



**LITCHFIELD  
COUNCIL**

*Community effort is essential*

# ANNUAL REPORT 2015/2016



**EVERYTHING YOU  
NEED**



**A GREAT PLACE  
TO LIVE**

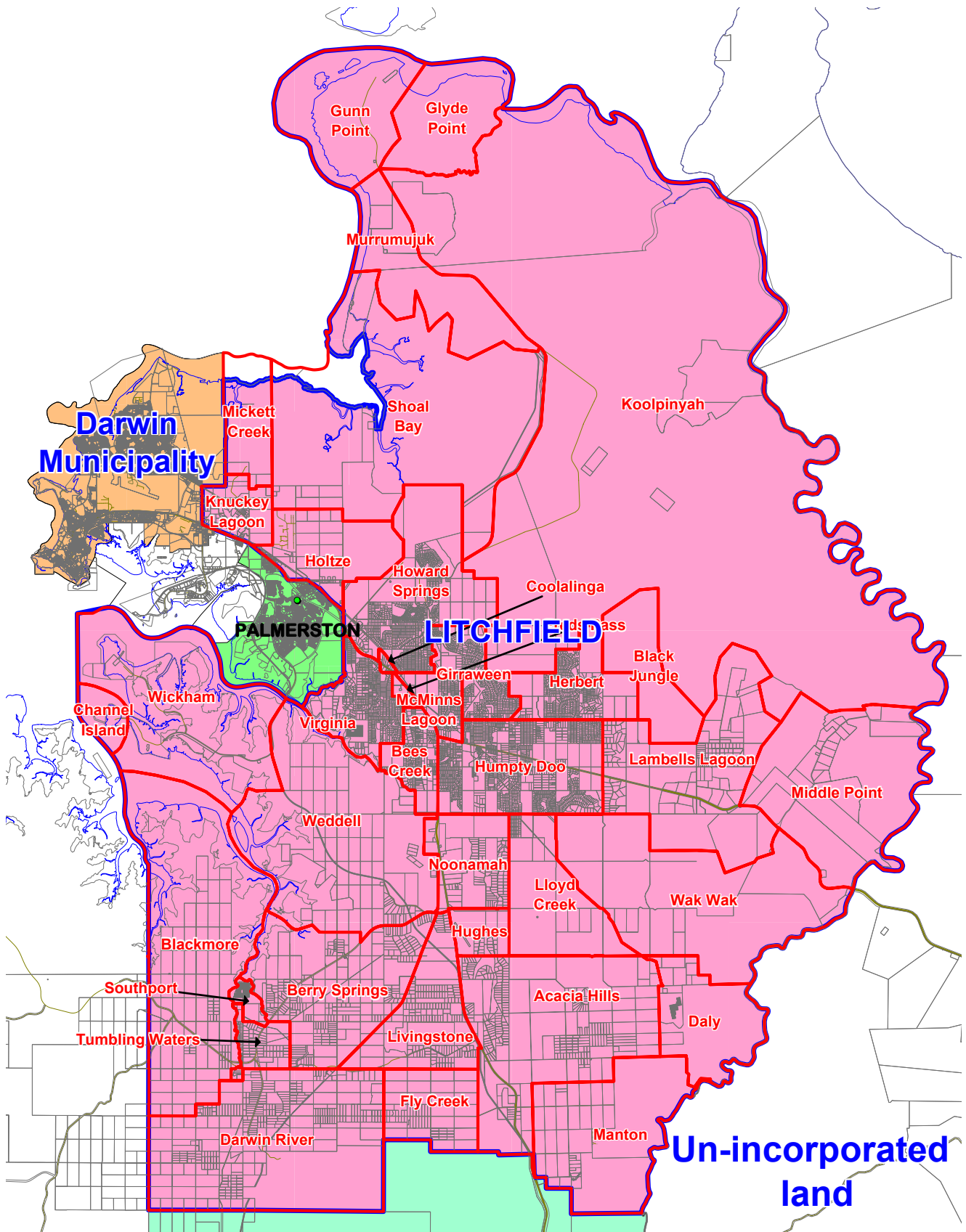


**A BEAUTIFUL  
NATURAL  
ENVIRONMENT**



**A VIBRANT  
ECONOMY**

# SERVICE AREA MAP



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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.

Council is made up of five elected members, a Mayor and one Councillor for each of the four wards; North, South, East and Central. The term of a Council is four years however in 2015 the Litchfield Council was placed under official management and a general election was held in November 2015 for a twenty-one-month Council term. The next general election will be held in August 2017.

The Mayor and Councillors carry out their duties under the provisions of the *Local Government Act* and Regulations.

In July 2008 as part of revisions made to the Northern Territory *Local Government Act* that saw changes in the structure of Local Government across the Territory, Litchfield Shire became Litchfield Council.

Litchfield is named after Frederick Henry Litchfield, a member of an early survey and settlement party.

## OUR REGION

Litchfield Council acknowledges the land of the traditional owners and pays its respect to the Elders past and present for their continuing custodianship of the land and the children of this land across generations.

Located in the Top End of the Northern Territory, Litchfield covers an area of 3,100 square kilometres and includes coastal and riverine areas, rainforests and lagoons.

It surrounds the City of Darwin and City of Palmerston on three sides.

The population of the Litchfield municipality is over 23,000, with 26% being under the age of 20.

Litchfield is a highly productive locality with around 10% of the Territory's population and has very low unemployment.



Photo credit: Meg Gayoso

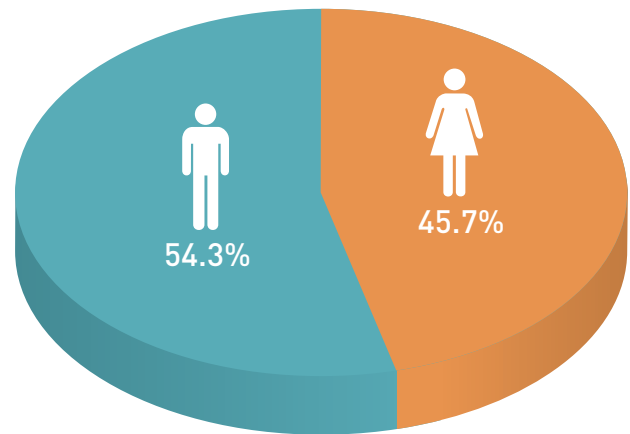
# LITCHFIELD PROFILE

**Population** 23 614

**Male (54.3%)** 12 822

**Female (45.7%)** 10 792

# Source ABS Estimated population 2015, RDA Northern Territory Website.



Ward	Parcel Count	Freehold Parcels	Total Parcel Area (hectares)	Total Parcel Area (Freehold ONLY)	Median Parcel Area (hectares)
CENTRAL	2 044	1 662	6 298	4 778	2
EAST	1 940	1 892	29 650	18 162	2
NORTH	1 570	1 470	133 430	22 688	2
SOUTH	3 953	3 184	115 253	68 320	8
<b>TOTAL</b>	<b>9 507</b>	<b>8 208</b>	<b>284 631</b>	<b>113 948</b>	



## OUR SERVICES

Council is responsible for the planning and delivery of a range of services, including:

- Waste disposal and recycling services
- Local road maintenance, upgrade and construction
- Provision of recreation and park services through seven recreation reserves
- Roadside maintenance and weed management
- Amenity protection
- Planning and development services
- Animal management
- Thorak Regional Cemetery

Council adopts a continuous improvement approach and is committed to using resident feedback to improve its services.

## MESSAGE FROM THE MAYOR

I am pleased to present to you the Litchfield Council 2015-2016 Annual Report, my first as Mayor. It is an honour to have served the community since being elected in November 2015 and I am delighted to report the highlights, achievements and major milestones that have marked the year.

This Annual Report covers a period prior to this new Council and I would therefore like to acknowledge Official Manager Mr Frank Crawley for his custodianship and wise steering of the affairs of Council during his term from January 2015 to November 2015.

I would also sincerely like to thank Ben Dornier for his contribution to our Council and community. Ben was seconded from City of Palmerston as Interim CEO for the period under official management. Ben's leadership and energy ensured a successful course through this period and a smooth transition. I would like to also thank the community and Council staff for their patience, understanding and assistance during this period.

In January 2016 we welcomed our new Chief Executive Officer, Kaylene Conrick. Her extensive local government experience and guidance has been timely and invaluable. Council looks forward to working with Kaylene and her leadership team to secure the best future for Litchfield residents.

The building blocks are now in place: we have the people, the community, the ideas, the service and operational platforms. Council is now focused on celebrating success and working with our challenges to turn them into opportunities. We continue to be strongly committed to engaging with the community under the motto 'Community Effort is Essential' to ensure we are meeting needs, serving the community well and delivering quality outcomes.

Throughout the year Councillors have been 'out and about' in the community, listening and gaining better insight.

At the start of 2016, we set about developing a 5-year Strategic Plan which outlines our commitment to our community and areas of focus. This Plan, adopted in June 2016, will continue to develop the Litchfield municipality as the 'best place to live in the Top End'.

Council has worked to build a strong positive public image through leadership.

We celebrated Australia Day, welcomed our new citizens and commemorated 100 years since the First World War honouring our Veterans at the Anzac Day march and service.

Over the past year we have advocated to ensure our future growth and development is sustainable and in the best interests of the Litchfield region. Key advocacy projects included the Litchfield Subregional Land Use Plan, Noonamah Ridge rezoning application and ongoing water concerns.

This year has been both challenging and highly successful. I would like to thank the Councillors for their commitment and efforts on behalf of residents. I also thank businesses, members of community groups and council staff for contributing to enhancing the liveability and amenity of our municipality as 'the best place to live in the Top End'.

### **Maree Bredhauer**

Mayor

#### *Mayor and Councillors*

*Maree Bredhauer – Mayor (Centre)*

*Letchimi Wright – Councillor, North Ward (second from right)*

*Christine Osborn – Councillor, Central Ward (first on left)*

*Kirsty Hunt – Councillor, East Ward (first on right)*

*Doug Barden – Councillor, South Ward (second from left)*



## MESSAGE FROM THE CEO

The past year has been a significant one for Litchfield Council.

With the election of a new Council, this reporting period has been about establishing strong foundations, including developing a new Strategic Plan which provides direction, clearly sets priority areas and includes performance management indicators to monitor our progress.

A new organisational structure was implemented during the year which focussed on building capability and capacity to successfully deliver on Council objectives. The 2015/16 Municipal Plan included 21 Key Performance Indicators; Council successfully met 18 of these.

A key focus throughout the year has been building community relationships by providing responsive service, greater community engagement and open and transparent government.

Council understands well the required future investment in our roads and we have also commenced developing a 10-year Waste Management Strategy to set a long-term direction for waste management services. Similarly, Council is soon to commence important planning work to more accurately understand future investment commitments for Council's Recreation Reserves.

Cost shifting from other levels of government continues to be a concern to local government authorities throughout Australia and Litchfield is no exception. The transfer of responsibility for the Northern Territory Government street lighting in January 2018 will further result in increased



expenditure.

Council's current financial position remains strong with cash backed reserves positioning Council well to address future service and infrastructure needs.

I wish to thank Councillors for their work and dedication over the past months, and in particular Mayor Bredhauer for her leadership and support.

I would also like to recognise the great contribution of Litchfield's staff and members of the Executive, who strive to improve performance through continuous improvement. All share a strong commitment to making Litchfield the best place to live in the Top End.

**Kaylene Conrick**  
Chief Executive Officer

# CORPORATE GOVERNANCE

One of the first tasks for the newly elected members was the development of Litchfield Council's Strategic Plan 2016-2020. The Strategic Plan has been informed by conversations with the community about what it values and the community's aspirations for the future. Council is committed to promoting a positive culture of good governance, accountability and transparency.

## VISION

Council's vision is for the Litchfield Municipality to be the best place to live in the Top End.

Council carries out its important functions through six major roles:

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.

02



**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.

03



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

04



**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.

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.

06









**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.









An effective and sustainable Council engages with the community, has good governance in place, partners and advocates within the local community and delivers modern services.

The Strategic Plan comprises four priorities with 20 outcomes that are essential to ensuring Litchfield is the best place to live in the Top End. It is through these practices and four key priorities that Council will demonstrate its commitment to our communities.





## Priority # 1 Everything you need

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

## Priority # 2 A great place to live

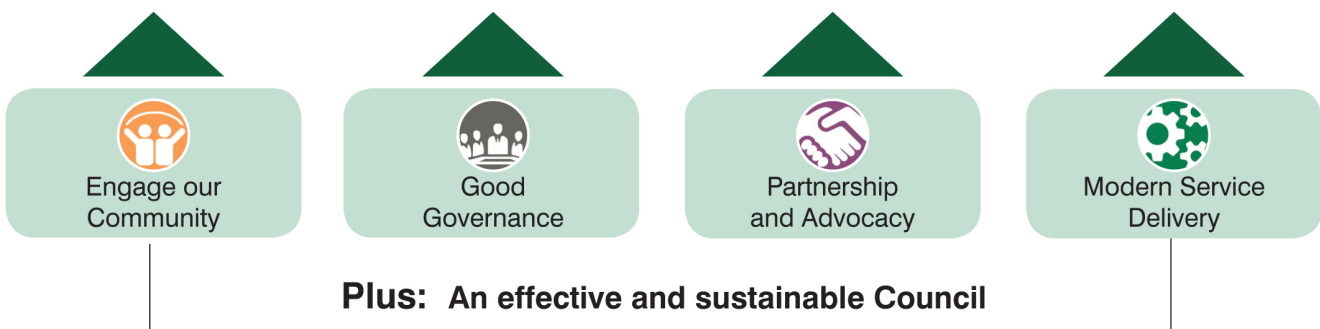
-  Social Activity
-  Culture
-  Community
-  Recreation
-  Animal Control
-  Sense of Place

## Priority # 3 A beautiful natural environment

-  Protection
-  Open Space
-  Weeds
-  Sustainability
-  Fire

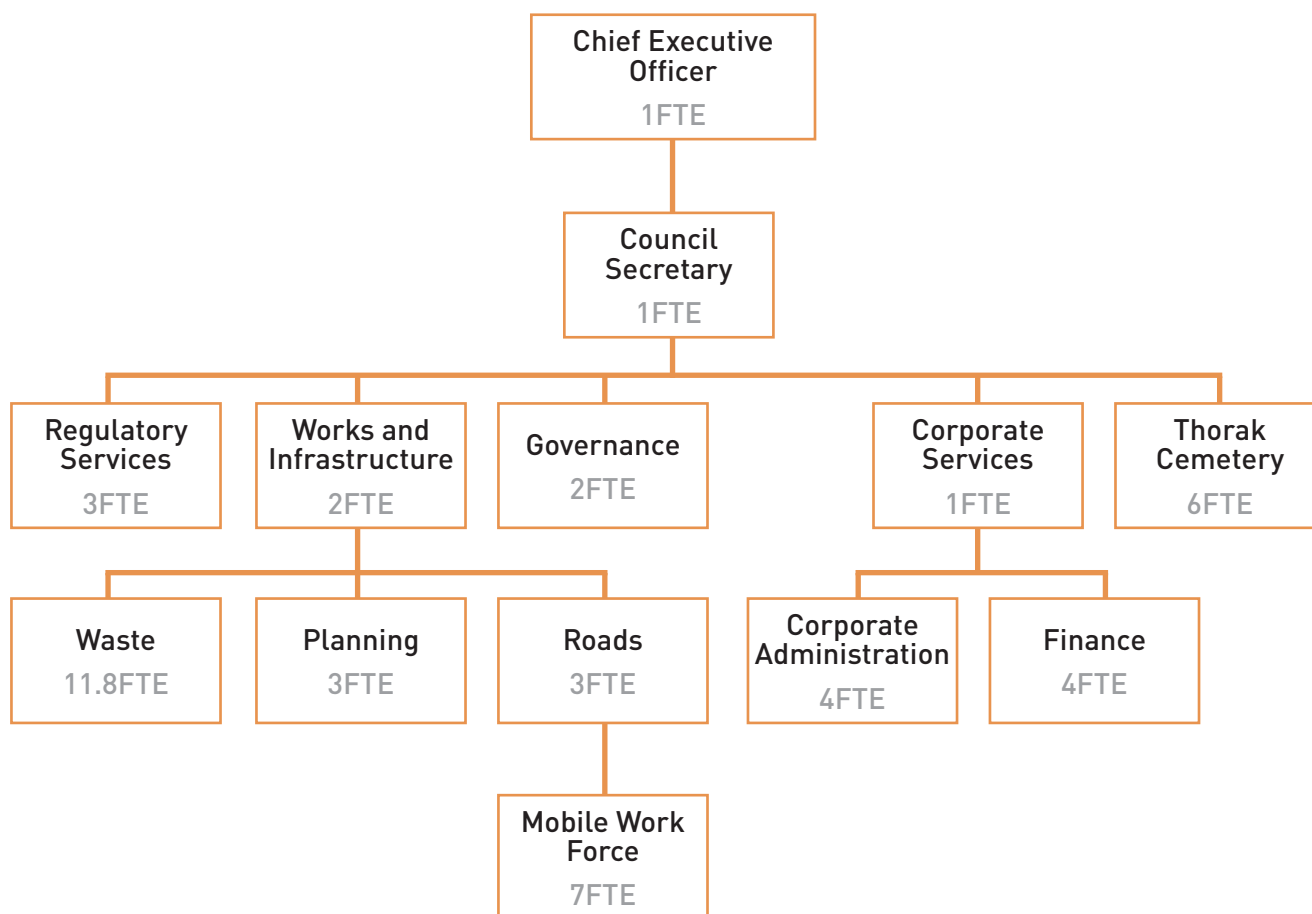
## Priority # 4 A vibrant economy

-  Economic Development
-  Local Employment
-  Strong Local Business



## ORGANISATIONAL STRUCTURE (prior to new structure deployed 1 July 2016)

The organisational structure through the reporting period is outlined below.



## EMPLOYMENT DATA

Staff numbers 2015/16

The total number of operational staff as at 30 June 2016.

<b>Total</b>	<b>45.8</b>
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## RISK MANAGEMENT AND AUDIT COMMITTEE

The Risk Management and Audit Committee 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 by the auditor to Council.

The Risk Management and Audit Committee comprises three members; the independent chair Iain Summers and two appointed Councillors, Kirsty Hunt and Letchimi Wright.

## ELECTED MEMBERS ALLOWANCE

Prior to July 2015, Council had been suspended and a Council Manager and Acting Chief Executive Officer were installed. In October 2015, NT Minister, Bess Price officially released Council from its duties.

Council Elections were held in November 2015 and the results declared on 7 December 2015.

### DECEMBER 2015 – JUNE 2016

	MEETINGS				ALLOWANCE \$						
	Ordinary	Special	Apologies	Total	Base	Electoral	Professional Development	Extra Meeting	Reimburse Child Care Exp	Internet Access	Total
Maree Bredhauer	8	2	1	9	35 207	9 267	25	0	0	300	44 799
Doug Barden	8	2	0	10	12 499	2 317	0	140	0	300	15 256
Kirsty Hunt	8	2	0	10	6 815	2 317	0	2 380	145	300	11 957
Christine Osborn	8	2	0	10	6 332	2 317	450	1 960	0	300	11 359
Letchimi Wright	8	2	0	10	6 332	2 317	52	1 820	0	300	10 821

## FREEDOM OF INFORMATION

In accordance with the Northern Territory *Information Act* Litchfield Council is identified as a public sector organisation. For the 2015/2016 financial year Council responded to the following information requests:

### Applications under the *Information Act*

2015/2016

Applications outstanding at the start of the year	1
Applications to access personal information	0
Applications to access Government Information	2
Accepted applications withdrawn	0
Unaccepted applications	1
Accepted applications finalised	2
Open Applications at end of year	0

# PART 2

# LITCHFIELD COUNCIL'S

# YEAR IN REVIEW

## HIGHLIGHTS 2015/16

Berry Springs Recreation Reserve hosted a community Territory Day event at the Reserve attracting approximately 750 people celebrating 1 July with a fireworks spectacular.

Council constructed a single lane roundabout at the intersection of Girraween and Anglesey Roads to improve safety for road users. As a recognised blackspot intersection, Council successfully applied for a \$850,000 National Black Spot funding grant and allocated \$1.65 million Council funds to complete the \$2.5 million intersection upgrade. The roundabout opened for traffic on 20 August 2015, taking just 10 weeks to construct.



Local student Patrick Irwin won the Young Territory Author of the Year Award 2015 Litchfield Region for his book 'Everybody's Uncle'.

McMinns Lagoon Reserve Landcare group was nominated as finalists in the 2015 NT Landcare Awards.

Five new Councillors were elected in November 2015 for a term until August 2017.

A new Chief Executive Officer was appointed in November 2015 and commenced in January 2016.

A major \$450,000 upgrade program saw a 900m section of Brougham Road from Leonino to Lennox Road upgraded from gravel to bitumen seal.

Twenty-six roads were resealed at a total cost of \$1.46 million. The annual road reseal program also included pavement rehabilitation prior to resealing, shoulder upgrades and line marking.



Single lane roundabout at the intersection of Girraween and Anglesey Roads.



McMinns Lagoon Reserve



Council's 2016 Australia Day celebrations at Freds Pass Reserve commenced with the usual annual Fun Run and Walk followed by the free Australia Day Breakfast. The Mayor welcomed our newest citizens at the Australian Citizenship Ceremony and there was fun and games for the whole family.

The Northern Territory Government announced funding of \$3 million from its 'Boosting Our Economy' Program for upgrades to Freds Pass Sport and Recreation Reserve. The upgrade includes road network improvement, water supply and electrical upgrades and additional ablution facilities. Planning was commenced with works expected to be undertaken during the 2016/17 financial year.

The Lions Club of Litchfield, in association with Council, held the Anzac Day march and service at the Humpty Doo Village Green.

Litchfield Council injected \$40,000 into ensuring a successful 2016 Freds Pass Rural Show. The Show is held annually in May and is one of the largest major events in the Litchfield municipality attracting over 30,000 people over the 3-day event. It is a celebration of community spirit and rural pride with equestrian events, livestock judging, an animal nursery and arts and crafts.



# AUSTRALIAN CITIZENSHIP CEREMONIES

Council's citizenship ceremonies generally take place at the Council Office, Bees Creek Rd, Freds Pass. On Australia Day, the ceremony is held as part of the celebrations at Freds Pass Recreation Reserve. These public ceremonies legally formalise the citizenship of participants who swear or affirm an oath of allegiance, and welcome them as new Australian Citizens.

Council conducted five citizenship ceremonies throughout the 2015/16 period.

Year	2013/14	2014/15	2015/16
Citizenship Ceremonies	5	5	5
Number of new citizens	24	38	38



# AUSTRALIA DAY HIGHLIGHTS

Council's Australia Day 2016 celebrations were held at Freds Pass Reserve. The day included a flag raising ceremony, a Citizenship Ceremony, Awards, a fun run, games and a free BBQ breakfast. Local whip cracker identity Mick Denigan was Master of Ceremonies and special guests were iconic Australian actress Paula Duncan as Litchfield's Australia Day Ambassador and local singing talent Kim Koole.

Litchfield Council Australia Day Awards recognise the personal achievement and community contribution by individuals and groups from within the municipality in three categories; Citizen of the Year, Young Citizen of the Year and Community Event of the Year. The 2016 Award recipients were:

### Citizen of the Year – Ms Margaret Moore

Ms Margaret Moore resides in Howard Springs and is very active in all kinds of community events. She is a member of the Mental Health Carers Association and a previous member of the Palmerston and Rural Seniors Committee. Ms Moore was judged as a very deserving recipient and is recognised for the difference she has made to the Litchfield community.

### Young Citizen of the Year – Miss Rease Casey

Rease Casey is a registered player for the Litchfield Bears and competes against boys and girls in the NRLNT under 12 grade competition. Rease was invited by the Australian Jillaroos second row forward Renae Kunst, to trial for the Mackay Cutters junior academy in regional Queensland. Rease's dedication to be the best she can and her love of playing rugby league is an inspiration to all young male and female junior players aspiring to compete at a higher level.

### Community Event of the Year – Litchfield Bears Rugby League Club Pink Jumper Day

On Saturday 16 May 2015, the Litchfield Bears Rugby League Club held its inaugural 'Pink Jumper' day to celebrate the NRL Women in League round and to raise awareness of breast cancer. Limited edition pink jumpers specially designed by local business were sold and auctioned along with merchandise sales and donations totalling \$20,003.20. This money was donated to Cancer Council Northern Territory.

### Student Citizen Awards

These awards recognise excellent citizenship within the school community. The program is open to every Northern Territory School and Litchfield Council encourages schools in the municipality to participate to acknowledge students.

The 2016 Student Citizen Awards recipients for Litchfield were:

- |                                     |                        |
|-------------------------------------|------------------------|
| Berry Springs Primary School        | <b>Cheyenne Leach</b>  |
| Good Shepherd Lutheran College      | <b>Jason MacDonald</b> |
| Middle Point School                 | <b>Oanh Ngo</b>        |
| St Francis of Assisi Primary School | <b>Billy Ingham</b>    |
| Bees Creek Primary School           | <b>Hollie Harvey</b>   |



# PART 3 COMMUNITY, SERVICES AND FACILITIES

## COMMUNITY RECREATION RESERVES

Council is proud of the recreation and leisure facilities available in the region. Each of the seven Council Recreation Reserves offers a special range of activities and healthy fun. From shady playgrounds, skate parks, sporting activities, natural reserves, markets and much more, these Reserves are an important part of the community's fabric.

Volunteer Community Committees operate and manage five of the seven Council Reserves; Berry Springs, Freds Pass, Humpty Doo Village Green,

Livingstone and McMinns Lagoon. Howard Park and Knuckey Lagoon Recreation Reserves are now governed by a Council Committee with community members.

Council contributed almost \$1 million to the maintenance and operations of the Reserves this reporting period and received a \$3 million funding grant for upgrades to the Freds Pass Sport and Recreation Reserve.

## BERRY SPRINGS RECREATION RESERVE

Berry Springs Recreation Reserve is an 8 hectare reserve situated on Cox Peninsula Road in Berry Springs, next to the Primary School.

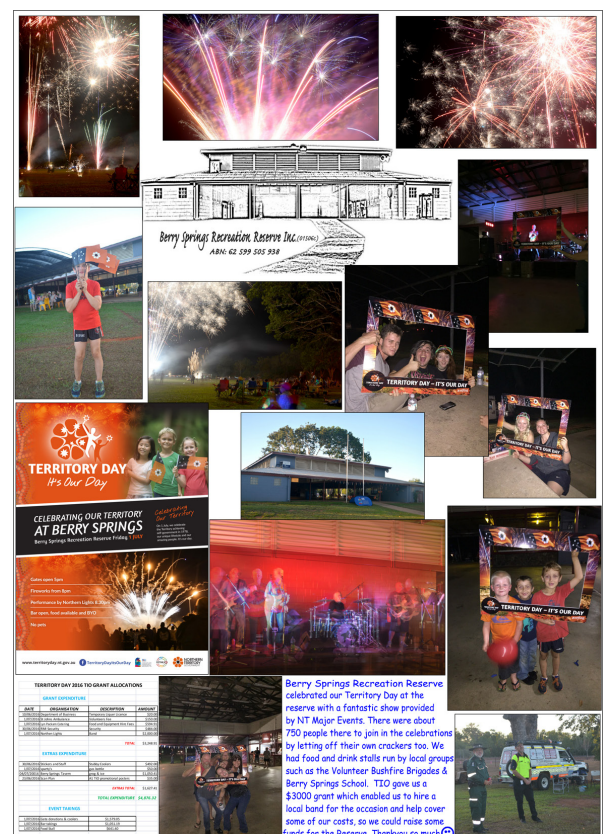
The Reserve has many facilities available to the public including an oval, cricket pitch, tennis and basketball courts and BBQ facilities. There are plenty of open spaces and a play area for the children.

The main user groups at the Reserve are the Berry Springs Recreation Reserve Monthly Markets, Nic's Yoga, Free Fit Club and the Berry Springs Bushrangers Cricket Club.

In 2015/16 the cricket club laid a new concrete pitch on the oval and are now planning for the installation of practice nets.

New projects at the Reserve included the installation of a new stainless steel kitchen in the hall and a new irrigation circuit around the hall with the help of Ironbark Aboriginal Corporation (Work for the Dole Program). A funding grant from the Northern Territory Government was received which, together with Council's funding of almost \$200,000 enabled the new caretaker's residence project to commence.

Council provided an operational and repair and maintenance budget of almost \$60,000 for the 2015/16 period.



## FREDS PASS SPORT AND RECREATION RESERVE

Situated on Bees Creek Road, Freds Pass Reserve is an 80-hectare reserve that sits amongst lush native bushland, just off the Stuart Highway.

The Reserve has spectacular grounds, including an ornamental lake, picnic, BBQ and hall hire facilities. It is the sporting and recreational hub of the rural area boasting seven Polocrosse fields, a turf wicket, cricket nets, rugby league and union fields, equestrian and dressage ovals, soccer pitch, football ovals, paintball and an archery range. The Reserve is home to over 20 sporting and community groups and social organisations. Approximately 4 000 people frequent Freds Pass regularly each week with additional annual events such as the Freds Pass Rural Show, Freds Pass Rural weekly markets and the Volunteer Firefighters' Firies Games just to name a few, attracting visitors from all over the Territory.



Activities undertaken by the Freds Pass Sport and Recreation Management Board in 2015/16 include:

- An Infrastructure Master Plan covering power, drainage, road networks, signage, parking and electrical infrastructure along with detailed costings was accepted by the Freds Pass Management Board and Council
- Exercise equipment installed
- Cricket clubhouse extensions including disabled toilets
- Installation of lights from Richardson Park at Swampdogs Rugby Union Oval
- New Rural Athletics Shed constructed
- Indoor Arena surface and sprinkler systems installed
- New shade area to Litchfield Football Club

Further identified areas of upgrade as part of the \$3 million Freds Pass Sport and Recreation Reserve funding include:

- Road network improvements
- Water supply and electrical upgrades
- Additional identified ablution facilities

Council provided funding of \$639,200 (\$563,000 for operational and \$76,200 for repairs and maintenance) towards the operation and management of Freds Pass Sport and Recreation Reserve.

## HOWARD PARK RECREATION RESERVE

Located on Whitewood Road in Howard Springs, the Reserve sits on more than 4-hectares of land with two spacious halls for hire, large grassy picnic areas, children's playground and wide open spaces. Situated in the hub of Howard Park the Reserve offers locals and tourists the refreshing space for a relaxing picnic or a game of cricket, only a 5-minute walk from the Howard Springs shops to grab a refreshing ice-cream or drink after a hot day of play.

Eighteen sport and recreation groups use the Howard Park Recreation Reserve as their home grounds.

During 2015/16 work commenced on replacing the Howard Park Scout Hall roof funded by a \$125,095 grant from the Department of Community Services.





## HUMPTY DOO VILLAGE GREEN

Humpty Doo Village Green is a 5 hectare reserve situated at 85 Challoner Circuit in Humpty Doo. It has a large community hall, scout hall, shaded skate park, lawn bowls, BBQ facilities and playground equipment.

User groups for the Village Green include:

- Chi Kung Instruction
- Humpty Doo Bowls Club
- Humpty Doo Girl Guides
- Playgroup
- Humpty Doo Fibrecraft Guild
- Humpty Doo Scouts, Cubs, Ventures and Rovers

The Humpty Doo Village Green is also host to the Anzac Day march and service and a great array of fun and educational activities during Children’s Week.

Council’s operational and repairs and maintenance budget for the Humpty Doo Village Green for 2015/16 was approximately \$85,000.




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## KNUCKEY LAGOON RECREATION RESERVE



Knuckey Lagoon Recreation Reserve is a 19-hectare reserve situated on Brandt Road, Knuckey Lagoon. The Reserve has an air-conditioned conference room and a hall with amenities. The natural bushland offers opportunities to relax amongst a woodland environment. There are six themed walking trails to guide visitors through the Reserve to experience the array of flora and fauna specific to the area. This Reserve is also a World War II heritage site.

The main user groups at the Reserve are Darwin Amateur Radio Club Inc., Berrimah Scouts, Rovers, Top End Gems and Mineral Club and the Hash House Harriers.

The operational and repairs and maintenance budget for the Knuckey Lagoon Recreation Reserve for 2015/16 was just over \$16,000.

## LIVINGSTONE RECREATION RESERVE

Livingstone Recreation Reserve is a 65-hectare reserve situated on Livingstone Road, Livingstone with a range of amenities, including a large open hall with disability access. The Hall has a covered viewing area of the sports oval, a beach volleyball court (with lights), a playground, a separate undercover BBQ area and a picnic area with tables. The Hall is used regularly by community groups and is a great place for all types of functions. The Reserve is also home to the 34 Mile Bar and Bistro.

The Smile a Mile Fun Bus and Toy Library and the Litchfield Horse and Pony Club are the main users of the Reserve.

The Reserve has successfully applied for two Northern Territory funding grants totalling \$170,000; one to build a general purpose shed including toilet/shower facilities and the other to secure the boundary with adequate fencing allowing a safer environment for current and future users.

Council provide \$51,000 for operational and repair and maintenance in the 2015/16 period.



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## MCMINNS LAGOON RECREATION RESERVE



McMinns Lagoon Recreation Reserve is a 41-hectare reserve situated on Dreamtime Drive, McMinns Lagoon. The Reserve is a natural jewel well-known for its abundance in wildlife. It offers nature enthusiasts and bird watchers a wide spectrum of bird life and butterfly activity all year round.

The Green Army and Conservation Volunteers Australia assist in maintaining the Reserve which is frequented by wildlife photographers and bridal parties for photos in the natural setting.

Projects undertaken at the Reserve include the construction of a shade-house, weed removal program, the development and installation of interpretive signage and walking track clearing.

The Reserve is host to a number of events including the Annual Bush Care Day, toad hunts, regular meetings and Christmas parties.

Council provided the reserve with an operational and repair and maintenance budget of \$17,000 for the 2015/16 period.

# PART 4 PERFORMANCE REPORTING

## DIVISION REPORTS

### GOVERNANCE PROGRAM PROFILE

**Department:** Governance

**Strategic goal:** Effective leadership and governance

**Program description:** The governance area provides administration support to the office of the Mayor and the office of the Chief Executive Officer.

During the period under official management a number of findings and recommendations were made by the Official Manager in a report to the Department of Local Government. Work commenced in 2015/16 to implement the recommendations including a full review of policies and improving access to Council information on the website to ensure compliance with the *Local Government Act*. Policies reviewed included; delegations to the CEO, debt recovery, financial reserves, complaints handling, policy framework, elected members, procurement and risk management.

The Risk Management and Audit Committee (RMAC) met in August and October 2015 and May 2016. Matters presented during this period included the 2014/15 Annual Report and Financial Statements, governance, Risk Management Framework and risk register, performance monitoring of progress against Council’s key performance indicators and the Berry Springs Waste Transfer Station safety audit.

Council did not conduct a community survey in this reporting period. Council concentrated on developing the new strategic plan, a 2016/17 Municipal Plan and complying with statutory requirements in setting a budget for the 2015/16 financial year. The year was one of transition and establishment. A community survey is intended to be undertaken in 2016/17.

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Governance</b>			
Overall community satisfaction with Litchfield Council	>70%	No survey was completed in this financial year.	
Availability of agendas and minutes on the Internet within legislative timeframes	100%	100%	

## COMMUNITY PROGRAM PROFILE

**Department:** Governance

**Strategic goal:** Vibrant local economy and strong community

**Program description:** Council supported and participated in numerous community activities, programs and events, including the 2016 Australia Day celebrations and Citizenship Ceremonies.


Council worked with its seven Recreation Reserves providing assistance with seeking grant funding and supporting volunteer committees in operating the Reserves.

Council's website and social media was used to maximise exposure and to promote community events held at the Reserves and in the Litchfield municipality.

Council received a \$10,000 NT Environment funding grant to produce three education booklets aimed at encouraging better waste management and recycling practices and ultimately reduce the volume of waste going to landfill. The three booklets include:

- "Recycling Guide for Schools," a step by step guide on how to start a recycling program in the schools.
- "Parents and Teachers Guide to Waste Management" to assist parents and teachers explain waste management to children and includes fun activities for kids.
- "Student Activity Booklet," a fun activity book offering six waste and recycling activities for children.

Council provided 30 Litchfield Council branded calico bags to Middle Point School for the students to use as library bags.

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Community</b>			
Providing active support and participation in Community generated events	>6 events	Council provides active and direct support for several events including Australia Day, Freds Pass show, Citizenship Ceremonies and many other community events	
Community organisation access and usage of Council's website	>15 organisations	This target was unable to be measured	

## CORPORATE SERVICES PROGRAM PROFILE

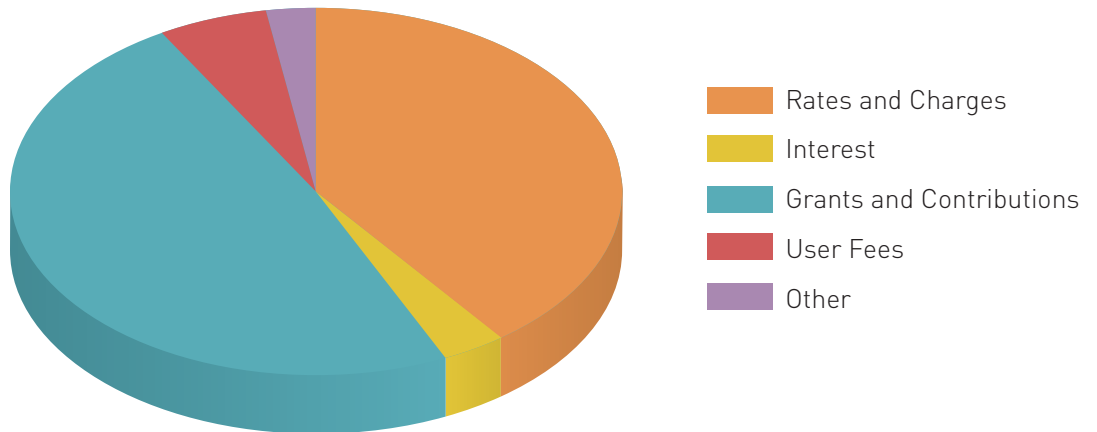
Department: **Corporate Services**

Strategic goal: **Effective Council management**

Program description: **Council’s major highlights of the 2015/16 financial year**

Total income increased by 33% (or \$7,590,953) compared to 2014/15.

4-Year Trend	2015/16	2014/15	2013/14	2012/13
<b>Income</b>	\$22.9M	\$15.3M	\$14.0M	\$12.4M



### Rates and charges

Council’s revenue increased by 8% comprising of the general rates increase of 5% (\$346,000), additional subdivisions (\$48,000) and Waste Management Service charge (\$272,000). The continuing focus on Council’s rates recovery process has resulted in a 9% (or \$126,000) decrease in rate arrears receivables compared to the 2014/15 financial year. For more details refer to page 45.

### Grants and contributions

Council was successful in obtaining numerous grants to assist with key projects. These additional grants and contributions equated to a 57% increase in grants received in comparison to 2014/15 financial year. Unexpended grants as at 30 June 2016 totalled \$4,850,050; these projects have been carried over to the 2016/17 financial year for completion.

Developer contributions received in 2015/16 were \$205 913 in cash and \$4,566,642 in assets. Gifted assets from Developers include 4.7kms of road, 54 driveways, 8 cross road culverts and 77 signs. The cash contribution was 67% less than in 2014/15 and the value of assets contributed was 113% greater than for that year. More details can be seen on page 46.

### User charges

The user charges received by Council for the 2015/16 financial year decreased by 9% as follows:

- Cemetery fees at Thorak Regional Cemetery (\$47,828)
- Rent Received at Thorak Regional Cemetery (\$9,912)
- Waste Disposal fees at the Waste Transfer Stations (\$100,722)

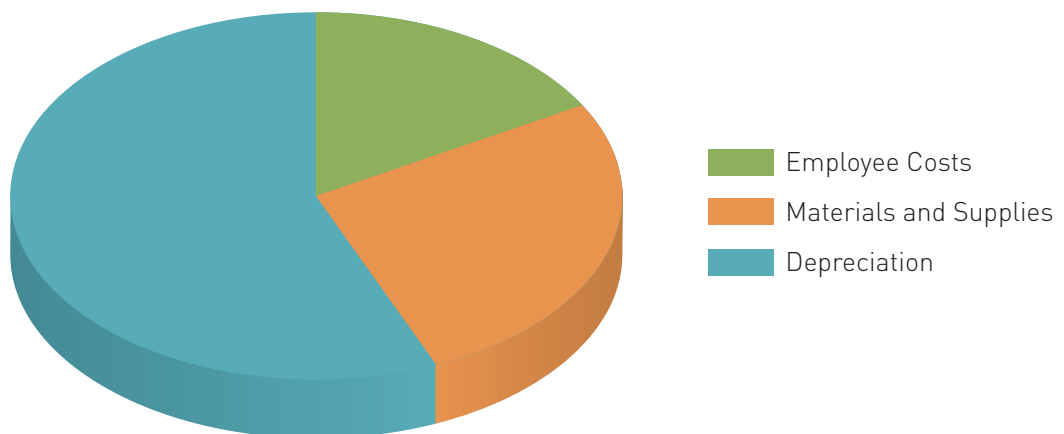
For more user charges see page 45.

### Other income

Other income included \$345 310 carbon tax refund received from City of Darwin for waste transfer stations disposal of waste to Shoal Bay.

Total expenditure increased by 28.6% (or \$8,534,224) compared to 2014/15. Othe income can be seen on page 46.

4-Year Trend	2015/16	2014/15	2013/14	2012/13
<b>Expenditure</b>	\$29.9M	\$21.3M	\$22.0M	\$17.9M



### Employee Costs

Employee costs decreased by 10% in 2015/16 due to a change in the organisational structure (\$564,714). Details in full on page 47.

### Materials, Contractors and Other Expenses

Expenditure on materials, contractors and other expenses increased by 14.5% (\$1,169,519) in 2015/16. This is mainly a result of:

- Costs associated with the election (\$105,956); and
- An increase in Contractors’ expenses (\$,207,283) due to additional road maintenance undertaken and the use of contractors to offset a reduction in employee numbers.

See more details on page 47.

## Depreciation

There has been a significant increase (47.2%) in depreciation expense as a result of the change in accounting estimates in accordance with Accounting Standard AASB 116 – Property, Plant and Equipment. Council no longer uses residual values on depreciable components of road infrastructure. Also, the revaluation of assets in the 2014/15 financial year substantially increased the fair value of the asset base therefore depreciation expense has increased in the 2015/16 financial year.

Depreciation is a book entry and does not require a cash outlay. It represents the amount that ideally should be set aside each year to be able to fund the replacement of assets once they reached the end of their useful lives. The impact of depreciation is further shown in the Balance Sheet as accumulated depreciation and highlights the declining value of the assets. This can be seen on page 48.

## Financial Reserves and Asset Management

Council has adopted a more detailed description of Financial Reserves held for greater clarity. The financial reserves provide a source of funds for future commitments to assist with sustainably meeting obligations to current and future generations.

Council's financial reserves as at 30 June 2016 are \$14,412,618. The 2016/17 budget estimates \$785,385 will be drawn from financial reserves to meet expenses excluding the depreciation of assets. Council's current budget formulation does not recognise depreciation as a source of funding capital replacements. More details on page 55.




## How does the result compare?

The net result for 2015/2016 including the \$4,566,642 of gifted assets, was a deficit of \$2,375,528.

4-Year Trend	2015/16	2014/15	2013/14	2012/13
<b>Net Result</b>	(\$2.4M)	(\$4.1M)	(\$7.3M)	(\$1.3M)

## Looking Forward

- Developing a 10-year long term financial plan
- Developing 10-year management plans for Council's seven recreation reserves
- Implementing the new 10-year Waste Management Strategy once completed
- Review the financial viability of the Thorak Regional Cemetery
- Realising the impact of the transfer of ownership of street lighting from NT Government to NT councils

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Corporate Services</b>			
Compliance with management, statutory and regulatory reporting	100%	100%	
Reduction of prior year rate arrears	>5%	Target met with a reduction of 8.6% in prior year rate arrears	
Number of NT Work Safe notifiable incidents	<5	No recorded incidents	

## REGULATORY SERVICES PROGRAM PROFILE

**Department:** Regulatory Services

**Strategic goal:** Efficient service delivery

**Program description:** Council’s Regulatory Services team is responsible for enforcing Council’s animal management By-law, investigating complaints and providing education to promote responsible dog ownership.

In administering Council’s Animal Management By-law the following activities were undertaken:

	2015/16
Dogs at large	325
Dog attacks (on animals)	78
Dog attacks (on people)	14
Dogs menacing people	27
Dogs menacing animals	15
Lost dog reports	237
Nuisance barking	55
Trap requests	35
Other (feral dog reports, animals on road, miscellaneous)	39
<b>TOTAL</b>	<b>825</b>

All dogs housed in the Litchfield municipality must be microchipped. Council provides and promotes micro-chipping. A total of 5 094 dogs are now micro-chipped and registered on the Council database. Micro-chipping days were held in Howard Springs, Berry Springs, Humpty Doo and Freds Pass during the 2015/16 period.

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Regulatory Services</b>			
Provide local safety and micro-chipping programs throughout the municipality	>7 locations	Program delivered in four locations with microchipping days held in Howard Springs, Berry Springs, Humpty Doo and Freds Pass. Target not met due to staff turnover.	
Action Customer Requests within 5 working days	90%	Target exceed with 100% of customer requests actioned within five working days	



## INFRASTRUCTURE PROGRAM ACTIVITY PROFILE – PLANNING

**Department:** Works and Infrastructure

**Strategic goals:** Efficient service delivery and effective Council management

**Program description:** Council participates in the administration of the NT Planning Scheme. Activities include review of all applications for development within the municipality, including subdivisions and providing comment. The following table indicates the number of applications assessed during the year:

Application Type	Annual Total
Animal Boarding	1
Caretakers Residence	2
Change of Use	2
Clearing of Native Vegetation	8
Consolidation	4
Excavation and Fill	2
Home Occupancy/Contracting	2
Independent Unit	12
Industry	1
Multiple Dwelling	1
Other	9
Shed	6
Shop	3
Shop and Office	1
Shop, Office and Restaurant	1
Showroom Sales	1
Single Dwelling	5
Subdivision	26
Subdivision and Consolidation	8
Towers exceeding 8.5m	3
Unit Title Subdivision	1
Variation	6
<b>Total</b>	<b>105</b>

### Notable development applications during the year were:

- Smyth Road subdivision to create 25 lots, urban subdivision with underground services and stormwater drainage
- Blackmore subdivision to create 52 lots and 5km of new roads
- Subdivision on Pioneer Drive with multiple battle-axe shaped sites proposed.
- 48 multiple dwelling units proposed in Coolalinga.
- Palmerston Regional Hospital development.
- Cyrus Road unit title subdivision for 54 lots.
- Subdivision and consolidation of 5 lots on Mander Road to create a one-stop-shop development, including a bottle shop.
- Animal Boarding facility on Pheasant Drive.

Strategic planning involves long-term planning to give guidance for future development. This category includes rezoning applications, Area Plans, Concurrent Applications and other amendments to the NT Planning Scheme policies and principles. The following table indicates activities carried out in this area during this year:



Application Type	Annual Total
Rezoning	6
Planning Scheme Amendment	4
Concurrent Application	2
<b>Total</b>	<b>12</b>

**Notable strategic planning matters considered during the year were:**

- Holtze Area Plan and rezoning for land for Palmerston Regional Hospital and surrounds.
- 395 Stuart Highway Concurrent application for residential rezoning and subdivision in Coolalinga
- Draft Litchfield Subregional Land Use Plan.
- Noonamah Ridge rezoning.
- Dual Occupancy in Zone SD Planning Scheme Amendment.
- Low Risk/Low Impact changes to NT Planning Scheme.

Mining leases and permits are managed under the *Mining Act*, and Council is offered the opportunity to make submissions to the relevant NT Government department. Activities in this area over the past year are provided in the chart below:

Application Type	Annual Total
Mining Lease	20
Mining Permit	14
Other	2
<b>Total</b>	<b>36</b>

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Infrastructure – Planning</b>			
Approve Planning assessment in accordance with the Council's technical requirements and within the specified timeframe stated in Council's Planning Guidelines	100%	All planning assessments have been assessed correctly and within the specified timeframes	
Facilitate the communication between the constituents and the Development Assessment Services so public concerns can be appropriately addressed.	100%	100%	

## INFRASTRUCTURE PROGRAM ACTIVITY PROFILE – WORKS

**Department:** Works and Infrastructure

**Strategic goal:** Vibrant local economy and efficient service delivery

**Program description:** At a cost of over \$5 million Council continued to upgrade and maintain local roads throughout the municipality.

Unsealed roads received three grading rounds and a full maintenance grade including table drains, off let drains and table drain blocks.

\$370,000 enabled the re-sheeting of sections of Chibnall and Bees Creek Roads and all of William and Carveth Roads.

Line marking was complete on 18 roads.

Road shoulders were repaired to 26 identified roads at a cost of \$250,000.

Council repaired potholes and edge patching was progressively undertaken with work peaking during the wet season.

Council sealed 26 roads at a total cost of \$1.83 million, which included pavement rehabilitation prior to reseal, shoulder upgrades and line marking. Some examples are:

- 900m section of Brougham Road from Leonino Road to Lennox Road was upgraded from gravel to bitumen seal.
- Byers Road and Manton Valley Road were both upgraded from gravel to bitumen seal at a total cost of just over \$1 million.
- Funded under the Northern Territory Government’s Regional Economic Infrastructure Fund, works commenced on the upgrade of Anzac Parade in May 2016.

The upgrade of the intersection Freds Pass, Redcliffe and Krichauff Roads also commenced in May 2016. The intersection was identified as a blackspot and Council successfully attracted a Federal Government contribution of \$600,000 under the Blackspot Program. Together with Council and Blackspot funding, the completion of the project is expected in November 2016 at an estimated cost of \$1.24 million.

Closed circuit TV and cleaning out of underground stormwater lines was conducted with 37 tonnes of silt being removed from drains in the Howards Springs area.

Open drains in the Challoner Circuit area were also cleaned with just over 100 tonnes of silt and debris being removed.

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Infrastructure – Works</b>			
Potholes repairs maximum dimension below 300mm	Within 5 days	Regular inspections undertaken and complied within timeframe	
Isolated pavement failures when the damage is below 100mm	Within 2 weeks	100% compliance as a result of a regular inspection program	
Emergency response to be mobilised from the moment Council takes appropriate notice	Within 1 hour	Responded to all emergency management responses within timeframes	

## INFRASTRUCTURE PROGRAM ACTIVITY PROFILE – MOBILE WORK FORCE

**Department:** Works and Infrastructure

**Strategic goals:** Efficient service delivery

**Program description:** Council's Mobile Work Force delivered a works program that ensured effective and appropriate weed and fire control on Council land to protect assets and the community.

This works program included completing two rounds of slashing, mowing and spraying of road side verges.



Approximately 1000 km of fire breaks on Council land and road reserves was also part of the works program for this reporting period.

To ensure the weed management and burning programs were kept up to date, Council worked in conjunction with Bush Fires NT and Weeds Branch NT and conducted fire break slashing and weed spraying.

A roadside litter collection program was very effective in improving the visual amenity of targeted areas with a focus on particular arterial roads.

The Mobile Work Force team also serviced and maintained 1400 signs and installed 1800 new or replacement guide posts.

Tree maintenance and brush cutting was carried out between July and October concentrating on line-of-sight for road users and brush cutting culverts and drains that were inaccessible for machines.


Key Performance Indicators	Target	Actual	2015/16 Result
<b>Infrastructure – Mobile Work Force</b>			
Vegetation slashing and mowing 750kms road network. Includes both sides of the roads and in some cases up to 4 passes each	2 rounds	2 rounds completed, a third cut on arterial roads also completed	
Slashing of fire breaks on Council managed land – estimate 900km	>75%	100%	

## INFRASTRUCTURE PROGRAM ACTIVITY PROFILE – PROPERTY

**Department:** Works and Infrastructure

**Strategic goals:** Strong community

**Program description:** Maintenance to Council's buildings, plant and equipment was conducted throughout the reporting period. Council also supported the seven recreation reserves with the maintenance of building structures and mobile assets to ensure effective operation by the community based management boards.

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Infrastructure – Property</b>			
Manage Fire Plan 2015/2016	100%	All requirements of fire plan complied with.	

## WASTE MANAGEMENT PROGRAM PROFILE

**Department:** Works and Infrastructure

**Strategic goals:** Efficient service delivery



**Program description:** Council maintains waste transfer stations at Humpty Doo, Howard Springs and Berry Springs. Waste that is not recycled is sent to the City of Darwin's Shoal Bay Landfill. Green waste is shredded in a two-step process and converted to mulch which is sold to the community.

The following chart provides an overview of waste received:

### 2015/16 Waste Report

Waste Types	Humpty Doo	Howard Springs	Berry Springs	TOTAL
Land Fill Waste Shoal Bay (tonnes)	5 344	2 093	1 974	9 411
Batteries (Pallets)	69	31	0	100
Recyclables				
Cardboard (cubic metre)	2 025	1 110	1 185	4 320
Cardboard (tonnes)	79	51	45	175
Co-mingle (cubic metre)	659	332	150	1 141
Co-mingle (tonnes)	63	32	12	107
Construction Waste (tonnes)	463	0	0	463
No. of domestic vehicles through gates	72 138	62 077	0	134 215
Green waste ute or trailer (cubic metre)	1 467	1 848	0	3 315
Green waste commercial (tonnes)	291	0	0	291
Mulch sales (cubic metre)	1 993	1 893	0	3 886
Non Litchfield Residents (users)	172	82	0	254
Scrap Metal (tonnes)	588	276	428	1 292
Used Oil (litres)	32 151	20 260	0	52 411
White Goods (tonnes)	70	39	0	109
Wood mulch sold (cubic metre)	886	424	0	1 310
Tyres from EPA grant	1 734	0	0	1 734
Tyres	317	0	0	317

Waste Types	2013/14	2014/15	2015/16
Land fill waste Shoal Bay (tonnes)	9 200	9 121	9 411
Batteries (pallets)	78	103	100
Recyclables			
Cardboard (tonnes)	174	246	173
Co-mingle (tonnes)	276	242	119
Mulch sales (cubic metre)	5 422	4 645	3 786
Scrap Metal (tonnes)	845	1374	1237
Used oil (litres)	36 243	58 174	52 411
White goods (tonnes)	179	109	109

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Waste Management</b>			
Waste tonnage transferred to Shoal Bay	<10,000	Waste transferred was 9 411 tonnes	
Percentage of green waste received that is on-sold	>80%	100% of green waste received was on-sold	

## THORAK REGIONAL CEMETERY PROGRAM PROFILE

**Department:** Thorak Regional Cemetery

**Strategic goals:** Efficient service delivery

**Program description:** Council is responsible for the operation and maintenance of Thorak Regional Cemetery.

The Cemetery provides full burial options in a lawn style open plan with separate sections for Greek Orthodox, Muslim and Baha'i faith and a special section called the Garden of Angels that is set aside for children under 10.



Thorak Regional Cemetery also operates a modern crematorium and accommodates interment for cremated remains within special areas throughout the cemetery.

The Chapel which accommodates up to 200 people, was utilised 83 times for services during the year. In addition, a mass was held in the chapel on 2 November (All Souls). The view overlooking the tranquil cemetery provides a perfect setting for funerals or other celebrations of life.

The Thorak Regional Cemetery continues to provide friendly professional service amidst an aesthetically pleasing park like environment. In total, 142 burials and 104 cremations and 270 other services including chapel hire were provided in 2015/16.

During the past financial year, the cemetery developed a new 'A' Section making available an additional 300 grave sites for the future. Seventy sites were also developed in the Greek Orthodox Section.

A memorial cross was also constructed by the Timorese community for Darwin.





Key Performance Indicators	Target	Actual	2015/16 Result
<b>Thorak Regional Cemetery</b>			
Review the results of the 2014/2015 Cemetery customer survey and initiate changes or improvements where funding is available	By 30/06/16	The survey results contributed to ongoing improvements to the customer experience at the Cemetery	
Monitor and track accolades and complaints to satisfy service level outputs and improve services where possible	By 30/06/16	Customer correspondence is monitored and services improved where possible	

## SUMMARY OF KEY PERFORMANCE INDICATORS

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Governance</b>			
Overall community satisfaction with Litchfield Council	>70%	No survey was completed in this financial year.	
Availability of agendas and minutes on the Internet within legislative timeframes	100%	100%	
<b>Corporate Services</b>			
Compliance with management, statutory and regulatory reporting	100%	100%	
Reduction of prior year rate arrears	>5%	Target met with a reduction of 8.6% in prior year rate arrears	
Number of NT Work Safe notifiable incidents	<5	No recorded incidents	
<b>Regulatory Services</b>			
Provide local safety and micro-chipping programs throughout the municipality	>7 locations	Program delivered in four locations with microchipping days held in Howard Springs, Berry Springs, Humpty Doo and Freds Pass. Target not met due to staff turnover.	
Action Customer Requests within 5 working days	90%	Target exceed with 100% of customer requests actioned within five working days	

Key Performance Indicators	Target	Actual	2015/16 Result
<b>Infrastructure – Planning</b>			
Approve Planning assessment in accordance with the Council's technical requirements and within the specified timeframe stated in Council's Planning Guidelines	100%	All planning assessments have been assessed correctly and within the specified timeframes	
Facilitate the communication between the constituents and the Development Assessment Services so public concerns can be appropriately addressed.	100%	100%	
<b>Infrastructure – Works</b>			
Potholes repairs maximum dimension below 300mm	Within 5 days	Regular inspections undertaken and complied within timeframe	
Isolated pavement failures when the damage is below 100mm	Within 2 weeks	100% compliance as a result of a regular inspection program	
Emergency response to be mobilised from the moment council takes appropriate notice	Within 1 hour	Responded to all emergency management responses within timeframes	
<b>Infrastructure – Mobile Work Force</b>			
Vegetation slashing and mowing 750kms road network. Includes both sides of the roads and in some cases up to 4 passes each	2 rounds	2 rounds completed, a third cut on arterial roads also completed	
Slashing of fire breaks on Council managed land – estimate 900km	>75%	100%	
<b>Infrastructure – Property</b>			
Manage Fire Plan 2015/2016	100%	All requirements of fire plan complied with.	
<b>Waste Management</b>			
Waste tonnage transferred to Shoal Bay	<10,000	Waste transferred was 9,411 tonnes	
Percentage of green waste received that is on-sold	>80%	100% of green waste received was on-sold	



Key Performance Indicators	Target	Actual	2015/16 Result
<b>Community</b>			
Providing active support and participation in Community generated events	>6 events	Council provides active and direct support for several events including Australia Day, Freds Pass show, Citizenship Ceremonies and many other community events	
Community organisation access and usage of Council's website	>15 organisations	This target was unable to be measured	
<b>Thorak Regional Cemetery</b>			
Review the results of the 2014/2015 Cemetery customer survey and initiate changes or improvements where funding is available	By 30/06/16	The survey results contributed to ongoing improvements to the customer experience at the Cemetery	
Monitor and track accolades and complaints to satisfy service level outputs and improve services where possible	By 30/06/16	Customer correspondence is monitored and services improved where possible	

# PART 5

# FINANCIAL STATEMENTS

## LITCHFIELD COUNCIL

### General Purpose Financial Statements for the year ended 30 June 2016

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# OFFICER'S CERTIFICATE

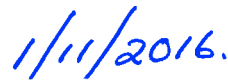
For the year ended 30 June 2016

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**

## UNDERSTANDING THE FINANCIAL STATEMENTS

To assist in understanding Council's Financial Statements a description of each statements purpose is outlined below:

- The Statement of Comprehensive Income measures the financial performance of Council listing all income and expenses for the year.
- The Balance Sheet is a snapshot of what Council owns (assets), owes (debts or liabilities) and its net worth (equity).
- The Statement in Changes in Equity represents the overall net worth or equity of Council and the movements in accumulated surplus, asset revaluation reserves and other reserves. Council's net worth or equity is represented by its value of assets less its liabilities.
- The Cash Flow Statement measures cash to fund its operations. The Statement of Comprehensive Income records income and expenses when the transactions occurred not when cash was exchanged. This is referred to as accrual accounting. The Statement of Cash Flows presents the generation of cash (cash inflows) and using or consuming cash (cash outflows) in carrying out its activities. Managing cash flows is essential to the successful operation of any business.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 \$	2015 Restated \$
<b>INCOME</b>			
Rates	2	9 041 804	8 304 672
Statutory charges	2	56 249	43 861
User charges	2	1 291 119	1 414 368
Grants, subsidies and contributions	2	11 164 122	4 778 923
Investment income	2	780 369	803 638
Reimbursements	2	188 880	-
Other income	2	413 872	-
<b>Total Income</b>		<b>22 936 415</b>	<b>15 345 462</b>
<b>EXPENSES</b>			
Employee costs	3	5 014 522	5 579 236
Materials, contracts & other expenses	3	8 070 251	6 900 732
Depreciation, amortisation & impairment	3	16 787 411	8 857 992
<b>Total Expenses</b>		<b>29 872 184</b>	<b>21 337 960</b>
<b>OPERATING DEFICIT</b>		<b>(6 935 769)</b>	<b>(5 992 498)</b>
Net loss on disposal or revaluation of assets	4	(15 140)	(245 798)
Amounts received specifically for new or upgraded assets	2	20 000	-
Physical resources received free of charge	2	4 566 642	2 143 133
<b>NET DEFICIT transferred to Equity Statement</b>		<b>(2 364 267)</b>	<b>(4 095 163)</b>
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain on revaluation of infrastructure, property, plant & equipment		-	96 299 408
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>96 299 408</b>
<b>TOTAL COMPREHENSIVE (LOSS) / INCOME</b>		<b>(2 364 267)</b>	<b>92 204 245</b>

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

# BALANCE SHEET

as at 30 June 2016

	Notes	2016	2015 Restated	2014 Restated
<b>ASSETS</b>		\$	\$	\$
<b>Current Assets</b>				
Cash and cash equivalents	5	1 273 210	364 284	1 483 686
Trade & other receivables	5	2 393 448	2 933 316	3 233 260
Other financial assets	5	19 769 224	15 149 029	14 058 066
<b>Total Current Assets</b>		<b>23 435 882</b>	<b>18 446 629</b>	<b>18 775 012</b>
<b>Non-current Assets</b>				
Infrastructure, Property, Plant & Equipment	7	282 195 344	288 742 937	196 456 235
Other Non-current Assets	6	708 756	875 072	274 752
<b>Total Non-current Assets</b>		<b>282 904 100</b>	<b>289 618 009</b>	<b>196 730 987</b>
<b>Total Assets</b>		<b>306 339 982</b>	<b>308 064 638</b>	<b>215 505 999</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade & Other Payables	8	2 056 532	1 423 311	1 148 135
Provisions	8	490 579	485 669	439 573
<b>Total Current Liabilities</b>		<b>2 547 111</b>	<b>1 908 980</b>	<b>1 587 708</b>
<b>Non-current Liabilities</b>				
Provisions	8	292 267	290 787	257 664
<b>Total Non-current Liabilities</b>		<b>292 267</b>	<b>290 787</b>	<b>257 664</b>
<b>Total Liabilities</b>		<b>2 839 378</b>	<b>2 199 767</b>	<b>1 845 372</b>
<b>NET ASSETS</b>		<b>303 500 604</b>	<b>305 864 871</b>	<b>213 660 627</b>
<b>EQUITY</b>				
Accumulated Surplus		45 776 257	52 040 194	54 967 609
Asset Revaluation Reserves	9	243 311 730	243 311 730	147 012 322
Other Reserves	9	14 412 618	10 512 947	11 680 695
<b>TOTAL EQUITY</b>		<b>303 500 604</b>	<b>305 864 871</b>	<b>213 660 626</b>

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

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
<b>2016</b>					
Balance at end of previous reporting period		52 040 194	243 311 730	10 512 947	305 864 871
<b>Net Surplus / (Deficit) for Year</b>		<b>(2 364 267)</b>			<b>(2 364 267)</b>
<b>Other Comprehensive Income</b>					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Transfers between reserves		(3 899 671)	-	3 899 671	-
<b>Balance at end of period</b>		<b>45 776 257</b>	<b>243 311 730</b>	<b>14 412 618</b>	<b>303 500 604</b>
<b>2015</b>					
Balance at end of previous reporting period		54 967 609	147 012 322	11 579 152	213 559 083
Adjustment made to prior period opening balance		-	-	101 543	101 543
Restated opening balance		54 967 609	147 012 322	11 680 695	213 660 626
<b>Net Surplus / (Deficit) for Year</b>		<b>(4 095 163)</b>			<b>(4 095 163)</b>
<b>Other Comprehensive Income</b>					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Changes in revaluation surplus - infrastructure, property, plant & equipment			96 299 408		96 299 408
Transfers between reserves		1 167 748		(1 167 748)	-
<b>Balance at end of period</b>		<b>52 040 194</b>	<b>243 311 730</b>	<b>10 512 947</b>	<b>305 864 871</b>

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

# CASH FLOW STATEMENT

for the year ended 30 June 2016

Notes	2016	2015
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates - general & other	9 533 433	8 629 662
Fees & other charges	1 474 230	1 464 379
Investment receipts	804 447	873 093
Grants utilised for operating purposes	12 001 431	4 778 923
Other operating receipts	2 202 079	-
<b>Payments</b>		
Employee Costs	(4 866 840)	(5 489 613)
Contractual services & materials	(7 923 758)	(6 461 858)
Other operating payments	(2 193 901)	-
Finance payments	-	-
<b>Net Cash provided by (or used in) Operating Activities</b>	<b>11 031 121</b>	<b>3 794 586</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Receipts</b>		
Amounts specifically for new or upgraded assets	20 000	-
Sale of surplus assets	68 031	334 351
Net disposal of investment securities	-	(1 090 963)
<b>Payments</b>		
Expenditure on new/upgraded assets	(5 590 031)	(4 157 376)
Net purchase of investment securities	(4 620 195)	-
<b>Net Cash provided by (or used in) Investing Activities</b>	<b>(10 122 195)</b>	<b>(4 913 988)</b>
<b>Net Increase (Decrease) in cash held</b>	<b>908 926</b>	<b>(1 119 402)</b>
Cash & cash equivalents at beginning of period	364 284	1 483 686
Net cash assets transferred on restructure	-	-
<b>Cash &amp; cash equivalents at end of period</b>	<b>1 273 210</b>	<b>364 284</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.

## a Basis of Preparation

### (i) 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 1 November 2016.

### (ii) Historical Cost Convention

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

### (iii) 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.

### (iv) Rounding

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

## b The Local Government Reporting Entity

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

Trust monies and property held by Council but subject to the control of other persons have been excluded from these reports. A separate statement of moneys held in the Trust Fund is available for inspection at the Council Office by any person free of charge.

## c Income recognition

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

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

## d 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 1999. Other receivables are generally unsecured and do not bear interest.

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

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

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

### **(i) 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, and further that such value if determined would be immaterial.

### **(ii) Initial Recognition**

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

Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the 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 & equipment* when completed ready for use.

### **(iii) 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.

### **(iv) 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.

### **(v) Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. 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).

For assets 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, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

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.

**f Payables****(i) Goods & Services**

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

**(ii) 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.

**g Employee Benefits****(i) 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.

**(ii) 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.

**h 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.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**i Comparative Information**

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

## j Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2015 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 124 Related Party Disclosures
- 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.

*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.*

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

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.

## 2 INCOME

	Notes	2016	2015
		\$	\$
<b>RATES REVENUES</b>			
General Rates			
Residential		5 533 409	5 138 958
Commercial/Industrial		481 954	450 057
Other		70 524	42 027
		6 085 887	5 631 042
Special Rates			
Humpty Doo Waste Transfer Station		405 716	394 949
		405 716	394 949
Other Charges			
Waste Management Service		2 550 201	2 396 259
less Rebate - Carbon tax repeal		-	(205 949)
Other		-	88 371
		2 550 201	2 278 681
		<b>9 041 804</b>	<b>8 304 672</b>
<b>STATUTORY CHARGES</b>			
Regulatory Services		56 249	43 861
		<b>56 249</b>	<b>43 861</b>
<b>USER CHARGES</b>			
Cemetery fees		844 680	892 508
Rent Received		15 088	25 000
Subdivision and development fees		104 793	73 699
Permit fees		8 860	22 817
Waste disposal fees		209 654	310 376
Rate search fees		21 487	29 525
Sundry		86 557	60 443
		<b>1 291 119</b>	<b>1 414 368</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Banks & other		513 523	551 761
Interest on overdue rates and charges		266 846	251 877
		<b>780 369</b>	<b>803 638</b>
<b>REIMBURSEMENTS</b>			
- for private works		149 397	-
- other		39 483	-
		<b>188 880</b>	<b>-</b>

## 2 INCOME (CONTINUED)

Notes	2016	2015
	\$	\$
<b>OTHER INCOME</b>		
Insurance & other recoupments - infrastructure, property, plant & equipment	4 545	-
Rebates received	345 310	-
Sundry	64 017	-
	<b>413 872</b>	<b>-</b>
<b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>		
Amounts received specifically for new or upgraded assets	20 000	-
Other grants, subsidies and contributions	11 164 122	4 778 923
	<b>11 184 122</b>	<b>4 778 923</b>
<i>The functions to which these grants relate are shown in Note 12.</i>		
<b>Sources of grants</b>		
<i>Commonwealth government</i>	6 280 154	902 791
<i>Northern Territory government</i>	4 678 055	3 255 394
<i>Other</i>	225 913	620 738
	<b>11 184 122</b>	<b>4 778 923</b>
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	225 095	24 911
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Roads Infrastructure</i>		(24 911)
<i>Heritage &amp; Cultural Services</i>		
<i>Subtotal</i>		(24 911)
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Roads Infrastructure</i>	4 624 955	100 000
<i>Heritage &amp; Cultural Services</i>		125 095
<i>Subtotal</i>	4 624 955	225 095
<i>Unexpended at the close of this reporting period and held as restricted assets</i>	4 850 050	225 095
<i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	<b>4 624 955</b>	<b>200 184</b>
<b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Land & Improvements	9 090	286 302
Roads, Bridges & Footpaths	4 557 552	1 856 831
<b>Total Physical Resources Received</b>	<b>4 566 642</b>	<b>2 143 133</b>

### 3 EXPENSES

Notes	2016	2015
	\$	\$
<b>EMPLOYEE COSTS</b>		
Salaries and Wages	4 377 953	4 734 216
Employee leave expense	14 960	80 611
Superannuation - defined contribution plan contributions	382 511	434 741
Workers' Compensation Insurance	115 797	79 817
Fringe benefit tax	35 147	36 581
Other	88 154	213 270
<b>Total Operating Employee Costs</b>	<b>5 014 522</b>	<b>5 579 236</b>
<b>Total Number of Employees</b>	<b>45.8</b>	<b>48.8</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	37 654	31 176
- Other Services	960	2 094
Bad and Doubtful Debts	56 899	18 602
Elected members' expenses	146 066	127 535
Election expenses	105 956	-
Official Manager fees	27 948	9 180
Subtotal - Prescribed Expenses	375 483	188 587
<b>Other Materials, Contracts &amp; Expenses</b>		
Cemetery Operations	369 718	382 616
Contractors	5 293 434	4 086 151
Energy	220 367	96 182
Insurance	194 677	184 676
Maintenance	446 753	524 672
Legal Expenses	61 804	278 027
Donations and Community Support	66 147	47 443
Computer/IT Costs	305 463	350 715
Parts, accessories & consumables	251 724	280 871
Professional services	161 677	148 594
Sundry	323 004	332 198
Subtotal - Other Materials, Contracts & Expenses	7 694 768	6 712 145
	<b>8 070 251</b>	<b>6 900 732</b>

### 3 EXPENSES (CONTINUED)

	Notes	2016 \$	2015 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Land - Council owned		-	-
Land - Drainage		-	-
Buildings		997 133	1 036 792
Infrastructure			
Sealed Roads		10 575 794	4 004 697
Unsealed Roads		3 136 238	1 883 828
Road Culverts		331 591	456 959
Kerbs & Gutters		29 209	23 199
Driveway Vehicle Crossings		177 239	379 290
Footpaths		15 956	13 367
Road Signs		91 889	158 470
Inverts		877	877
Point Generic		27 502	24 092
Driveways		1 163 712	329 077
Bicycle Paths		26 028	17 341
Storm Water Drains		-	-
Office Equipment		-	99 274
Plant & equipment		38 560	69 285
Motor Vehicles		175 683	361 444
Other Assets		-	-
		<b>16 787 411</b>	<b>8 857 992</b>

#### Change in Accounting Estimate

In accordance with AASB 116 - *Property, Plant and Equipment* and AASB Action Alert Issue No: 172 (29 May 2015), Council have adopted a change in accounting estimate on the residual values used for road infrastructure. Council will no longer use residual values on the depreciable components of road infrastructure. This change has been implemented as of 1 July 2015. An additional \$4 733 071 of depreciation expense has been recorded this financial year as a result of the change in accounting estimate.

#### Revaluation of Assets

##### *Depreciation Expense*

Depreciation expense has increased by \$3 196 348 from last financial year, excluding the change in accounting estimate. This is due to the revaluation of asset as at 30 June 2015 and the substantial increase in the fair value of our asset base.



## 4 ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

Notes	2016	2015
	\$	\$
<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>Gain (Loss) on disposal</b>	<b>(24 052)</b>	<b>-</b>
<b>Assets surplus to requirements</b>		
Proceeds from disposal	68 031	334 351
Less: Carrying amount of assets sold	(59 119)	(534 807)
<b>Gain (Loss) on disposal</b>	<b>8 912</b>	<b>(200 456)</b>
<b>FAIR VALUE ADJUSTMENTS</b>		
Revaluation decrements expensed	-	(45 342)
	-	<b>(45 342)</b>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>	<b>(15 140)</b>	<b>(245 798)</b>

## 5 CURRENT ASSETS

Notes	2016	2015
	\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>		
Cash on Hand and at Bank	1 273 210	364 284
	<b>1 273 210</b>	<b>364 284</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	2 029 314	2 520 943
Accrued Revenues	191 183	215 261
Debtors - general	209 980	214 860
Prepayments	15 654	19 138
<b>Total</b>	<b>2 446 131</b>	<b>2 970 202</b>
Less: Allowance for Doubtful Debts	(52 683)	(36 886)
	<b>2 393 448</b>	<b>2 933 316</b>
<b>OTHER FINANCIAL ASSETS</b>		
Bank Investments - Term Deposits	19 769 224	15 149 029
	<b>19 769 224</b>	<b>15 149 029</b>

## 6 NON-CURRENT ASSETS

Notes	2016	2015
	\$	\$
<b>FINANCIAL ASSETS</b>		
Capital Works-in-Progress	708 756	875 072
	<b>708 756</b>	<b>875 072</b>

# 7 INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	Fair Value Level	2015				2016			
		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
Land - Drainage	3	6 638 569	-	-	6 638 569	6 638 569	-	-	6 638 569
Buildings	2	36 017 440	-	(13 689 110)	22 328 330	35 863 263	157 917	(14 556 119)	21 465 061
Infrastructure									
Sealed Roads	3	229 892 027	-	(39 426 864)	190 465 163	231 761 720	8 007 961	(50 670 853)	189 098 828
Unsealed Roads	3	29 011 276	-	(11 972 802)	17 038 474	27 141 583	-	(14 440 845)	12 700 738
Road Culverts	3	33 122 065	-	(12 368 432)	20 753 633	33 122 065	183 209	(12 700 023)	20 605 251
Kerbs & Gutters	3	1 459 296	-	(644 834)	814 462	1 459 296	159 980	(674 043)	945 233
Driveway Vehicle Crossings	3	15 716 238	-	(7 053 589)	8 662 649	15 716 238	197 691	(7 230 828)	8 683 101
Footpaths	3	590 549	-	(222 911)	367 638	590 549	88 500	(238 867)	440 182
Road Signs	3	1 347 780	-	(520 287)	827 493	1 347 780	150 137	(612 176)	885 741
Inverts	3	26 320	-	(11 835)	14 485	26 320	-	(12 712)	13 608
Point Generic	3	539 417	-	(290 506)	248 911	539 417	139 472	(318 008)	360 881
Driveways	3	8 960 449	-	(4 675 028)	4 285 421	8 960 449	253 000	(5 838 740)	3 374 709
Bicycle Paths	3	780 841	-	(331 276)	449 565	780 841	-	(357 304)	423 537
Storm Water Drains	3	-	-	-	-	-	608 490	-	608 490
Office Equipment	2	587 995	-	(587 995)	-	587 995	-	(587 995)	-
Plant & equipment	2	388 718	-	(115 658)	273 060	388 718	-	(154 218)	234 500
Motor Vehicles	2	1 929 353	-	(742 125)	1 187 228	1 774 866	376 633	(822 440)	1 329 059
Other Assets	2	21 229	-	(21 229)	-	21 229	-	(21 229)	-
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</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>
<b>Comparatives</b>		<b>339 830 765</b>	<b>-</b>	<b>(143 374 530)</b>	<b>196 456 235</b>	<b>381 417 418</b>	<b>-</b>	<b>(92 674 481)</b>	<b>288 742 937</b>

This Note continues on the following pages.

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

	2015		CARRYING AMOUNT MOVEMENTS DURING YEAR						2016
	CARRYING AMOUNT		Additions						CARRYING AMOUNT
			New/ Upgrade	Renewals	Transfer	Disposals	Depreciation		
	\$	\$	\$	\$	\$	\$	\$	\$	
Land - Council owned	14 387 856	-	-	-	-	-	-	14 387 856	
Land - Drainage	6 638 569	-	-	-	-	-	-	6 638 569	
Buildings	22 328 330	157 917	-	-	(24 053)	(997 133)	-	21 465 061	
Infrastructure									
- Sealed Roads	190 465 163	8 007 961	-	1 201 498	-	(10 575 794)	-	189 098 828	
- Unsealed Roads	17 038 474	-	-	(1 201 498)	-	(3 136 238)	-	12 700 738	
- Road Culverts	20 753 633	183 209	-	-	-	(331 591)	-	20 605 251	
- Kerbs & Gutters	814 462	159 980	-	-	-	(29 209)	-	945 233	
- Driveway Vehicle Crossings	8 662 649	197 691	-	-	-	(177 239)	-	8 683 101	
- Footpaths	367 638	88 500	-	-	-	(15 956)	-	440 182	
- Road Signs	827 493	150 137	-	-	-	(91 889)	-	885 741	
- Inverts	14 485	-	-	-	-	(877)	-	13 608	
- Point Generic	248 911	139 472	-	-	-	(27 502)	-	360 881	
- Driveways	4 285 421	253 000	-	-	-	(1 163 712)	-	3 374 709	
- Bicycle Paths	449 565	-	-	-	-	(26 028)	-	423 537	
- Storm Water Drains	-	608 490	-	-	-	-	-	608 490	
Office Equipment	-	-	-	-	-	-	-	-	
Plant & equipment	273 060	-	-	-	-	(38 560)	-	234 500	
Motor Vehicles	1 187 228	376 633	-	-	(59 119)	(175 683)	-	1 329 059	
Other Assets	-	-	-	-	-	-	-	-	
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>288 742 937</b>	<b>10 322 990</b>	<b>-</b>	<b>-</b>	<b>(83 172)</b>	<b>(16 787 411)</b>	<b>-</b>	<b>282 195 344</b>	
<b>Comparatives</b>	<b>196 456 235</b>	<b>5 425 438</b>	<b>-</b>	<b>-</b>	<b>(534 807)</b>	<b>(8 857 995)</b>	<b>-</b>	<b>288 742 937</b>	

## 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 are listed below. No capitalisation threshold is applied to the acquisition of land or interests in land.

#### Estimated useful lives and Capitalisation Thresholds

Building & Other Structures	20 to 100 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	-
Storm Water Drains	80 to 100 years	-
Office Equipment	5 to 10 years	\$5 000
Plant & Equipment	3 to 20 years	\$5 000
Motor Vehicles	5 to 10 years	\$5 000

## 8 LIABILITIES

	Notes	2016		2015	
		Current	Non-current	Current	Non-current
		\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		1 182 062	-	819 682	-
Payments received in advance		259 203	-	244 263	-
Accrued expenses - salaries and oncosts		212 548	-	71 256	-
Deposits Retentions & Bonds		402 719	-	288 110	-
		<b>2 056 532</b>	<b>-</b>	<b>1 423 311</b>	<b>-</b>
<b>PROVISIONS</b>					
Employee entitlements (including oncosts)		490 579	292 267	485 669	290 787
		<b>490 579</b>	<b>292 267</b>	<b>485 669</b>	<b>290 787</b>

## 9 RESERVES

Notes	2015	Net Increments (Decrements)	Transfers, Impairments	2016
	\$	\$	\$	\$
<b>ASSET REVALUATION RESERVE</b>				
Land - Council owned	125 175 674			125 175 674
Land - Drainage				
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</b>	<b>243 311 730</b>			<b>243 311 730</b>
<b>Comparatives</b>	147 012 322	96 299 408		243 311 730

	2015	Transfers to Reserve	Transfers from Reserve	2016
	\$	\$	\$	\$
<b>OTHER RESERVES</b>				
Property	531 630	-	(22 728 )	508 902
Plant and equipment	313 431	-	(175 985 )	137 446
Infrastructure	3 439 401	-	(1 104 608 )	2 334 793
Developer Contribution	1 430 659	205 913	(780 806 )	855 766
Waste Management	2 243 999	1 255 013	(154 950 )	3 344 062
Election	81 000	-	(55 956 )	25 044
Disaster Recovery	790 388	-	-	790 388
Strategic Initiatives	1 414 139	-	(40 000 )	1 374 139
Capital Grants unexpended	-	4 850 050	-	4 850 050
Cemetery	268 300	-	(76 272 )	192 028
<b>TOTAL OTHER RESERVES</b>	<b>10 512 947</b>	<b>6 310 976</b>	<b>(2 411 305 )</b>	<b>14 412 618</b>
<b>Comparatives</b>	11 680 695	1 963 600	(3 131 348 )	10 512 947

## 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 relates to a perceived future requirement which is not currently a liability:

Disaster Recovery Reserve	This reserve will fund expenses occurred due to storms, storm surges, and floods or any other natural disaster. The fund will enable Litchfield Council to recover from these disasters and return to operations. This reserve shall be maintained at or near \$500,000. 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. This reserve shall be maintained at no more than \$500,000.
Election Reserve	This reserve will fund expenses related to Local Government elections and By-Elections. This reserve shall be maintained at no more than \$100,000.
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	2016	2015
		\$	\$
<b>CASH &amp; FINANCIAL ASSETS</b>			
Unexpended amounts received from Territory Government Or other institutions		4 850 050	225 095
Developer Contributions		855 766	1 430 659
		5 705 816	1 655 754
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<b>5 705 816</b>	<b>1 655 754</b>

## 11 RECONCILIATION TO CASH FLOW STATEMENT

	Notes	2016	2015
		\$	\$
<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	1 273 210	364 284
Balances per Cash Flow Statement		<b>1 273 210</b>	<b>364 284</b>
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Deficit		(2 364 267)	(4 095 163)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		16 787 411	8 857 995
Net increase (decrease) in unpaid employee benefits		147 682	-
Change in allowances for under-recovery		15 797	-
Non-cash asset acquisitions		(4 566 642)	(2 143 133)
Grants for capital acquisitions treated as Investing Activity		(20 000)	-
Net (Gain) Loss on Disposals		15 140	245 798
		<b>10 015 121</b>	<b>2 865 497</b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		524 071	299 943
Net increase (decrease) in trade & other payables		491 929	549 927
Net increase (decrease) in other provisions		-	79 219
<b>Net Cash provided by (or used in) operations</b>		<b>11 031 121</b>	<b>3 794 586</b>
<b>(c) Non-Cash Financing and Investing Activities</b>			
Acquisition of assets by means of:			
- Physical resources received free of charge	2	4 566 642	2 143 133
<i>Amounts recognised in Income Statement</i>		<b>4 566 642</b>	<b>2 143 133</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
	2016	2016	2015	2016	2016	2015
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
Rates	6 055 790	6 085 888	5 719 413	-	-	-
Statutory & User Charges	125 300	82 292	30 375	25 500	58 732	34 600
Grants - NT recurrent	-	91 100	1 100	-	-	-
Grants - NT capital	-	-	-	-	-	-
Grants - Cwlth recurrent	460 654	464 608	460 654	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-
Investment Income	400 000	679 223	718 443	-	-	-
Reimbursements & Other Revenues	-	29 130	16 215	-	-	9 261
<b>Total</b>	<b>7 041 744</b>	<b>7 432 241</b>	<b>6 946 200</b>	<b>25 500</b>	<b>58 732</b>	<b>43 861</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	1 714 202	1 494 410	2 064 503	291 481	244 763	259 178
Materials, Contracts & Other	1 485 404	1 574 471	1 575 814	86 300	63 167	129 009
Interest Charges	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	-	108 154	1 210 164	-	19 864	15 017
Total	3 199 606	3 177 035	4 850 481	377 781	327 794	403 204
<b>TOTALS</b>	<b>3 842 138</b>	<b>4 255 206</b>	<b>2 095 719</b>	<b>(352 281)</b>	<b>(269 062)</b>	<b>(359 343)</b>
<i>TOTAL ASSETS UTILISED</i>		<b>25 560 868</b>	22 224 475	-	<b>86 747</b>	76 277

ECONOMIC AFFAIRS			ENVIRONMENTAL PROTECTION			HOUSING & COMMUNITY AMENITIES		
BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
2016	2016	2015	2016	2016	2015	2016	2016	2015
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	2 950 716	2 955 917	2 585 259	-	-	-
108 200	113 653	95 666	258 005	232 922	256 859	-	-	-
-	-	-	-	22 000	10 000	-	-	-
-	1 300 000	-	-	-	-	-	-	-
2 558 545	2 491 993	2 558 545	-	-	-	-	-	-
2 248 000	3 323 553	902 791	-	-	-	-	-	-
-	205 913	620 738	-	-	-	-	-	-
-	-	-	-	89 055	74 184	-	-	-
17 000	179 314	42 427	6 000	387 589	53 517	-	-	-
<b>4 931 745</b>	<b>7 614 426</b>	<b>4 220 167</b>	<b>3 214 721</b>	<b>3 687 483</b>	<b>2 979 819</b>	-	-	-
1 873 808	1 716 630	1 763 770	1 019 910	980 081	997 210	-	-	-
4 219 180	3 756 425	2 434 417	1 630 900	1 297 866	1 393 477	32 000	54 147	11 443
-	-	-	-	-	-	-	-	-
-	16 494 292	7 505 220	-	165 100	127 592	-	-	-
4 219 180	21 967 347	11 703 407	2 650 810	2 443 047	2 518 279	32 000	54 147	11 443
<b>712 565</b>	<b>(14 352 921)</b>	<b>(7 483 240)</b>	<b>563 911</b>	<b>1 244 436</b>	<b>461 540</b>	<b>(32 000)</b>	<b>(54 147)</b>	<b>(11 443)</b>
	<b>253 365 614</b>	257 465 907	-	<b>3 252 476</b>	3 266 788	-	-	-

## 12 FUNCTIONS (CONTINUED)

	HEALTH			RECREATION, CULTURE & RELIGION		
	BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
	2016	2016	2015	2016	2016	2015
	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>						
<b>Rates</b>				-	-	-
Statutory & User Charges	-	-	-	-	-	-
Grants - NT recurrent	-	-	-	-	-	-
Grants - NT capital	-	-	-	-	3 264 955	225 095
Grants - Cwlth recurrent	-	-	-	-	-	-
Grants - Cwlth capital	-	-	-	-	-	-
Contributions & Donations	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Reimbursements & Other Revenues	-	-	-	-	2 172	1 801
<b>Total</b>	-	-	-	-	<b>3 267 127</b>	<b>226 896</b>
<b>OPERATING EXPENSES</b>						
Employee Costs	-	-	-	-	-	-
Materials, Contracts & Other	-	-	-	951 000	938 137	957 956
Interest Charges	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	-	-	-	-	-	-
Total	-	-	-	951 000	938 137	957 956
<b>TOTALS</b>	-	-	-	<b>(951 000)</b>	<b>2 328 990</b>	<b>(731 060)</b>
<i>TOTAL ASSETS UTILISED</i>	-	-	-	-	24 074 276	25 031 191

EDUCATION			CEMETERY			ELIMINATIONS		TOTAL		
BUDGET	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	ACTUAL
2016	2016	2015	2016	2016	2015	2016	2015	2016	2016	2015
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-	<b>9 006 506</b>	<b>9 041 805</b>	<b>8 304 672</b>
-	-	-	803 506	859 768	909 974	-	-	1 320 511	1 347 367	1 327 474
-	-	-	-	-	-	-	-	-	113 100	11 100
-	-	-	-	-	-	-	-	-	4 564 955	225 095
-	-	-	-	-	-	-	-	3 019 199	2 956 601	3 019 199
-	-	-	-	-	-	-	-	2 248 000	3 323 553	902 791
-	-	-	-	-	-	-	-	-	205 913	620 738
-	-	-	-	12 091	11 011	-	-	400 000	780 371	803 638
-	-	-	-	4 545	7 534	-	-	23 000	602 750	130 755
-	-	-	<b>803 506</b>	<b>876 404</b>	<b>928 519</b>	-	-	<b>16 017 216</b>	<b>22 936 415</b>	<b>15 345 462</b>
-	-	-	542 544	578 638	494 575	-	-	7 787 317	5 014 522	5 579 236
16 000	12 000	16 000	397 800	374 038	382 617	-	-	8 818 584	8 070 252	6 900 732
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	16 787 410	8 857 992
16 000	12 000	16 000	940 344	952 676	877 192	-	-	16 605 901	29 872 184	21 337 960
<b>(16 000)</b>	<b>(12 000)</b>	<b>(16 000)</b>	<b>(136 838)</b>	<b>(76 272)</b>	<b>51 327</b>	-	-	<b>(588 685)</b>	<b>(6 935 769)</b>	<b>(5 992 498)</b>
-	-	-	-	-	-	-	-	-	306 339 982	308 064 638

## 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.

### **Health**

Well baby clinics, dental health services and home nursing services, nursing and convalescent home services, immunisation, infant nutrition and child health, family planning services.

### **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 292 days and an average interest rates of 2.998% (2015: 298 days, 3.409%).

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

### Receivables - Rates & 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% (2015: 17%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

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

### 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.

## 13 FINANCIAL INSTRUMENTS (CONTINUED)

### LIQUIDITY ANALYSIS

	Due < 1 year	Due > 1 year;< 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2016</b>					
<b>Financial Assets</b>					
Cash & 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	1 797 329	-	-	1 797 329	1 797 329
<b>Total</b>	<b>1 797 329</b>	<b>-</b>	<b>-</b>	<b>1 797 329</b>	<b>1 797 329</b>
<b>2015</b>					
<b>Financial Assets</b>					
Cash & equivalents	364 284	-	-	364 284	364 284
Receivables	430 121	-	-	430 121	430 121
Other financial assets	15 149 029	-	-	15 149 029	15 149 029
<b>Total</b>	<b>15 943 434</b>	<b>-</b>	<b>-</b>	<b>15 943 434</b>	<b>15 943 434</b>
<b>Financial Liabilities</b>					
Payables	1 179 048	-	-	1 179 048	1 179 048
<b>Total</b>	<b>1 179 048</b>	<b>-</b>	<b>-</b>	<b>1 179 048</b>	<b>1 179 048</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	2016	2015
		\$	\$
<b>Capital Commitments</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Roads & Footpaths		1 310 050	1 648 000
		<b>1 310 050</b>	<b>1 648 000</b>
These expenditures are payable:			
Not later than one year		1 310 050	1 648 000
		<b>1 310 050</b>	<b>1 648 000</b>

### Other Expenditure Commitments

There were no other expenditure commitments as at 30 June 2016 and 2015.

### Finance Lease Commitments

There were no finance lease commitments as at 30 June 2016 and 2015.

## 15 FINANCIAL INDICATORS

	2016	2015	2014	2013
<b>Current Ratio</b>				
Current Assets - Externally Restricted Assets	7.22:1	9.22:1	10.69:1	5.99:1
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	28.30%	39.27%	40.20%	42.23%
Total Revenues				
<b>Rates Outstanding Percentage</b>				
Rates Outstanding	22.52%	28.41%	31.46%	64.95%
Rates 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 employee earnings in accordance with superannuation guarantee legislation (9.50% in 2015/16; 9.50% in 2014/15). 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.

### Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2014/15) of "superannuation" salary.

In addition, Council makes a separate contribution of 2% of salary for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

### 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 CORRECTION OF PRIOR PERIOD ERROR

The cemetery offers customers the ability to pay for their funeral in advance. The portion of future costs for burials and cremations are to be recognised as a prepayment and the purchase of the cemetery plot is to be recorded as income at the time of receipt. Previously, this had not been calculated correctly and in accordance with AASB 108 Accounting policies, changes in accounting estimates and errors, a restatement of the financial statements has been undertaken.

As a result, revenue of \$101 543 was recognised and prepayments reduced for the period prior to 1 July 2014. An adjustment of \$76 489 was also made to recognise income and reduce prepayments for the 2014/15 financial year. The effect of the adjustments is disclosed below.

	2014	2015	Total
	\$	\$	\$
i) <b>Internments</b>	101 543	76 489	178 032
	<b>101 543</b>	<b>76 489</b>	<b>178 032</b>

The effect of the above:

As previously reported	Restatement	Restated Balance
------------------------	-------------	------------------

### 2014

#### Statement of Financial Position as at 1 July 2014

Trade and Other Payables	1 249 678	(101 543)	1 148 135
Total Current Liabilities	1 689 251	(101 543)	1 587 708
Total Liabilities	1 946 915	(101 543)	1 845 372
Net Assets	213 559 083	101 543	213 660 626
Other Reserves	11 579 152	101 543	11 680 695
Total Equity	213 559 083	101 543	213 660 626

#### Statement of Changes in Equity as at 1 July 2014

Net Results Total Comprehensive Income	(7 348 505)	23 075	(7 325 430)
Transfer to other reserves	(280 806)	(23 075)	(303 881)
Transfers from accumulated surplus	280 806	23 075	303 881
Balance other reserves	11 579 152	101 543	11 680 695
Total Equity	213 559 083	101 543	213 660 626

### 2015

#### Statement of Comprehensive Income for the year ended 30 June 2015

User Charges	1 337 879	76 489	1 414 368
Total Income	15 268 973	76 489	15 345 462
Operating Surplus/(Deficit)	(6 068 987)	76 489	(5 992 498)
Net Surplus / (Deficit)	(4 171 652)	76 489	(4 095 163)
Total Comprehensive Income	92 127 756	76 489	92 204 245

#### Statement of Financial Position as at 30 June 2015

Trade and Other Payables	1 601 343	(178 032)	1 423 311
Total Current Liabilities	2 087 012	(178 032)	1 908 980
Net Assets	305 686 839	178 032	305 864 871
Other Reserves	10 334 915	178 032	10 512 947
Total Equity	305 686 839	178 032	305 864 871

#### Statement of Changes in Equity as at 30 June 2015

Net Results Total Comprehensive Income	(4 171 652)	76 489	(4 095 163)
Transfer to Other Reserves	(1 244 237)	76 489	(1 167 748)
Transfer from accumulated surplus	1 244 237	(76 489)	1 167 748
Balance other reserves	10 334 915	178 032	10 512 947
Total Equity	305 686 839	178 032	305 864 871

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF LITCHFIELD COUNCIL

We have audited the accompanying financial report of the Litchfield Council (the Council), which comprises the Balance Sheet as at 30 June 2016, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the Officer's Certificate.

### Chief Executive Officers' Responsibility for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the *Local Government Act (NT) 2016* and *Local Government (Accounting) Regulations 2014* and for such internal controls as the Chief Executive Officer determine are necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Council's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

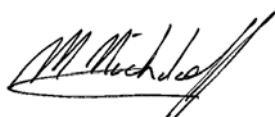
Our audit responsibility does not extend to the budget information disclosed in the Note 12 – Functions and accordingly, we do not express an opinion on such.

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

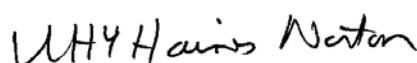
## Auditor's Opinion

In our opinion,

- a) the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 2016, Chapter 10 part 10.6 (the Act)*; and
- b) the financial statements:
  - (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 2016 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 statements that have come to light during the course of the audit.



**M.D. Nicholaeff**  
Partner



**UHY Haines Norton**  
Chartered Accountants

Signed at Sydney on 1 November 2016

# PART 5

# FINANCIAL STATEMENTS

## THORAK REGIONAL CEMETERY

### Special Purpose Financial Reports for the year ended 30 June 2016

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# SPECIAL PURPOSE FINANCIAL REPORT

For the year ended 30 June 2016


## 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



**Date**

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

Notes	2016	2015 Restated*
	\$	\$
<b>INCOME</b>		
Internments	568 786	601 842
Cremations	111 371	117 376
Exclusive rights fees	9 199	13 798
Ground maintenance	63 295	66 066
Chapel and Marquee hire	25 600	19 493
Plaque/Headstone installation and permits	35 287	54 509
Funeral director fees	2 842	3 025
Sundry income	28 300	16 399
Grant income	-	-
Rent received	15 088	25 000
Investment income	12 091	11 011
Proceeds from sale of assets	4 545	-
<b>Total Income</b>	<b>876 404</b>	<b>928 519</b>
<b>EXPENSES</b>		
Salaries	512 518	420 646
Superannuation	41 547	36 583
Staff Training & amenities	17 936	31 055
Insurance	27 791	20 462
Legal Fees	-	3 105
Accounting Services	4 320	4 194
Consultants	-	1 233
Admin Exp	84 052	88 719
Advertising	2 854	3 921
Computer Support	1 050	4 899
Motor Vehicle Expenses	29 052	27 475
Utilities	43 803	55 563
Telephone	3 616	4 900
Security	4 268	4 967
Grounds Maintenance & Landscaping	20 476	38 134
Repairs and Maintenance	23 799	42 105
Equipment Hire	-	1 450
Plant & Equipment	5 765	8 471
Grave Digging	49 440	47 760
Improvements	-	1 744
Memorial Expenses	20 470	18 749
Sundry Expense	-	3 155
Exclusive Rights refunds	670	11 893
Capital works expenditure not capitalised	59 248	56 007
<b>Total Expenses</b>	<b>952 675</b>	<b>937 190</b>
<b>NET DEFICIT transferred to Equity Statement</b>	<b>(76 271)</b>	<b>(8 671)</b>
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>(76 271)</b>	<b>(8 671)</b>

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

\* Refer to Note 7



# BALANCE SHEET

as at 30 June 2016

	Notes	2016	2015	2014
		\$	Restated*	Restated*
<b>ASSETS</b>				
Current Assets				
Cash and cash equivalents	2	100 545	167 976	157 248
Trade & other receivables	2	85 446	98 716	53 553
Other financial assets	2	406 397	322 679	311 638
<b>Total Current Assets</b>		<b>592 388</b>	<b>589 371</b>	<b>522 439</b>
<b>Total Assets</b>		<b>592 388</b>	<b>589 371</b>	<b>522 439</b>
<b>LIABILITIES</b>				
Current Liabilities				
Trade & Other Payables	3	288 653	269 380	214 105
Provisions	3	90 057	37 057	20 572
<b>Total Current Liabilities</b>		<b>378 710</b>	<b>306 437</b>	<b>234 677</b>
Non-current Liabilities				
Provisions	3	21 649	14 634	10 791
<b>Total Non-current Liabilities</b>		<b>21 649</b>	<b>14 634</b>	<b>10 791</b>
<b>Total Liabilities</b>		<b>400 359</b>	<b>321 071</b>	<b>245 468</b>
<b>NET ASSETS</b>		<b>192 029</b>	<b>268 300</b>	<b>276 971</b>
<b>EQUITY</b>				
Accumulated Surplus		54 569	54 570	54 570
Other Reserves	4	137 460	213 730	222 401
<b>TOTAL EQUITY</b>		<b>192 029</b>	<b>268 300</b>	<b>276 971</b>

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

\* Refer to Note 7

## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Notes	Accumulated Surplus	Other Reserves	TOTAL EQUITY
		\$	\$	\$
<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>
<b>2015</b>				
Balance at end of previous year		(46 973)	222 401	175 428
Adjustment made to prior period year	7	101 543	-	101 543
Restated opening balance		54 570	222 401	276 971
<b>Net Deficit for Year</b>		<b>(8 671)</b>	-	<b>(8 671)</b>
<b>Other Comprehensive Income</b>		-	-	-
<b>Total Comprehensive Loss</b>		<b>(8 671)</b>	-	<b>(8 671)</b>
Transfers between reserves		8 671	(8 671)	-
<b>Balance at end of period</b>		<b>54 570</b>	<b>213 730</b>	<b>268 300</b>

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

## CASH FLOW STATEMENT

For the year ended 30 June 2016

	Notes	2016	2015
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts			
Receipts from customers		877 583	915 885
Payments			
Payments to suppliers and employees		(873 387)	(905 157)
<b>Net Cash provided by (or used in) Operating Activities</b>	5	<b>4 196</b>	<b>10 728</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments			
Payments for investments		(71 627)	-
<b>Net Cash used in Investing Activities</b>		<b>(71 627)</b>	-
<b>Net (Decrease) Increase in cash held</b>		<b>(67 431)</b>	<b>10 728</b>
Cash & cash equivalents at beginning of the year		167 976	157 248
<b>Cash &amp; cash equivalents at end of the year</b>		<b>100 545</b>	<b>167 976</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.

## a Basis of Preparation

### (i) 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.

### (ii) 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.

### (iii) Historical Cost Convention

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

### (iv) 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.

### (v) Rounding

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

## b 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 probably that the future economic benefits will flow to Cemetery and it can be measured reliably.

### **c 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.

### **d 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.

### **e Payables**

#### **(i) 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.

#### **(ii) 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.

### **f Employee Benefits**

#### **(i) 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.

#### **(ii) 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.

**g 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.

Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

**h Comparative Information**

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

**i Pending Accounting Standards**

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period.

- AASB 7 Financial Instruments – Disclosures
- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 124 Related Party Disclosures 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 and AASB 2015-6.

*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.*

The Australian Accounting Standards Board is currently reviewing AASB 1004 Contributions. It is anticipated that the changes resulting from this review may have a material effect on the timing of the recognition of grants and contributions, but the financial consequences cannot be estimated until a revised accounting standard is issued.

## 2 CURRENT ASSETS

	Notes	2016	2015
		\$	\$
<b>CASH &amp; EQUIVALENT ASSETS</b>			
Cash on Hand and at Bank		100 545	167 976
		<b>100 545</b>	<b>167 976</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Accrued Revenues		64	-
Debtors - general		85 382	98 716
		<b>85 446</b>	<b>98 716</b>
<b>OTHER FINANCIAL ASSETS</b>			
Term Deposits over 90 Days		406 397	322 679
		<b>406 397</b>	<b>322 679</b>

## 3 LIABILITIES

Notes	2016		2015	
	Current	Non-current	Current	Non-current
	\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	18 805	-	17 477	-
Payments received in advance	259 203	-	244 263	-
Accrued expenses - employee entitlements	10 645	-	7 640	-
	<b>288 653</b>	<b>-</b>	<b>269 380</b>	<b>-</b>
<b>PROVISIONS</b>				
Employee entitlements (including oncosts)				
Annual Leave	62 472	2 513	37 057	-
Long Service Leave	27 585	19 136	-	14 634
	<b>90 057</b>	<b>21 649</b>	<b>37 057</b>	<b>14 634</b>

## 4 RESERVES

	2015	Transfers to Reserve	Transfers from Reserve	2016
	\$	\$	\$	\$
<b>RESERVES</b>				
Cemetery	213 730	-	(76 271 )	137 459
<b>TOTAL RESERVES</b>	<b>213 730</b>	<b>-</b>	<b>(76 271 )</b>	<b>137 459</b>
<i>Comparatives</i>	<i>222 401</i>	<i>-</i>	<i>(8 671 )</i>	<i>213 730</i>

### 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

	Notes	2016	2015
		\$	\$
<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	2	100 545	167 976
Balances per Cash Flow Statement		100 545	167 976
<b>(b) Reconciliation of Change in Net Assets to Cash from Operating Activities</b>			
Net Surplus (Deficit)		(76 271)	(8 671)
Non-cash items in Statement of Comprehensive Income			
Investment Income		(12 091)	(11 041)
		<b>(88 362)</b>	<b>(19 712)</b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		13 270	(45 163)
Net increase (decrease) in trade & other payables		19 273	131 764
Net increase (decrease) in other provisions		60 015	20 328
<b>Net Cash provided by (or used in) operations</b>		<b>4 196</b>	<b>87 217</b>

## 6 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 365 days and an average interest rates of 3.05% (2015: 365 days, 3.55%).

**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.



## 6 FINANCIAL INSTRUMENTS (CONTINUED)

### LIQUIDITY ANALYSIS

	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2016</b>					
<b>Financial Assets</b>					
Cash & 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>
<b>2015</b>					
<b>Financial Assets</b>					
Cash & equivalents	167 976	-	-	167 976	167 976
Receivables	98 716	-	-	98 716	98 716
Other financial assets	322 679	-	-	322 679	322 679
<b>Total</b>	<b>589 371</b>	<b>-</b>	<b>-</b>	<b>589 371</b>	<b>589 371</b>
<b>Financial Liabilities</b>					
Payables	25 117	-	-	25 117	25 117
<b>Total</b>	<b>25 117</b>	<b>-</b>	<b>-</b>	<b>25 117</b>	<b>25 117</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 Notes 5 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the 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.

## 7 CORRECTION OF PRIOR PERIOD ERROR

The cemetery offers customers the ability to pay for their funeral in advance. The portion of future costs for burials and cremations are to be recognised as a prepayment and the purchase of the cemetery plot is to be recorded as income at the time of receipt. Previously, this had not been calculated correctly and in accordance with AASB 108 Accounting policies, changes in accounting estimates and errors, a restatement of the financial statements has been undertaken.

As a result, revenue of \$101,543 was recognised and prepayments reduced for the period prior to 1 July 2014. An adjustment of \$76,489 was also made to recognise income and reduce prepayments for the 2014/15 financial year. The effect of the adjustments is disclosed below.

	2014	2015	Total
	\$	\$	\$
i) Internments	101 543	76 489	178 032
	<b>101 543</b>	<b>76 489</b>	<b>178 032</b>

The effect of the above:

As previously reported	Restatement	Restated Balance
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### 2014

#### Statement of Financial Position as at 1 July 2014

Trade and Other Payables	315 648	(101 543)	214 105
Total Liabilities	347 011	(101 543)	245 468
Net Assets	175 428	101 543	276 971
Accumulated Surplus/(Deficit)	(46 973)	101 543	54 570
Total Equity	175 428	101 543	276 971

### 2015

#### Statement of Comprehensive Income for the year ended 30 June 2015

Internments	525 353	76 489	601 842
Total Income	852 030	76 489	928 519
Net Deficit Total Comprehensive Loss	(85 160)	76 489	(8 671)

#### Statement of Financial Position as at 30 June 2015

Trade and Other Payables	447 412	(178 032)	269 380
Total Liabilities	499 103	(178 032)	321 071
Net Assets	90 268	178 032	268 300
Accumulated Surplus/(Deficit)	(46 973)	101 543	54 570
Other Reserves	137 241	76 489	213 730
Total Equity	90 268	178 032	268 300

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THORAK REGIONAL CEMETERY

We have audited the accompanying financial statements, being a special purpose financial report of the Thorak Regional Cemetery ('the cemetery'), which comprises the Balance Sheet as at 30 June 2016, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the Board of Trustee's Statement.

### ***The Board of Trustee's responsibility for the Financial Statements***

The Board of Trustees of the Thorak Regional Cemetery is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Cemeteries Act (NT) 2016* and for such internal controls as the Board of Trustees determines are necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditors Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the cemetery's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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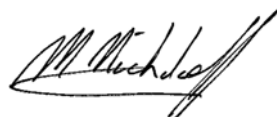
*Passion beyond numbers*

### **Opinion**

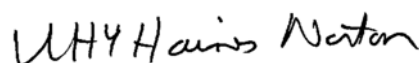
In our opinion, the financial report of Thorak Regional Cemetery presents fairly, in all material respects, the cemetery's financial position as at 30 June 2016, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial report.

### **Basis of Accounting and restriction on distribution and use**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report is prepared to assist The Board of Trustees of the Thorak Regional Cemetery to meet the requirements of the *Cemeteries Act (NT) 2016*. As a result, the financial report may not be suitable for any other purpose. Our report is intended solely to the members of Thorak Regional Cemetery.



**M.D. Nicholaeff**  
Partner



**UHY Haines Norton**  
Chartered Accountants

Signed at Sydney on 1 November 2016

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