366 956	323 004
<b>Subtotal - Other Materials, Contracts &amp; Expenses</b>		<b>7 196 235</b>	<b>7 694 768</b>
		<b>7 467 712</b>	<b>8 070 251</b>

### 3 EXPENSES (CONTINUED)

	2017	2016
Notes	\$	\$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>		
<b>Depreciation</b>		
Buildings	981 394	997 133
Infrastructure		
Sealed roads	10 956 990	10 575 794
Unsealed roads	2 935 914	3 136 238
Road culverts	331 591	331 591
Kerbs & gutters	29 210	29 209
Driveway vehicle crossings	176 374	177 239
Footpaths	15 956	15 956
Road signs	90 521	91 889
Inverts	877	877
Point generic	35 233	27 502
Driveways	941 075	1 163 712
Bicycle paths	24 914	26 028
Plant & equipment	38 559	38 560
Motor vehicles	191 070	175 683
	<b>16 749 678</b>	<b>16 787 411</b>

## 4 ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2017 \$	2016 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<b>Assets renewed or directly replaced</b>			
Proceeds from disposal		-	-
Less: Carrying amount of assets sold		-	24 052
<b>Loss on disposal</b>		-	<b>(24 052)</b>
<b>Assets surplus to requirements</b>			
Proceeds from disposal		179 924	68 031
Less: Carrying amount of assets sold		151 528	59 119
<b>Gain on disposal</b>		<b>28 396</b>	<b>8 912</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<b>28 396</b>	<b>(15 140)</b>

## 5 CURRENT ASSETS

	Notes	2017 \$	2016 \$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on hand and at bank		1 930 063	1 273 210
		<b>1 930 063</b>	<b>1 273 210</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Rates - general & other		2 153 120	2 029 314
Accrued revenues		197 650	191 183
Debtors - general		108 139	209 980
Prepayments		33 040	15 654
<b>Total</b>		<b>2 491 949</b>	<b>2 446 131</b>
Less: allowance for doubtful debts		5 906	52 683
		<b>2 486 043</b>	<b>2 393 448</b>
<b>OTHER FINANCIAL ASSETS</b>			
Bank investments - term deposits		19 574 537	19 769 224
		<b>19 574 537</b>	<b>19 769 224</b>

## 6 NON-CURRENT ASSETS

	Notes	2017 \$	2016 \$
<b>OTHER NON-CURRENT ASSETS</b>			
Capital Works-in-Progress		2 144 459	708 756
		<b>2 144 459</b>	<b>708 756</b>

# 69 7 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

Fair Value Level	2016						2017					
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - Council owned	2	14 387 856	-	-	14 387 856	14 387 856	-	-	14 387 856	-	-	14 387 856
Land - Drainage	3	6 638 569	-	-	6 638 569	6 638 569	-	-	6 638 569	-	-	6 638 569
Buildings	2	35 863 263	157 917	(14 556 119)	21 465 061	35 863 263	763 473	(15 537 513)	21 089 223			
Infrastructure												
- Sealed roads	3	231 761 720	8 007 961	(50 670 853)	189 098 828	231 761 720	12 246 454	(61 627 843)	182 380 331			
- Unsealed roads	3	27 141 583	-	(14 440 845)	12 700 738	27 141 583	-	(17 376 759)	9 764 824			
- Road culverts	3	33 122 065	183 209	(12 700 023)	20 605 251	33 122 065	274 037	(13 031 614)	20 364 488			
- Kerbs & gutters	3	1 459 296	159 980	(674 043)	945 233	1 459 296	159 980	(703 253)	916 023			
- Driveway vehicle crossings	3	15 716 238	197 691	(7 230 828)	8 683 101	15 716 238	228 687	(7 407 202)	8 537 723			
- Footpaths	3	590 549	88 500	(238 867)	440 182	590 548	154 560	(254 822)	490 286			
- Road signs	3	1 347 780	150 137	(612 176)	885 741	1 347 780	304 647	(702 697)	949 730			
- Inverts	3	26 320	-	(12 712)	13 608	26 320	-	(13 589)	12 731			
- Point generic	3	539 417	139 472	(318 008)	360 881	539 417	179 972	(353 241)	366 148			
- Driveways	3	8 960 449	253 000	(5 838 740)	3 374 709	8 960 449	327 820	(6 779 815)	2 508 454			
- Bicycle paths	3	780 841	-	(357 304)	423 537	780 841	-	(382 218)	398 623			
- Stormwater drains	3	-	608 490	-	608 490	-	608 490	-	608 490			
Office equipment	2	587 995	-	(587 995)	-	587 995	-	(587 995)	-			
Plant and equipment	2	388 718	-	(154 218)	234 500	388 718	9 484	(192 777)	205 425			
Motor vehicles	2	1 774 866	376 633	(822 440)	1 329 059	1 306 211	934 414	(696 383)	1 544 242			
Other assets	2	21 229	-	(21 229)	-	21 229	-	(21 229)	-			
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		<b>381 108 754</b>	<b>10 322 990</b>	<b>(109 236 400)</b>	<b>282 195 344</b>	<b>380 640 098</b>	<b>16 192 018</b>	<b>(125 668 950)</b>	<b>271 163 166</b>			
<b>Comparatives</b>		<b>381 417 418</b>	<b>-</b>	<b>(92 674 481)</b>	<b>288 742 937</b>	<b>381 108 754</b>	<b>10 322 990</b>	<b>(109 236 400)</b>	<b>282 195 344</b>			

This Note continues on the following pages.

# 7 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	2016 CARRYING AMOUNT \$	CARRYING AMOUNT MOVEMENTS DURING YEAR					2017 CARRYING AMOUNT \$
		Additions					
		New/Upgrade	Renewals	Disposals	Depreciation		
		\$	\$	\$	\$	\$	
Land - Council owned	14 387 856	-	-	-	-	14 387 856	
Land - Drainage	6 638 569	-	-	-	-	6 638 569	
Buildings	21 465 061	-	605 556	-	(981 394)	21 089 223	
Infrastructure							
- Sealed roads	189 098 828	702 796	3 535 697	-	(10 956 990)	182 380 331	
- Unsealed roads	12 700 738	-	-	-	(2 935 914)	9 764 824	
- Road culverts	20 605 251	27 424	63 404	-	(331 591)	20 364 488	
- Kerbs & gutters	945 233	-	-	-	(29 210)	916 023	
- Driveway vehicle crossings	8 683 101	30 996	-	-	(176 374)	8 537 723	
- Footpaths	440 182	-	66 060	-	(15 956)	490 286	
- Road signs	885 741	10 538	143 972	-	(90 521)	949 730	
- Inverts	13 608	-	-	-	(877)	12 731	
- Point generic	360 881	40 500	-	-	(35 233)	366 148	
- Driveways	3 374 709	74 820	-	-	(941 075)	2 508 454	
- Bicycle paths	423 537	-	-	-	(24 914)	398 623	
- Stormwater drains	608 490	-	-	-	-	608 490	
Plant & equipment	234 500	-	9 484	-	(38 559)	205 425	
Motor vehicles	1 329 059	-	557 781	(151 528)	(191 070)	1 544 242	
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>282 195 344</b>	<b>887 074</b>	<b>4 981 954</b>	<b>(151 528)</b>	<b>(16 749 678)</b>	<b>271 163 166</b>	
<b>Comparatives</b>	<b>288 742 937</b>	<b>4 566 642</b>	<b>5 756 348</b>	<b>(83 172)</b>	<b>(16 787 411)</b>	<b>282 195 344</b>	

This Note continues on the following pages.

# 7 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT (CONTINUED)

## 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 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 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 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 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.

*Transition to AASB 13* - The requirements of AASB 13 *Fair Value Measurement* have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

### Land under Roads

Council being of the opinion that it is not possible to attribute a value sufficiently reliably 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 2015 valuation by Maloney Field Services Pty Ltd (previous valuation – 1 July 2011 – Maloney Field Services 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 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 2015 valuation by Maloney Field Services Pty Ltd (previous valuation – 1 July 2011 – Maloney Field Services Pty Ltd).

#### Infrastructure

These assets were valued as at 30 June 2015 valuation by Maloney Field Services Pty Ltd (previous valuation – 1 July 2011 – Maloney Field Services Pty Ltd).

#### Capitalisation Thresholds

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

#### Estimated useful lives and Capitalisation Thresholds

Building and other structures	15 to 25 years	-
Infrastructure		
Sealed roads – surface	13 to 25 years	-
Sealed roads – pavement	20 to 50 years	-
Unsealed roads	7 to 20 years	-
Roads – earthworks	80 to 100 years	-
Road culverts	80 to 100 years	-
Kerbs & gutters	20 to 70 years	-
Driveway vehicle crossings	80 to 100 years	-
Footpaths	20 to 70 years	-
Road signs	10 to 20 years	-
Inverts	20 to 70 years	-
Point generic	10 to 20 years	-
Driveways	5 to 12 years	-
Bicycle paths	20 to 70 years	-
Office equipment	5 to 10 years	\$5,000
Plant and equipment	3 to 20 years	\$5,000
Motor vehicles	5 to 10 years	\$5,000



## 8 LIABILITIES

	Notes	2017		2016	
		Current \$	Non-current \$	Current \$	Non-current \$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods and services		810 696	-	1 182 062	-
Payments received in advance		295 904	-	259 203	-
Accrued expenses - employee entitlements		128 441	-	212 548	-
Deposits, retentions and bonds		338 122	-	402 719	-
		<b>1 573 163</b>	<b>-</b>	<b>2 056 532</b>	<b>-</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		720 061	339 745	490 579	292 267
		<b>720 061</b>	<b>339 745</b>	<b>490 579</b>	<b>292 267</b>

## 9 RESERVES

	Notes	2016	Net Increments (Decrements)	Transfers, Impairments	2017
		\$	\$	\$	\$
<b>ASSET REVALUATION RESERVE</b>					
Land - Council owned		125 175 674	-	-	125 175 674
Buildings		11 728 040	-	-	11 728 040
Infrastructure					
Roads		67 214 133	-	-	67 214 133
Road culverts		20 079 696	-	-	20 079 696
Kerbs & gutters		602 563	-	-	602 563
Driveway vehicle crossings		10 124 337	-	-	10 124 337
Footpaths		203 312	-	-	203 312
Road signs		1 350 810	-	-	1 350 810
Inverts		17 994	-	-	17 994
Point generic		338 757	-	-	338 757
Driveways		5 835 193	-	-	5 835 193
Bicycle paths		518 927	-	-	518 927
Motor vehicles		122 294	-	-	122 294
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>		<b>243 311 730</b>	<b>-</b>	<b>-</b>	<b>243 311 730</b>
<b>TOTAL</b>		<b>243 311 730</b>	<b>-</b>	<b>-</b>	<b>243 311 730</b>
<b>Comparatives</b>		<b>243 311 730</b>	<b>-</b>	<b>-</b>	<b>243 311 730</b>

	2016	Transfers to Reserve	Transfers from Reserve	2017
	\$	\$	\$	\$
<b>OTHER RESERVES</b>				
Property	508 902	-	(43 430 )	465 472
Plant and equipment	137 446	-	(100 763 )	36 683
Infrastructure	2 334 793	-	(118 767 )	2 216 026
Developer Contributions	855 766	214 483	(288 678 )	781 571
Waste management	3 344 062	935 646	(217 756 )	4 061 952
Election	25 044	-	-	25 044
Disaster recovery	790 388	-	-	790 388
Strategic initiatives	1 374 139	-	(86 900 )	1 287 239
Capital grants unexpended	4 850 050	2 064 358	(2 635 290 )	4 279 118
Cemetery	192 028	20 016	-	212 044
<b>TOTAL OTHER RESERVES</b>	<b>14 412 618</b>	<b>3 234 503</b>	<b>(3 491 584 )</b>	<b>14 155 537</b>
<b>Comparatives</b>	<b>10 512 947</b>	<b>6 310 976</b>	<b>(2 411 305 )</b>	<b>14 412 618</b>

## 9 RESERVES (CONTINUED)

### 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 and available-for-sale financial assets.

#### Other Reserves

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

Disaster Recovery Reserve	This reserve will fund expenses incurred 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 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.
Infrastructure 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 Plan for Infrastructure.
Waste Management 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 Plan for Waste Management.
Property 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 Plan for Property.
Plant and Equipment 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 Plan for Plant and Equipment.
Developer Contributions*	These contributions are paid by developers pursuant to the conditions of a development permit for a specified purpose in a designated locality. The developer contributions are levied in accordance with the Litchfield Council Developer Contribution Plan at the time of payment.
Cemetery Reserve*	These funds represent total equity of the Thorak Regional Cemetery. Control of the cemetery can be removed at any time as a result of changes to the Northern Territory Government arrangements.

\* Externally restricted reserves

## 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	2017 \$	2016 \$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Federal Government		4 279 118	4 850 050
Developer Contributions		214 483	855 766
		4 493 601	5 705 816
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>4 493 601</b>	<b>5 705 816</b>

## 11 RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2017 \$	2016 \$
<b>(a) Reconciliation of Cash</b>			
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 Statement of Financial Position as follows:			
Total cash & equivalent assets	5	1 930 063	1 273 210
Balances per Cash Flow Statement		<b>1 930 063</b>	<b>1 273 210</b>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Deficit		(8 835 305)	(2 364 267)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		16 749 678	16 787 411
Net increase (decrease) in unpaid employee benefits		192 853	147 682
Change in allowances for under-recovery		(46 777)	15 797
Non-cash asset acquisitions		(887 075)	(4 566 642)
Grants for capital acquisitions treated as investing activity		(245 000)	(20 000)
Net (Gain) loss on disposals		(28 396)	15 140
		<b>6 899 978</b>	<b>10 015 121</b>
Add (Less): Changes in net current assets			
Net (increase) decrease in receivables		(45 818)	524 071
Net increase (decrease) in trade & other payables		(399 262)	491 929
Net Cash provided by operations		<b>6 454 898</b>	<b>11 031 121</b>
<b>(c) Non-Cash Financing and Investing Activities</b>			
Acquisition of assets by means of:			
- Physical resources received free of charge	3	887 075	4 566 642
<i>Amounts recognised in Income Statement</i>		<b>887 075</b>	<b>4 566 642</b>
<b>(d) Financing Arrangements</b>			
Council does not have in place any financing facilities or arrangements.			

## 12 FUNCTIONS

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2017	2017	2016	2017	2017	2016
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
Rates	6 442 326	6 734 057	6 085 888	-	-	-
Statutory and user charges	118 409	77 766	82 292	43 500	37 376	58 732
Grants - NT recurrent	1 100	51 955	91 100	-	-	-
Grants - NT capital	-	-	-	-	-	-
Grants - Cwlth recurrent	464 608	729 135	464 608	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Investment Income	505 000	723 911	679 223	-	-	-
Reimbursements and other revenues	9 500	49 640	29 130	11 000	623	-
<b>Total</b>	<b>7 540 943</b>	<b>8 366 464</b>	<b>7 432 241</b>	<b>54 500</b>	<b>37 999</b>	<b>58 732</b>
<b>OPERATING EXPENSES</b>						
Employee costs	1 934 653	1 849 755	1 494 410	282 097	299 709	244 763
Materials, contracts and other	1 345 929	1 481 622	1 574 471	154 450	108 339	63 167
Interest charges			-	-	-	-
Depreciation, amortisation, impairment		97 718	108 154	-	7 005	19 864
<b>Total</b>	<b>3 280 582</b>	<b>3 429 095</b>	<b>3 177 035</b>	<b>436 547</b>	<b>415 053</b>	<b>327 794</b>
<b>TOTALS</b>	<b>4 260 361</b>	<b>4 937 369</b>	<b>4 255 206</b>	<b>(382 047)</b>	<b>(377 054)</b>	<b>(269 062)</b>
<i>TOTAL ASSETS UTILISED</i>		<b>23 990 643</b>	25 560 868		<b>22 760</b>	86 747

## 12 FUNCTIONS (CONTINUED)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	ECONOMIC AFFAIRS			ENVIRONMENTAL PROTECTION		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2017	2017	2016	2017	2017	2016
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
Rates	-	-	-	3 050 044	3 078 845	2 955 916
Statutory and user charges	46 000	52 799	113 653	184 000	202 065	232 923
Grants - NT recurrent	-	-	-	-	10 890	22 000
Grants - NT capital	1 220 500	250 000	1 300 000	-	-	-
Grants - Cwlth recurrent	2 367 391	3 729 913	2 491 993	-	-	-
Grants - Cwlth capital	3 502 156	2 778 780	3 323 553	-	-	-
Contributions and donations	280 000	245 234	205 913	-	-	-
Investment income	-	-	-	-	77 043	89 055
Reimbursements and other revenues	124 000	11 814	179 314	12 500	-	387 589
<b>Total</b>	<b>7 540 047</b>	<b>7 068 540</b>	<b>7 614 426</b>	<b>3 246 544</b>	<b>3 368 843</b>	<b>3 687 483</b>
<b>OPERATING EXPENSES</b>						
Employee costs	1 822 985	1 755 273	1 716 630	1 071 548	1 204 085	980 081
Materials, contracts and other	3 556 220	2 987 504	3 756 425	1 752 500	1 374 761	1 297 865
Interest charges	-	-	-	-	-	-
Depreciation, amortisation, impairment	-	15 775 921	16 494 292	-	155 922	165 101
<b>Total</b>	<b>5 379 205</b>	<b>20 518 698</b>	<b>21 967 347</b>	<b>2 824 048</b>	<b>2 734 768</b>	<b>2 443 047</b>
<b>TOTALS</b>	<b>2 160 842</b>	<b>(13 450 158)</b>	<b>(14 352 921)</b>	<b>422 496</b>	<b>634 075</b>	<b>1 244 436</b>
<i>TOTAL ASSETS UTILISED</i>		<b>252 186 158</b>	253 365 614		<b>3 304 355</b>	3 252 476

## 12 FUNCTIONS (CONTINUED)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	HOUSING & COMMUNITY AMENITIES			RECREATION CULTURE & RELIGION		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2017	2017	2016	2017	2017	2016
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
Rates	-	-	-	-	-	-
Statutory and user charges	-	-	-	-	-	-
Grants - NT recurrent	-	62 060	-	-	-	-
Grants - NT capital	-	-	-	3 000 000	-	3 264 955
Grants - Cwlth recurrent	-	-	-	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Reimbursements and other revenues	-	-	-	-	56 165	2 172
<b>Total</b>	<b>-</b>	<b>62 060</b>	<b>-</b>	<b>3 000 000</b>	<b>56 165</b>	<b>3 267 127</b>
<b>OPERATING EXPENSES</b>						
Employee costs	-	-	-	-	-	-
Materials, contracts and other	50 000	117 976	54 147	959 000	1 035 166	938 137
Interest charges	-	-	-	-	-	-
Depreciation, amortisation, impairment	-	-	-	-	713 112	-
<b>Total</b>	<b>50 000</b>	<b>117 976</b>	<b>54 147</b>	<b>959 000</b>	<b>1 748 278</b>	<b>938 137</b>
<b>TOTALS</b>	<b>(50 000)</b>	<b>(55 916)</b>	<b>(54 147)</b>	<b>2 041 000</b>	<b>(1 692 113)</b>	<b>2 328 990</b>
<i>TOTAL ASSETS UTILISED</i>					<b>17 794 352</b>	24 074 277

## 12 FUNCTIONS (CONTINUED)

### REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	EDUCATION			CEMETERY		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2017	2017	2016	2017	2017	2016
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
Rates	-	-	-	-	-	-
Statutory and user charges	-	-	-	842 450	763 258	859 768
Grants - NT recurrent	-	-	-	-	11 200	-
Grants - NT capital	-	-	-	-	-	-
Grants - Cwlth recurrent	-	-	-	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-
Investment income	-	-	-	-	11 633	12 091
Reimbursements and other revenues	-	-	-	12 000	37 891	4 547
<b>Total</b>	-	-	-	<b>854 450</b>	<b>823 982</b>	<b>876 406</b>
<b>OPERATING EXPENSES</b>						
Employee costs	-	-	-	539 605	453 617	578 638
Materials, contracts and other	12 000	12 000	12 000	378 254	350 344	374 039
Interest charges	-	-	-	-	-	-
Depreciation, amortisation, impairment	-	-	-	-	-	-
<b>Total</b>	<b>12 000</b>	<b>12 000</b>	<b>12 000</b>	<b>917 859</b>	<b>803 961</b>	<b>952 677</b>
<b>TOTALS</b>	<b>(12 000)</b>	<b>(12 000)</b>	<b>(12 000)</b>	<b>(63 409)</b>	<b>20 021</b>	<b>(76 271)</b>
<i>TOTAL ASSETS UTILISED</i>						



## 12 FUNCTIONS (CONTINUED)

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	TOTAL		ACTUAL 2016 \$
	BUDGET	ACTUAL	
	2017	2017	
	\$	\$	\$
<b>OPERATING REVENUES</b>			
Rates	9 492 370	9 812 902	9 041 804
Statutory and user charges	1 234 359	1 133 264	1 347 368
Grants - NT recurrent	1 100	136 105	113 100
Grants - NT capital	4 220 500	250 000	4 564 955
Grants - Cwlth recurrent	2 831 999	4 459 048	2 956 601
Grants - Cwlth capital	3 502 156	2 778 780	3 323 553
Contributions and donations	280 000	245 234	205 913
Investment income	505 000	812 587	780 369
Reimbursements and other revenues	169 000	156 133	602 752
<b>Total</b>	<b>22 236 484</b>	<b>19 784 053</b>	<b>22 936 415</b>
<b>OPERATING EXPENSES</b>			
Employee costs	5 650 888	5 562 439	5 014 522
Materials, contracts and other	8 208 353	7 467 712	8 070 251
Interest charges	-	-	-
Depreciation, amortisation, impairment	-	16 749 678	16 787 411
<b>Total</b>	<b>13 859 241</b>	<b>29 779 829</b>	<b>29 872 184</b>
<b>TOTALS</b>	<b>8 377 243</b>	<b>(9 995 776)</b>	<b>(6 935 769)</b>
<i>TOTAL ASSETS UTILISED</i>		<b>297 298 268</b>	306 339 982

## 12 COMPONENTS OF FUNCTIONS (CONTINUED)

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.

### **Social Protection**

Outlays on day care services, family day care, occasional care and outside school hours care, aged service, shelter protection, drug and alcohol treatment programs; also includes relief from man-made disasters.

# 13 FINANCIAL INSTRUMENTS

## ACCOUNTING POLICIES

### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned.

**Terms & conditions:** Short term deposits have an average maturity of 336 days and an average interest rates of 2.73% (2016: 292 days, 2.998%).

**Carrying amount:** Approximates fair value due to the short term to maturity.

### Receivables - Rates and Associated Charges (including legals & penalties for late payment)

**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.

**Terms & conditions:** Secured over the subject land, arrears attract interest of 17% (2016: 17%). Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the Territory.

**Carrying amount:** approximates fair value (after deduction of any allowance).

### Receivables - Fees and Other Charges

**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.

**Terms & conditions:** Unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying amount:** Approximates fair value (after deduction of any allowance).

### Receivables - Other Levels of Government

**Accounting Policy:** Carried at nominal value.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth and Territory.

**Carrying amount:** Approximates fair value.

Note: Certain of the above receivables do not meet the definition of financial instruments, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness, but they are excluded from the remainder of the Note.

### Liabilities - Creditors and Accruals

**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.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** Approximates fair value.

# 13 FINANCIAL INSTRUMENTS (CONTINUED)

## LIQUIDITY ANALYSIS

	Due < 1 year \$	Due > 1 year;< 5 years \$	Due > 5 years \$	Total Contractual Cash Flows \$	Carrying Values \$
<b>2017</b>					
<b>Financial Assets</b>					
Cash and equivalents	1 930 063	-	-	1 930 063	1 930 063
Receivables	305 789	-	-	305 789	305 789
Other financial assets	20 070 160	-	-	20 070 160	19 574 537
<b>Total</b>	<b>22 306 012</b>	<b>-</b>	<b>-</b>	<b>22 306 012</b>	<b>21 810 389</b>
<b>Financial Liabilities</b>					
Payables	1 573 163	-	-	1 573 163	1 573 163
<b>Total</b>	<b>1 573 163</b>	<b>-</b>	<b>-</b>	<b>1 573 163</b>	<b>1 573 163</b>
<b>2016</b>					
<b>Financial Assets</b>					
Cash and equivalents	1 273 210	-	-	1 273 210	1 273 210
Receivables	401 163	-	-	401 163	401 163
Other financial assets	21 255 053	-	-	21 255 053	19 769 224
<b>Total</b>	<b>22 929 426</b>	<b>-</b>	<b>-</b>	<b>22 929 426</b>	<b>21 443 597</b>
<b>Financial Liabilities</b>					
Payables	2 056 532	-	-	2 056 532	2 056 532
<b>Total</b>	<b>2 056 532</b>	<b>-</b>	<b>-</b>	<b>2 056 532</b>	<b>2 056 532</b>

Note: Statutory receivables, such as rates, have been excluded from the above tables.

### 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 provision for doubtful debts. In accordance with regulations, all Council investments are made with authorised deposit taking institutions. Except as detailed in Notes 5 & 6 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 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 based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of Council's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either Council incomes or expenditures.

## 14 COMMITMENTS FOR EXPENDITURE

	Notes	2017 \$	2016 \$
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Roads and footpaths		1 531 804	1 310 050
Plant and equipment		33 674	-
		<b>1 565 478</b>	<b>1 310 050</b>
These expenditures are payable:			
Not later than one year		1 565 478	1 310 050
		<b>1 565 478</b>	<b>1 310 050</b>
<b>Other Expenditure Commitments</b>			
Other non-capital expenditure committed:			
Maintenance contracts		349 569	-
<b>Finance Lease Commitments</b>			
There were no finance lease commitments as at 30 June 2017 and 2016.			

## 15 FINANCIAL INDICATORS

	2017	2016	2015	2014
<b>Current Ratio</b>				
Current assets - externally restricted assets	8.5:1	6.96:1	8.8:1	11.38:1
Current liabilities				
<b>Debt Service Ratio</b>				
Net debt service cost	0%	0%	0%	0%
Operating revenue*				
* as defined				
<b>Rate Coverage Percentage</b>				
Rate revenues	36.12%	28.30%	39.27%	40.20%
Total revenues				
<b>Rates &amp; Annual Charges Outstanding Percentage</b>				
Rates and annual charges outstanding	23.47%	22.52%	28.41%	50.68%
Rates and annual charges collectible				

## 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 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 2016/17; 9.50% in 2015/16). 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

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.

## 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.

## 18 RELATED PARTY DISCLOSURES

### KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers to comply with the Related Party Disclosures under AASB 124. In all, 12 people were paid the following:

	2017
	\$
Salaries, allowances and other short term benefits	964 180
<b>TOTAL</b>	<b>964 180</b>

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

### PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

One of the key management personnel received the transfer of adjoining land to residential block (Council Resolution 15/0065 on 3 September 2015). The costs incurred by Council associated to this transfer in 2016/17 is \$9,338 for Subdivision Services and Mortgage Adjustment Fee.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LITCHFIELD COUNCIL

### Opinion

We have audited the accompanying financial report of the Litchfield Council (the Council), which comprise the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Officer's Certificate.

In our opinion,

- a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act (NT), Chapter 10 part 10.6 (the Act); and
- b) the financial report:
  - (i) has been presented, in all material respects, in accordance with the requirements of the Act;
  - (ii) is consistent with the Council's accounting records;
  - (iii) presents fairly, in all material respects, the Council's financial position as at 30 June 2017 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Local Government (Accounting) Regulations 2014.
- c) all information relevant to the conduct of the audit has been obtained; and
- d) there are no material deficiencies in the accounting records or financial report that have come to light during the course of the audit.

### 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 Statement section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to 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.

### Information Other than the Financial Report

Those charged with governance are responsible for the other information. The other information comprises the information included in the Council's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

### **Chief Executive Officers' Responsibility for the Financial Report**

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act (NT) and the Local Government (Accounting) Regulations 2014 and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial report that are free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive Officer either intends to liquidate the Council or to cease operations, or has 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 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.

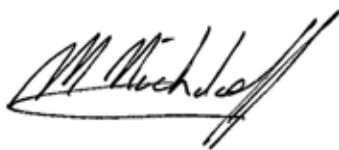
As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.

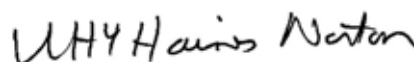


- Concludes on the appropriateness of those charged with governance's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We will 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 the audit.



**M.D. Nicholaeff**  
Partner



**UHY Haines Norton**  
Chartered Accountants

Signed in Sydney on 16<sup>th</sup> October 2017

# PART 5

# Financial Statements

## THORAK REGIONAL CEMETERY

### Special Purpose Financial Reports for the year ended 30 June 2017

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# SPECIAL PURPOSE FINANCIAL REPORT

For the year ended 30 June 2017

## BOARD OF TRUSTEE'S STATEMENT

I, Kaylene Conrick, the Chief Executive Officer of the Litchfield Council on behalf of the Thorak Regional Cemetery Board of Trustees, hereby certify that the Special Purpose Financial Reports:

- (a) the attached financial statements and notes thereto are in accordance with *Cemeteries Act* and *Cemeteries Regulations*, including compliance with accounting policies in Note 1 and giving a true and fair view of the financial position and performance of Thorak Regional Cemetery; and
- (b) are in accordance with the accounting and other records of the Thorak Regional Cemetery.



**Kaylene Conrick**  
Chief Executive Officer

16/10/2017

**Date**

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2017

	Notes	2017	2016
		\$	\$
<b>INCOME</b>			
Internments		462 010	568 786
Cremations		148 571	111 371
Exclusive rights fees		10 828	9 199
Ground maintenance		56 035	63 295
Chapel and marquee hire		20 276	25 600
Plaque/Headstone installation and permits		32 138	35 287
Funeral director fees		4 468	2 842
Sundry income		10 115	28 300
Grant income		11 200	-
Rent received		18 816	15 088
Investment income		11 633	12 091
Proceeds from sale of assets		37 891	4 545
<b>Total Income</b>		<b>823 981</b>	<b>876 404</b>
<b>EXPENSES</b>			
Salaries		405 022	512 518
Superannuation		38 478	41 547
Staff training and amenities		4 170	17 936
Insurance		28 033	27 791
Accounting services		8 758	4 320
Consultants		15 127	-
Admin expenses		76 085	84 052
Advertising		1 527	2 854
Computer support		1 360	1 050
Motor vehicle expenses		24 341	29 052
Utilities		52 669	43 803
Telephone		3 069	3 616
Security		4 233	4 268
Grounds maintenance and landscaping		14 031	20 476
Repairs and maintenance		29 305	23 799
Equipment hire		1 102	-
Plant and equipment		7 643	5 765
Grave digging		35 927	49 440
Memorial expenses		11 213	20 470
Sundry expense		11 671	-
Exclusive rights refunds		-	670
Capital works expenditure not capitalised		30 201	59 248
<b>Total Expenses</b>		<b>803 965</b>	<b>952 675</b>
<b>NET SURPLUS / (DEFICIT)</b>		<b>20 016</b>	<b>(76 271)</b>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>		<b>20 016</b>	<b>(76 271)</b>

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

# BALANCE SHEET

as at 30 June 2017

	Notes	2017 %	2016 %
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	2	187 193	100 545
Trade and other receivables	2	30 895	85 446
Other financial assets	2	418 032	406 397
<b>Total Current Assets</b>		<b>636 120</b>	<b>592 388</b>
<b>Total Assets</b>		<b>636 120</b>	<b>592 388</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Provisions	3	340 341	288 653
Provisions	3	58 726	90 057
<b>Total Current Liabilities</b>		<b>399 067</b>	<b>378 710</b>
<b>Non-current Liabilities</b>			
Provisions	3	25 008	21 649
<b>Total Non-current Liabilities</b>		<b>25 008</b>	<b>21 649</b>
<b>Total Liabilities</b>		<b>424 075</b>	<b>400 359</b>
<b>NET ASSETS</b>		<b>212 045</b>	<b>192 029</b>
<b>EQUITY</b>			
Accumulated surplus		54 569	54 569
Other reserves	4	157 476	137 460
<b>TOTAL EQUITY</b>		<b>212 045</b>	<b>192 029</b>

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

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Notes	Accumulated Surplus	Other Reserves	TOTAL EQUITY
		\$	\$	\$
<b>2017</b>				
Balance at end of previous year		54 569	137 460	192 029
<b>Net Surplus for Year</b>		<b>20 016</b>	-	<b>20 016</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Income</b>		<b>20 016</b>	-	<b>20 016</b>
Transfers between reserves		(20 016)	20 016	-
<b>Balance at end of period</b>		<b>54 569</b>	<b>157 476</b>	<b>212 045</b>
<b>2016</b>				
Balance at end of previous year		54 570	213 730	268 300
<b>Net Deficit for Year</b>		<b>(76 271)</b>	-	<b>(76 271)</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Loss</b>		<b>(76 271)</b>	-	<b>(76 271)</b>
Transfers between reserves		76 270	(76 270)	-
<b>Balance at end of period</b>		<b>54 569</b>	<b>137 460</b>	<b>192 029</b>

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

# CASH FLOW STATEMENT

For the year ended 30 June 2017

	Notes	2017	2016
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Receipts from customers		866 897	877 583
Payments			
Payments to suppliers and employees		(780 249)	(873 387)
<b>Net Cash provided by Operating Activities</b>	<b>5</b>	<b>86 648</b>	<b>4 196</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipts			
Receipts for investments		-	-
Payments			
Payments for investments		-	(71 627)
<b>Net Cash used in Investing Activities</b>		<b>-</b>	<b>(71 627)</b>
<b>Net Increase (Decrease) in cash held</b>		<b>86 648</b>	<b>(67 431)</b>
Cash & cash equivalents at beginning of the year		100 545	167 976
<b>Cash &amp; cash equivalents at end of the year</b>		<b>187 193</b>	<b>100 545</b>

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

# 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 Financial Reporting Framework

Thorak Regional Cemetery (“the Cemetery”) is not a reporting entity because in the opinion of the Board of Trustees 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 Board of Trustees’ 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 where 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 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 this Note.

### 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 Council 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.

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 incomes 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 forms part of Note 6.

### 4 Infrastructure, Property, Plant & Equipment

Expenditure on property, plant and equipment is shown as an expense and has not been capitalised as the title to the land is not held by the Board of Trustees thus control of the land and assets can be removed at any time as a result of changes to the Northern Territory Government's arrangements.

When an item of property, plant and equipment is disposed of, the sales proceeds are recognised in profit or loss.

### 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

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.

### 6 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 oncosts) 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 oncosts) to be made in respect of services provided by employees up to the reporting date.

No accrual is made for sick leave as 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. Council 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.



## 7 GST Implications

In accordance with Interpretation 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; and
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

## 8 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

## 9 Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2017 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income for 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 Council is of the view that none of the above new standards or interpretations will 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 Council’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 and subsidies, but does not commence until the 2019/20 financial period, and it is not Council’s intention to adopt this Standard early.

## 2 CURRENT ASSETS

For the year ended 30 June 2017

	Notes	2017	2016
		\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on hand and at bank		187 198	100 545
		<b>187 198</b>	<b>100 545</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued revenues		63	64
Debtors - general		30 832	85 382
		<b>30 895</b>	<b>85 446</b>
<b>OTHER FINANCIAL ASSETS</b>			
Term deposits over 90 Days		418 032	406 397
		<b>418 032</b>	<b>406 397</b>

## 3 LIABILITIES

For the year ended 30 June 2017

	Notes	2017		2016	
		Current	Non-current	Current	Non-current
		\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods and services		33 157	-	18 805	-
Payments received in advance		295 904	-	259 203	-
Accrued expenses - employee entitlements		11 280	-	10 645	-
		<b>340 341</b>	<b>-</b>	<b>288 653</b>	<b>-</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)					
Annual leave		58 726	-	62 472	2 513
Long service leave		-	25 008	27 585	19 136
		<b>58 726</b>	<b>25 008</b>	<b>90 057</b>	<b>21 649</b>

## 4 RESERVES

For the year ended 30 June 2017

	Notes	1/7/2016	Transfers to Reserve	Transfers from Reserve	30/6/2017
		\$	\$	\$	\$
<b>RESERVES</b>					
Cemetery		137 459	20 016	-	157 475
<b>TOTAL RESERVES</b>		<b>137 459</b>	<b>20 016</b>	<b>-</b>	<b>157 475</b>
Comparatives		213 730	-	(76 271 )	137 459

### PURPOSES OF RESERVES

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

## 5 RECONCILIATION TO CASH FLOW STATEMENT

For the year ended 30 June 2017

	Notes	2017	2016
		\$	\$
<b>(a) Reconciliation of Cash</b>			
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 Statement of Financial Position as follows:			
Total cash and equivalent assets	2	187 193	100 545
Balances per Cash Flow Statement		187 193	100 545
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus (Deficit)		20 016	(76 271)
Non-cash items in Statement of Comprehensive Income			
Investment Income (reinvested)		(11 635)	(12 091)
		<b>8 381</b>	<b>(88 362)</b>
Add (Less): Changes in net current assets			
Net (increase) decrease in receivables		54 551	13 270
Net increase (decrease) in trade and other payables		51 688	19 273
Net increase (decrease) in other provisions		(27 972)	60 015
<b>Net Cash provided by operations</b>		<b>86 648</b>	<b>4 196</b>

## 6 FINANCIAL INSTRUMENTS

For the year ended 30 June 2017

### ACCOUNTING POLICIES

#### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:** Carried at lower of cost and net realisable value. Interest is recognised when earned.

**Terms & conditions:** Short term deposits have an average maturity of 365 days and an average interest rates of 2.86% (2016: 365 days, 3.05%). Carrying amount: approximates fair value due to the short term to maturity.

#### Receivables - Fees & other charges

**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.

**Terms & conditions:** Unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

**Carrying amount:** Approximates fair value (after deduction of any allowance).

#### Receivables - other levels of government

**Accounting Policy:** Carried at nominal value.

**Terms & conditions:** Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth & State.

**Carrying amount:** Approximates fair value.

Note: Certain of the above receivables do not meet the definition of financial instruments, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness but they are excluded from the remainder of the Note.

#### Liabilities - Creditors and Accruals

**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.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** Approximates fair value.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** Approximates fair value.

## 6 FINANCIAL INSTRUMENTS (CONTINUED)

For the year ended 30 June 2017

### LIQUIDITY ANALYSIS

	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2017</b>					
<b>Financial Assets</b>					
Cash and equivalents	187 198	-	-	187 198	187 198
Receivables	30 895	-	-	30 895	30 895
Other financial assets	429 528	-	-	429 528	418 032
<b>Total</b>	<b>647 621</b>	<b>-</b>	<b>-</b>	<b>647 621</b>	<b>636 125</b>
<b>Financial Liabilities</b>					
Payables	44 437	-	-	44 437	44 437
<b>Total</b>	<b>44 437</b>	<b>-</b>	<b>-</b>	<b>44 437</b>	<b>44 437</b>
<b>2016</b>					
<b>Financial Assets</b>					
Cash and equivalents	100 545	-	-	100 545	100 545
Receivables	85 446	-	-	85 446	85 446
Other financial assets	418 020	-	-	418 020	406 397
<b>Total</b>	<b>604 011</b>	<b>-</b>	<b>-</b>	<b>604 011</b>	<b>592 388</b>
<b>Financial Liabilities</b>					
Payables	29 450	-	-	29 450	29 450
<b>Total</b>	<b>29 450</b>	<b>-</b>	<b>-</b>	<b>29 450</b>	<b>29 450</b>

#### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments.

#### 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 provision for doubtful debts. In accordance with regulations, all Cemetery investments are made with authorised deposit taking institutions. Except as detailed in Note 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 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 the Cemetery will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates based on cash inflows.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Cemetery's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Cemetery incomes or expenditures.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THORAK REGIONAL CEMETERY

### Opinion

We have audited the financial report of Thorak Regional Cemetery (the Cemetery), which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies, and the Board of Trustee's Statement.

In our opinion, the accompanying financial report of Thorak Regional Cemetery presents fairly, in all material respects, the Cemetery's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with 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 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.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is 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 this matter.

### Board of Trustee's Responsibility for the Financial Report

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

In preparing the financial report, the Board of Trustees of the Cemetery are responsible for assessing the Cemetery's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustee's either intends to liquidate the Cemetery or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

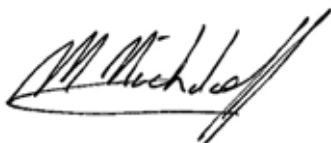
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

accordance with 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.

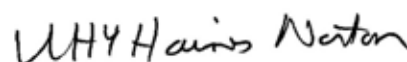
As part of an audit in accordance with the Australian Auditing Standards, the auditor exercises professional judgement and maintains professional scepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement of the financial report, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the auditor's 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.
- Obtains 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Concludes on the appropriateness of those charged with governance'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 Cemetery's ability to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the auditor's opinion. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Cemetery to cease to continue as a going concern.
- Evaluates 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 will 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 the audit.



Mark Nicholaeff  
Partner



UHY Haines Norton  
Chartered Accountants

Signed in Sydney on 16<sup>th</sup> October 2017

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