



**LITCHFIELD
COUNCIL**



Municipal Plan

2021-2022





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Mayor Maree Bredhauer

Mayor's opening

On behalf of Council, it is a pleasure to present the 2021-22 Municipal Plan.

Following on from the biggest infrastructure spend in the history of Council in 2020-21, 2021-22 will see the Council move to a year of consolidation. This does not mean Council is standing still but in fact it will be focussed on maintaining our \$510 million of assets at an acceptable standard and providing services, information and resources that are accessible to our entire community.

This year's Municipal Plan reports our budget commitments for the 2021-22 financial year, includes the Long Term Financial Plan 2021-22 to 2031-32 and details Council's focus for the next 12 months that will be achieved in line with the objectives set out in the Strategic Plan 2018-22.

The Strategic Plan 2018-22 identifies advocacy as an important link to growing and maintaining a municipality that is the best place to live in the Top End. It is for this reason, Council will continue its advocacy efforts on Freds Pass Sport and Recreation Reserve to ensure a consistent and comparable investment that will bring about improvements to existing facilities and explore new opportunities to include sporting activities that are currently not represented. Additionally, the relocation of Council's community library to a location that is more accessible and centrally located will continue to be a priority for us.

After the largest year on record for capital works delivery last year (almost \$11 million) the 2021-22 capital program will be reduced to approximately \$6.6 million. These works include pathway renewals, road safety upgrades and asset renewals across our entire municipality.

Just over \$1 million will be provided to Council's eight recreation reserves and approximately \$40,000 will go back to the community through the Community Grants Scheme. This scheme continues to be funded through the collection of the 'cash for cans' and recycled car batteries initiative coordinated through our Waste Transfer Stations.

The Long Term Financial Plan, designed to ensure the financial sustainability of Council continues to improve, focusing on managing our assets and delivering sustainable services now and into the future.

Council's Elected Members remain committed to working for the community and are confident and optimistic about our plans and progress. We are well positioned to continue to deliver the infrastructure and services need and I look forward to working with the community and the Elected Members in making a difference for the Litchfield Municipality.

Mayor
Maree Bredhauer

Litchfield overview

Litchfield Profile

POPULATION

25,561



Male - 59.4% Female - 40.6%

30% couples with children

Median age - 37 years

ERP 2019 - (Australian Bureau of Statistics 2016 Census data 2016)

Council Data

8,326 

RATEABLE ASSESSMENTS

645kms
SEALED ROADS



70kms

UNSEALED ROADS



RECREATION RESERVES

8

Our Economy

LOCAL JOBS

16,839

LOCAL BUSINESSES

1,903

EMPLOYED RESIDENTS

14,964

3 WASTE TRANSFER STATIONS



15kms
SHARED PATHS INC.
7.3KM BIKE PATHS



2,884

REGISTERED DOGS

CEMETERY

1



PLAYGROUNDS

ERP 2019 - (Australian Bureau of Statistics 2016 Census data 2016)



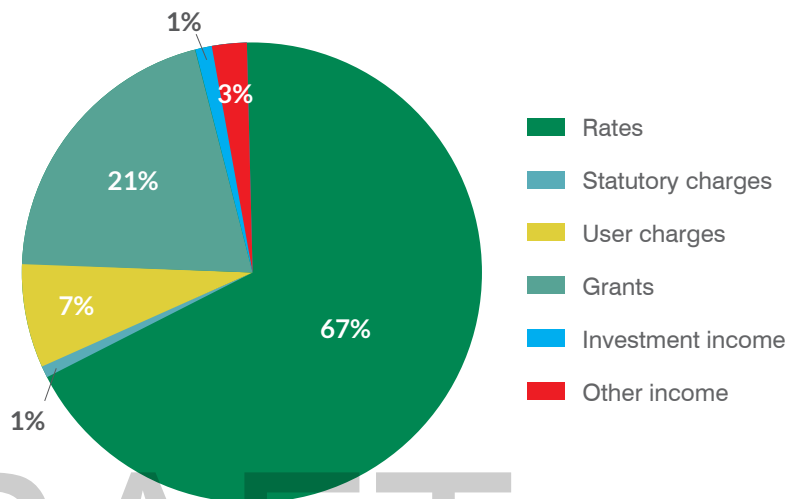
Budget at a Glance

Council is forecasting a balanced budget, achieved by drawing on funds from financial reserves. Overall, Council is continuing to keep operating expenses constrained in line with the Long Term Financial Plan 2020-21 to 2030-31.

Budgeted revenue

Rates continue to be the major source of funding for Council in 2021-22. Despite a substantial decrease in investment income as a result of declining interest rates, revenue is budgeted to increase by 4.8% overall with an increase in both rates revenue and statutory charges.

The chart here shows the split of revenue by funding source.



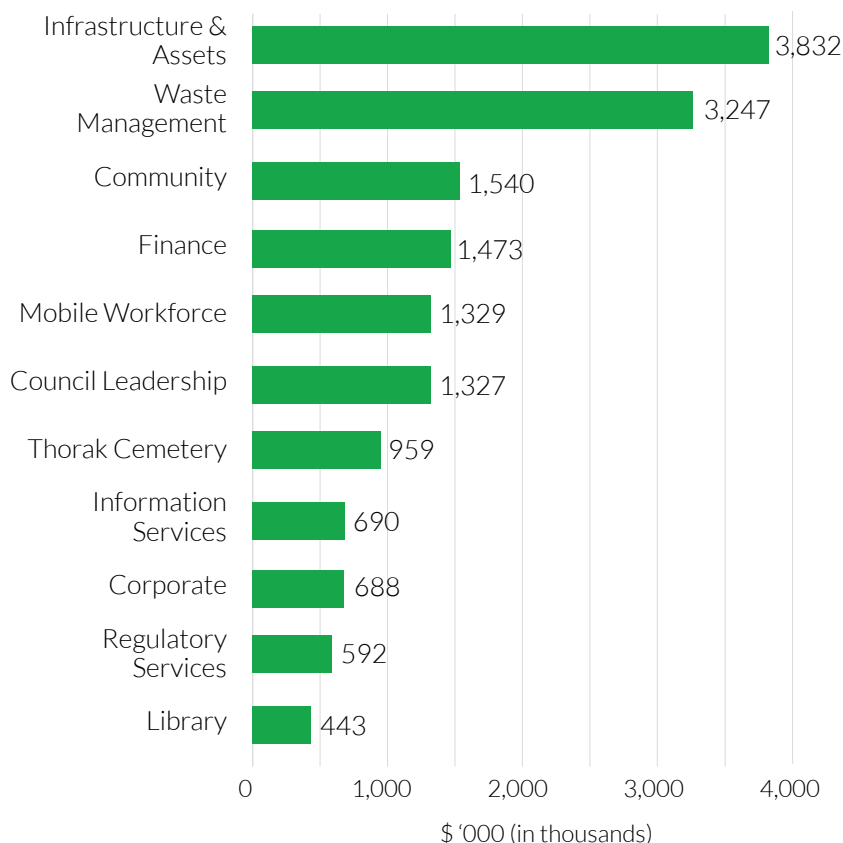
Budgeted operating expenditure

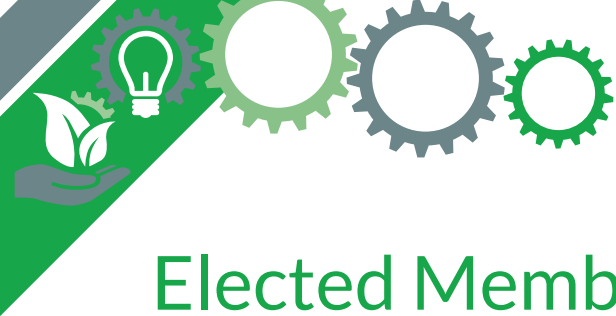
Council has forecast its operating expenditure to increase by 8% which is predominantly offset by a related increase in revenue. Note: Council's operational revenue would have increased by 7.4% if not for the uncontrollable decrease in investment revenue related to a decrease in interest rates. The remaining difference is the result of an increase in expenses related to insurance, two additional elected members from September 2021 and increased resources required to deliver the capital works program.

Waste Management and Infrastructure & Assets remain the largest cost centres for Council. Investment in these areas enables Council to operate its three waste transfer stations for residents and commercial users and deliver quality roads across the community.

Since 2019-20, Council's budget has also included library services. Expenditure on library services in 2021-22 is budgeted at \$442,712, which continues to be fully funded by a Northern Territory Government grant.

Operating expenditure by program area





Elected Members

Council's current Mayor and Councillors were elected in August 2017 for a four-year term expiring in August 2021.

Mayor



Maree Bredhauer

Mobile: 0437 517 709

Email: maree.bredhauer@litchfield.nt.gov.au



North Ward



Mathew Salter

Mobile: 0408 093 838

Email: mathew.salter@litchfield.nt.gov.au

East Ward



Kirsty Sayers-Hunt

Mobile: 0418 956 791

Email: kirsty.sayers-hunt@litchfield.nt.gov.au

Central Ward



Christine Simpson

Mobile: 0417 805 302

Email: christine.simpson@litchfield.nt.gov.au

South Ward



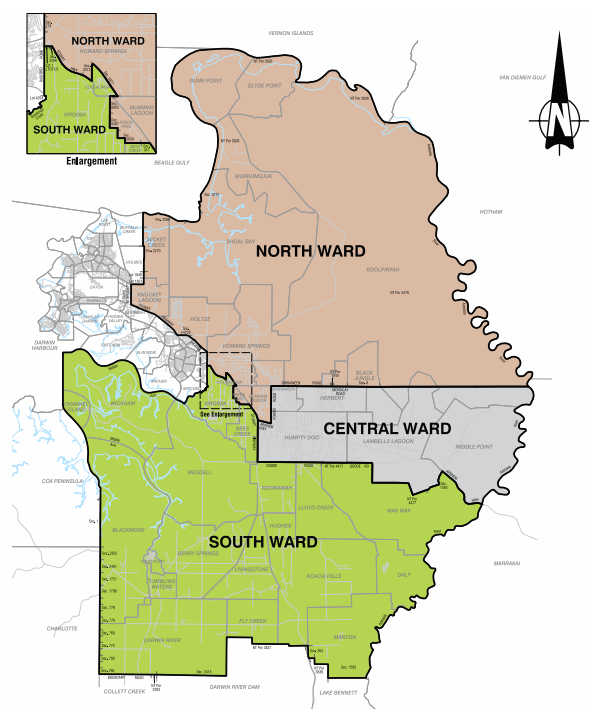
Doug Barden

Mobile: 0429 875 390

Email: doug.barden@litchfield.nt.gov.au

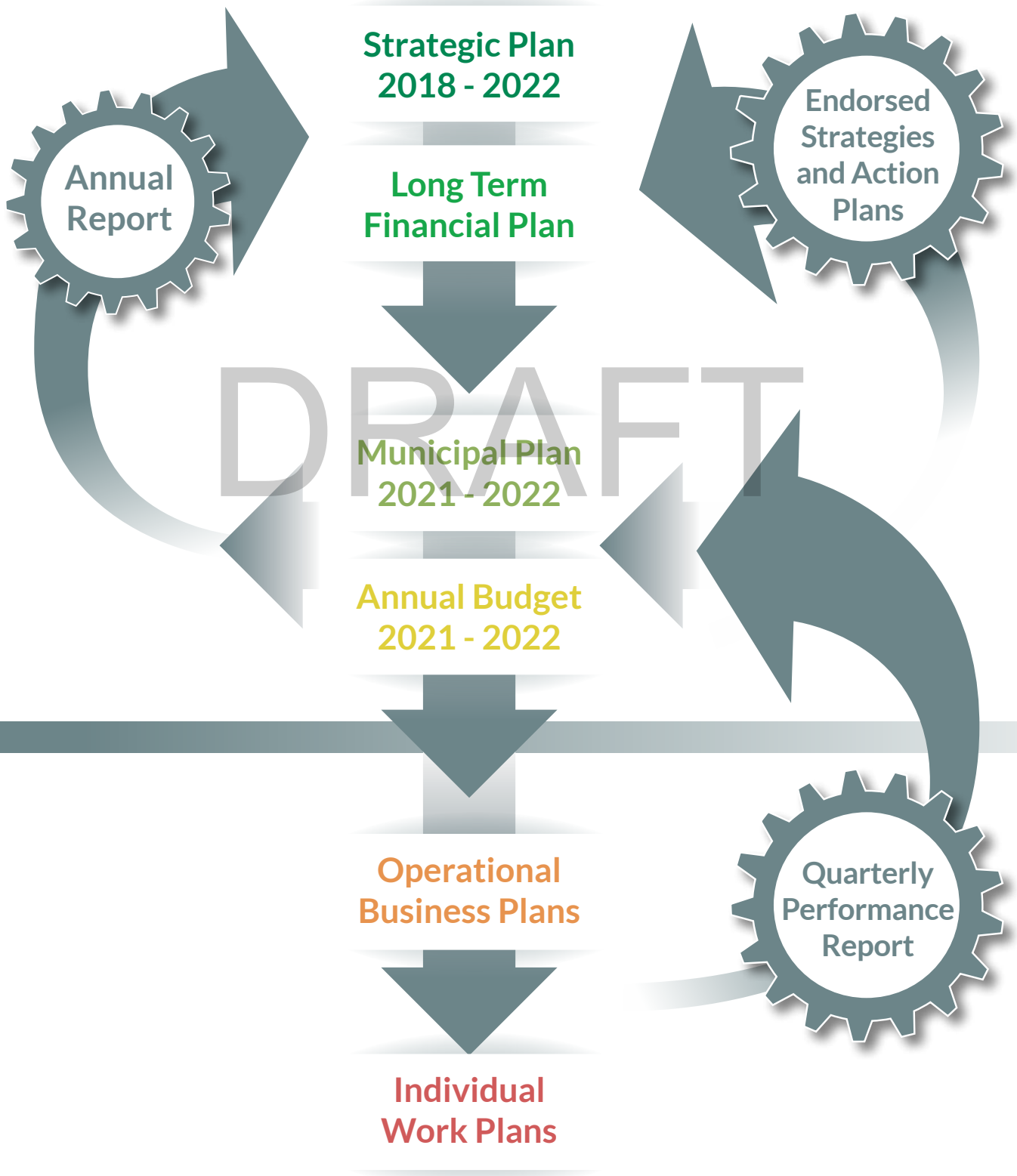
The new *Local Government Act 2019* will come into effect on 1 July 2021 and is supported by new regulations.

In early 2020, Council undertook an electoral review in accordance with the requirements of Section 23 of the *Local Government Act 2008*. The Minister approved changes to the ward structure to reduce these to three (North Ward, Central Ward and South Ward) and the addition of two councillors, making the representation two councillors per ward. The new changes will be reflected in the 2021 August Elections.





Litchfield Council Integrated Strategic Planning and Reporting Framework



Strategic Advocacy Focus 2021-22

Council will continue to advocate to the Northern Territory Government and Australian Government on behalf of the Litchfield community to ensure local infrastructure needs are met.

Of particular focus in 2021-22 are the following **two agreed priority projects** identified in the 2020-21 Municipal Plan.

Freds Pass Sports and Recreation Reserve funding

Need: The Freds Pass Sports and Recreation Reserve caters for 10,000 users a week with assets worth over \$5 million.

Description: Consistent investment of \$5 million per year over a four-year period into facility upgrades and new sporting facilities.

Outcome: Improve ability for residents to participate in sport, including new facilities for popular sporting activities that are currently not presented, i.e. tennis, netball, basketball.

Australian and NT Government investment: \$20 million over four years.

Economic drive through improved library services

Need: The Taminmin Public Library does not cater appropriately or adequately for all residents of Litchfield due to space and access restrictions. The economic downturn has caused significant loss for local traders.

Description: Temporary relocation (up to 10 years) of the public library service to Coolalinga commercial area through a commercial lease agreement funded by NT Government.

Outcome: Increasing foot traffic for local traders, creating safe community space for youth in a high traffic risk area, developing a library service to Australian standard.

Australian and NT Government investment: \$5 million over ten years.

Additional projects that are important to Council

Community and Business Hub

The NT Government Litchfield Subregional Land Use Plan 2015 outlined the need for additional social infrastructure including a community centre. Strategic planning by the NT Government and Council has identified the need for many services and public spaces that can support local community groups, small businesses and service providers.

Regional Waste Management

Council is working with other Top End councils as part of the Top End Regional Organisation of Councils (TOPROC) and the NT Government on the establishment of a Regional Waste Management Facility, including an emergency waste facility.

Mira Square Community Facilities

The Southport Progress Association (SPA) has been seeking land for a community gathering and meeting space for a number of years. Mira Square is a 3.24 hectare site zoned Community Purpose located in the centre of the Southport community. SPA has sought Council's assistance and support in acquiring and developing this community space.

Water Security Plan

Water drives the Territory's economy and must be managed for the benefit of all Territorians. To ensure Litchfield is the best place to live in the Top End with reliable supplies of water, the Litchfield Municipality needs to be included into NT's water security plans.

Private Roads Maintenance

Historic subdivision approvals have created parcels in the municipality that are accessed from private, rather than Council roads. This ownership discrepancy is often visible only on survey plans, with informal private roads being developed similar to Council roads.

 Delayed  Ongoing  Complete



Service Delivery Plan

Opportunities and challenges for service delivery

Council has the opportunity to continue to strengthen its relationship with neighbouring councils, the Northern Territory Government and the Australian Government through partnerships such as the Productive Mango Roads Project and public library service delivery. This type of collaborative approach maximises opportunities for the Litchfield community.

The broader challenges and opportunities for Council reflect many of the big issues facing local government across Australia. These include sourcing appropriate funding from the state and federal governments to maintain services, funding repair and upgrades to local roads, animal management services across a wide area encompassing rural and urban living areas and providing equitable access to community services.

The bigger picture

The Northern Territory Government Department of Trade, Business and Innovation reported a 0.1% decline in the economy for 2020-21 which is forecasted to increase by 1.5% in 2021-22¹.

The Northern Territory Government's Strategic Directions 2017-21 outlines a series of goals and outcomes needed to meet its vision to create a vibrant and resilient economy for all Territorians by growing private investment and creating jobs. Litchfield has a role to play in that vision, particularly in terms of being able to grow local business capabilities through projects like the Productive Mango Roads.

Improving service delivery through working with others

Council continues to share services and partner with relevant organisations to strengthen Litchfield's profile and leverage better outcomes for residents.

Top End Regional Organisation of Councils (TOPROC)

- Current focus includes:
 - improving Council's role in land use planning
 - establishing a Regional Emergency and Waste Management Facility
 - Collaborative animal management approaches

Local Government Professionals Association of Northern Territory (LGPANT)

- Support the professional growth of staff across the local government sector

¹ Northern Territory Economy Snapshot 6 March 2020, Northern Territory Government Department of Trade, Business and Innovation



Recreation reserve management

- Five of Council's reserves are managed by independent not-for-profit associations
- Three are managed by Council.

Funding community events

Each year, Council sponsors:

- Seniors' Festival, in partnership with the Palmerston and Litchfield Seniors
- Freds Pass Rural Show

Northern Territory Government and City of Palmerston

- Providing modern library services to the community





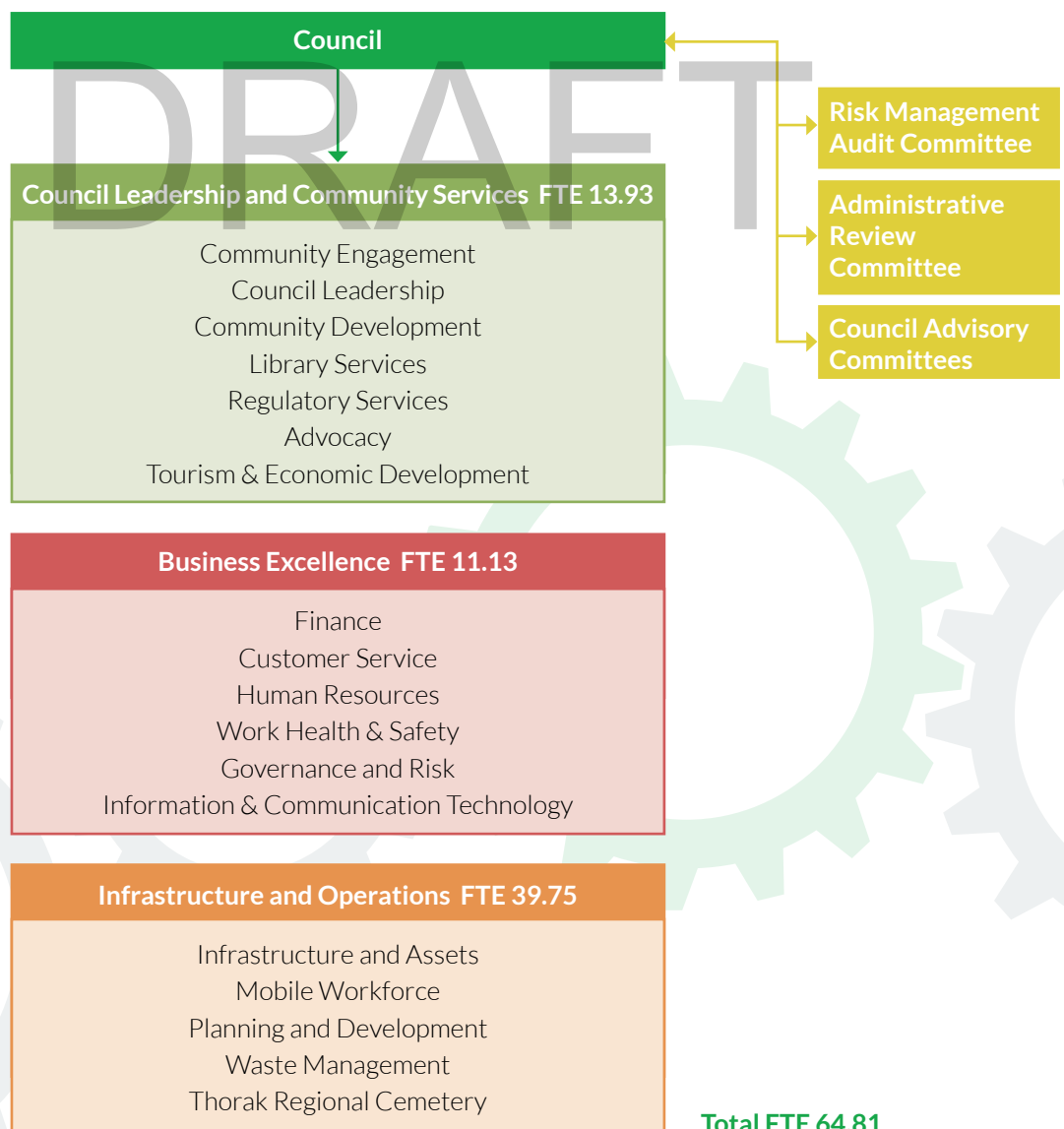
Staffing plan

Under Council’s staffing plan for 2021-22, 64.81 full-time equivalent (FTE) staff will be employed. Of these positions, there are 5.5 temporary contracts, 2 of which are fully funded by grant funding. This is an increase of 6.51 FTE from 2020-21 (58.3 FTE).

While the number of people in full-time and part-time positions is relatively stable, the actual number of employees varies from time to time due to the employment of outdoor staff for seasonal and relief work.

Council’s Enterprise Agreement 2017 operated until 11 March 2020. It set an annual salary increase at 2% each year during the life of the Agreement. Council Management and staff in partnership with Unions, agreed to a new Enterprise Agreement in the first half of 2020. During negotiations the agreement achieved a number of new terms and conditions for all our employees including annual pay increases of 1% or CPI capped at 2% whichever is greater.

Organisation chart

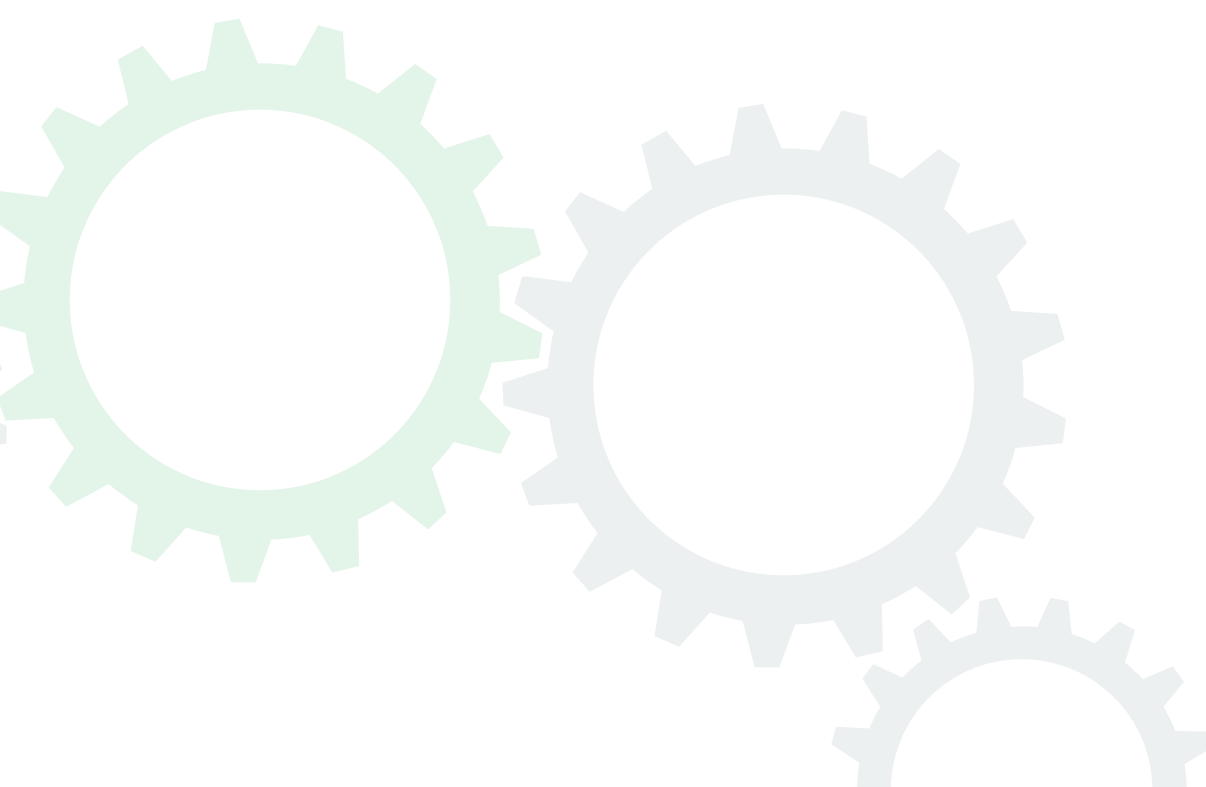




2021-22 Budget by department profile

PROGRAM	2021/22					
	Operational Revenue \$	Operational Expense \$	Operational Surplus \$	Capital Income \$	Capital Expense \$	Capital Surplus \$
Council leadership	-	1,327,210	(1,327,210)	-	-	-
Community	88,000	1,539,546	(1,451,546)	-	32,000	(32,000)
Corporate	-	687,753	(687,753)	-	-	-
Library	442,712	442,712	-	-	-	-
Finance	9,561,134	1,472,618	8,018,516	-	-	-
ICT	-	690,239	(690,239)	-	-	-
Infrastructure & Assets	2,980,594	3,831,662	(851,068)	2,949,084	6,446,070	(3,496,986)
Thorak Cemetery	1,017,579	959,062	58,517	-	80,000	(80,000)
Mobile Workforce	-	1,328,714	(1,328,714)	-	-	-
Waste	3,263,000	3,246,634	86,366	-	35,000	(35,000)
Regulatory Services	189,500	591,802	(402,302)	-	-	-
TOTAL	17,542,519	16,117,953	1,424,566	2,949,084	6,593,070	(3,643,986)

DRAFT





Service delivery KPIs

KEY OUTPUTS	MEASURES	TARGET
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COUNCIL LEADERSHIP

Powerful and effective advocacy

Advocacy Submissions to government	Arrange and attend quarterly meetings with relevant ministers on advocacy projects	1 per qtr
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Advocacy Strategy	Current year actions	Complete
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Good governance

Elected members training and development	min 1 per qtr	min 1 per qtr
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Supporting local businesses	Hold three Litchfield Women in Business Network events each year	3 events
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Engaging our community

Annual Community Survey	Overall Satisfaction	>60%
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CORPORATE

Engaging our community

Community Engagement	Community Engagement Strategy actions: Year 4 (8 Actions) complete	0.9
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Social media management	Increased interaction on Council's Facebook page – post engagement	>8,000
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Modern service delivery

Media monitoring and management	Media response time	<24 hours
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HUMAN RESOURCES & WHS

Good governance

Human resources policies, procedures, checklists	4 policies reviewed and compliant	Complete
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An engaged and productive workforce	Staff turnover rate	<10%
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Staff survey satisfaction	>70%
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Modern service delivery

Number of workplace safety incidents.	Number of reportable incidents	0
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Lost time injury rate	0
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Workers' compensation claims	<3
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KEY OUTPUTS	MEASURES	TARGET
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PLANNING & DEVELOPMENT

Powerful and effective advocacy

Submissions to the Northern Territory Government	Comments submitted on applications within required timeframe	>90%
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Modern service delivery

Approval of plans, reports and construction documentation (days are working days and start from when all information is provided and relevant fees paid.)	Plan reviews for building certification issued within 10 working days	>90%
	Plan and report reviews for development and subdivision issued within 15 working days	>90%
	Works Permits issued within five days	>90%
Subdivision approvals and handover processes	Delivered in accordance with standards	Achieved

INFRASTRUCTURE & ASSETS

Engaging our community

Capital Works Program	Affected residents and relevant stakeholders consulted prior to works starting	100%
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Modern service delivery

Capital Works Program	Programmed works completed within budget	>90%
Grant-funded projects	Completed and acquitted inline with agreement requirements	Complete
Asset Management Plans	All AMPs adopted as per the AMP schedule	Complete
Road Maintenance Program	Potholes patched and repaired – Added to maintenance schedule	<7 days
	Gravel roads graded	2 times per year
Street lighting maintenance	Added to maintenance schedule	<7 days
Productive Mango Roads Project	Kentish Road	Complete
Shared Path Program	Current year program completed	Complete
Major Road Network disruptions	Emergency response time	<24 hours

New initiative

Climate Action Plan	Development of a plan for the future of Councils Environmental Sustainability.	Complete
Long-term Traffic Planning	Development of a long-term traffic plan to cater for increasing traffic volumes.	Complete
Urban Landscaping Program	Development of a urban landscaping plan.	Complete



KEY OUTPUTS	MEASURES	TARGET
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WASTE MANAGEMENT

Engaging our community

Community Benefit Fund Income	Income raised through recycling activities including cash for containers	5% annual increase
Maximise diversion from landfill	Residential waste tonnage transferred to Shoal Bay	<7000 tonnes
	Commercial waste tonnage transferred to Shoal Bay	<1000 tonnes
Cyclone season preparation	Free residential green waste disposal in November	Complete

Modern service delivery

Recycled materials	Volume of green and wood waste processed for resale	>3,500 cubic metres
	Volume of concrete crushed for resale	>500 cubic metres
Maximise diversion from landfill	Amount of total waste diverted from landfill	>35%
	Amount of total waste that is dry recyclables	>15%
	Quantity of scrap metal collected and recycled	>1000 tonnes
	Quantity of cash for containers collected and recycled	>50 tonnes
	Quantity of electronics collected for Techcollect	>40 tonnes
Waste Strategy – Year 4	Landfill closure plans for Howard Springs and Berry Springs Waste Transfer Stations prepared	Increase in data collected
	Amenity upgrades at transfer stations (continues year 5) undertaken	Complete

New initiative

Waste Transfer Station swipe card feasibility study and Weighbridge	Feasibility study on need for swipe card and weighbridge facility.	Complete
Reduce Waste to Landfill - Rebate Scheme	The project aims to provide a reusable cloth nappy and sanitary pads rebate scheme to reduce landfill	Complete



KEY OUTPUTS	MEASURES	TARGET
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REGULATORY SERVICES

Engaging our community

Responsible dog ownership	Number of registered dogs increased	>10%
	Number impounded dogs reclaimed by owner	>70%
	Number of registered dogs de-sexed	>70%
Animal Management Plan – Year 3	Attendance at community events	2+ events attended
	Dog Awareness Program delivered at schools and childcare	6 + visits
	Dogs Day Out event (or similar) delivered, targeting improved awareness, increase registration, general pet owner education	1 event

Modern service delivery

Regulatory service	Investigations completed within 30 working days	>90%
	Customer requests actioned in less than two working days	>90%

MOBILE WORKFORCE

Modern service delivery

Roadside maintenance	Volume of litter collected	Reducing Trend
	Vegetation slashed and Council roads mowed	2 rounds
Weed management	Weeds managed on Council roads and land in accordance with service levels in weed management program	Complete
Bushfire management	Council firebreaks maintained	Complete
	Firebreaks widened in accordance with fire management program	Complete
	Hazard burns undertaken in consultation with other authorities	Complete
Road furniture maintenance	Signs and guideposts repaired within target timeframes	>90% <24 Hours urgent 14 days standard



KEY OUTPUTS	MEASURES	TARGET
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INFORMATION & COMMUNICATION TECHNOLOGY

Modern service delivery

Information and Communication Technology (ICT) managed service contract management	Percentage of Service Desk requests closed against open requests during a period	90%
Corporate Enterprise Solution (CES) software	CES updated with the latest version (patch) available nationally	No more than 1 patch behind
ICT Improvement Plan	Annual actions completed	100%
ICT Security Audit actions	Annual actions completed	100%
Geographical Information System (GIS)	Age of GIS imagery of populated areas	<1 year
	Age of NTG downloaded data	<1 week

COMMUNITY DEVELOPMENT

Engaging our community

Council partnership and support grants	Number of partnerships supported	10
Servicing community needs at reserves	Funding provided to community reserves	Funding agreements established

Good governance

Grant applications	Grants received by Council acquitted within agreed timeframes	100%
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Modern service delivery

Annual Community Grants Program initiatives	Number of community events and programs supported	12
Represent and advocate for the needs of young people in Litchfield	Maintain an active membership by regular participation in Palmerston and Rural Youth Services meetings - Than target can just state 80% meeting attendance	Maintain an active membership and attend 80% of meetings
Australia Day Event	Community participation	>300
Annual Art Exhibition	Community participation	>55 entries
Tourism and Events Strategy	Current year actions	Completed

New initiative

Stage 1 - Reconciliation Action Plan	Planning to commence first stage of the Reconciliation Action Plan.	Complete
Youth Engagement Follow Up Forum and Activities	Development of a youth strategy and action plan.	Complete



KEY OUTPUTS	MEASURES	TARGET
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FINANCE

Good governance

Annual Budget, Annual Report, Municipal Plan	Compliance with management, statutory and regulatory budgeting and reporting	100%
Monthly and annual financial reporting, including annual audit and forecasting	Unqualified audit	Complete
	Asset sustainability ratio	>30%
	Current ratio (Liquidity)	>1
	Debt service ratio	>1
Long term rating strategy	Own-source revenue ratio increased, to lower Council's dependency on government grants and other funding sources	>60%
Investments	Compliance with policy and statutory requirements, reported monthly	100%

Modern service delivery

Rates and accounts receivable collection	Rates and annual charges outstanding	<18%
Front counter customer experience	Customer rating (very good, good, poor, very poor)	Very good

GOVERNANCE & RISK

Good governance

Local Government Act 2019 compliance	Compliance with legislative requirements of the Department of Local Government, Housing and Community Development Compliance Checklist	100%
Policy framework	Council policies reviewed before due date	>90%
Elected members support	Breaches of the code of conduct by elected members	0

Modern service delivery

Risk Management Audit Committee (RMAC)	Number of RMAC meetings held	4
Records management review and improvements	Volume of records held in storage reduced	By 10% from previous year.



KEY OUTPUTS	MEASURES	TARGET
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LIBRARY SERVICES

Engaging our community

Visitors to the library	Weekly door count	>400
Promotion of services	Interaction with Library Facebook page	650 likes of Facebook page

Good governance

Shared Service Governance Framework	Governance framework developed	Completed
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Modern service delivery

Collection improvements	Number of Annual loans	>15,800
	Age of collection: % of collection published in the past five years	>40%
Program delivery	Program participation each year	>3,200
Library events	Events delivered	>3

THORAK CEMETERY

Good governance

Servicing community needs and regulatory obligations by keeping cemetery records and maintaining rights of burial	Compliance with legislative requirements	100%
Monthly reporting to the Thorak Cemetery Board	Meet or exceed operational surplus	100%

Modern service delivery

Awareness of cemetery profile and public awareness of Thorak services	Information leaflets distributed	Complete
	Freds Pass Show Display	Complete
Efficient maintenance of grounds and open spaces, including improved mowing, planting, weeding and irrigation regimes	Service level rating from annual community survey	>60%

2021-22 Annual Budget

Operating revenue increase 4.8%

Council's operational revenue is forecast to increase by 4.8%. This reflects the overall rates increase for residential properties (5%) as well as minor increase in grant funding and statutory charges revenue, minus the decrease in investment income related to a significant decline in interest rates. Note: Council's operational revenue would have increased by 7.4% if not for the uncontrollable decrease in investment revenue related to a decrease in interest rates.

Capital revenue increase 62.0%

The capital revenue for 2021-22 includes Blackspot, Roads to Recovery and Local Roads & Community Infrastructure Grant Funding as well as Developer Contributions carried over from 2020-21 and a newly issued special rates levy for the resealing of Guys Creek Road. Council continues to advocate strongly for grant funding, with the focus being on renewal rather than new infrastructure.

Operational expenditure increase 7.8%

This increase is predominately offset by a related increase in income. The remainder is the result of an increase in expenses related to insurance, two additional elected members and resources required to meet the budgeted increase in capital investment.

Capital expenditure increase 0.4%

The 2021-22 budget includes \$4.1 million in renewal projects which reflects an asset sustainability ratio of 30%. This is well below both Council's target of 60% and best practice of 90% highlighting Council's inability to fund a sustainable capital program with the current level of revenue. Of the \$2.5 million new and upgraded capital investment, \$300,000 reflect Council's contribution to the Northern Territory Government for the Productive Mango Roads Project and the remainder is either grant funded or relates to Road Safety, Shared Pathways and Drainage upgrades. Council is forecast to receive \$2.8 million in grant funding towards the 2021-22 capital works program.

Financial Reserves decrease by 14.9%

Council will draw down \$2.2 million from the Asset Reserve to fund the capital works program. While overall transfers from reserves have decreased 25.1% compared to 2020-21, continued reliance on reserves reflects a need for Council to raise additional revenue in order to support a sustainable capital works program.

Annual Budget summary

	Budget 2020-21 \$	Budget 2021-22 \$	Variance
Operational revenue	16,739,453	17,542,519	4.8%
Capital revenue	1,820,525	2,949,084	62.0%
Total revenue	18,559,978	20,491,603	10.4%
Operating expenditure	14,958,552	16,117,953	7.8%
Capital expenditure	6,565,518	6,593,070	0.4%
Total expenditure	21,524,070	22,711,022	5.5%
Net transfers from reserves	(2,964,092)	(2,219,419)	(25.1%)

Rating strategy

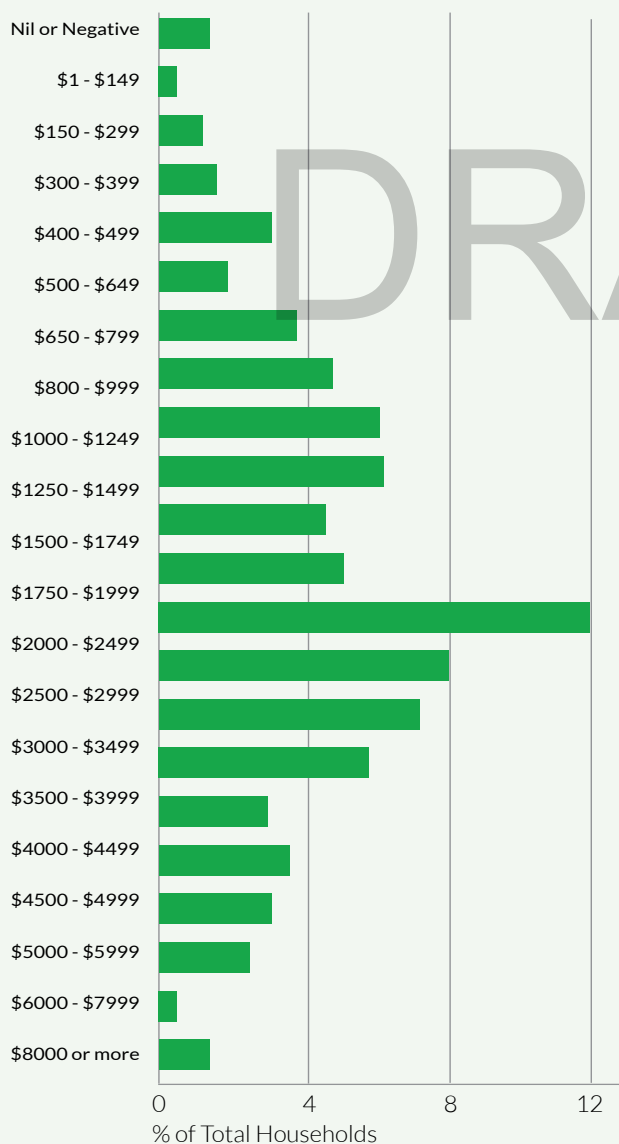
Social and Economic Impact Statement of Rating Strategy

Council has been guided by its Long Term Financial Plan, Strategic Plan and Litchfield’s demographic and economic data when setting rates and charges for the 2021–22 financial year.

Council’s goal is to ensure there are enough funds to maintain and renew assets to meet increasing demand for community infrastructure and services. As part of this process, Council considers the financial capacity of its ratepayers.

The following data informed Council’s Decision.

Litchfield Weekly Household Income



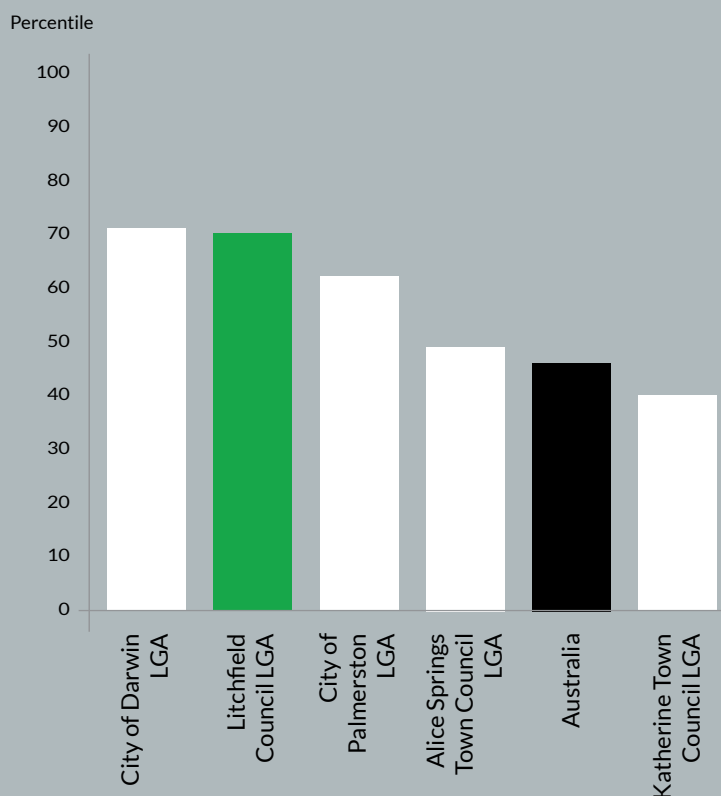
Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled by profile.id

Litchfield Household Data

Median weekly household income	\$2,109
Households with a mortgage	40%
Median weekly mortgage repayment	\$578
Households renting	17%
Median weekly rent	\$401

Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled by profile.id

Index of Relative Socio-economic Disadvantage



Australian Bureau of Statistics, Census of Population and Housing 2016. Compiled by profile.id



Principles of the revised Rating Policy FIN02

The Rating Policy FIN02 applies the principles of administrative simplicity, policy consistency and equality.

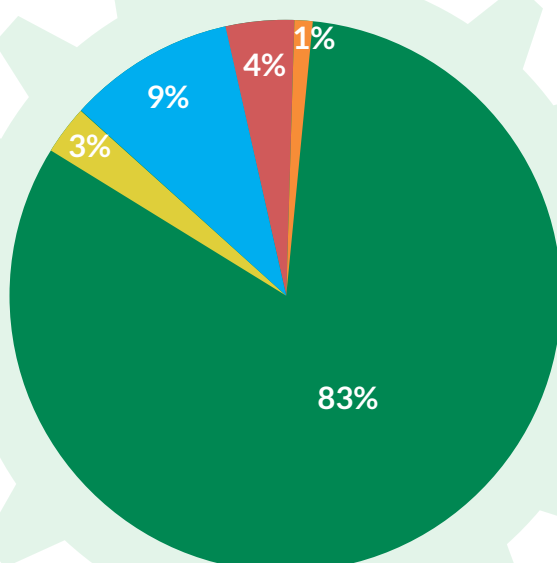
A flat rate remains for urban residential, rural residential and horticultural/agricultural rateable properties.

As allowed for in the Local Government Act 2019, Council will use the unimproved capital value (UCV) to calculate rates for the commercial and gas plant rating categories in 2021-22. The UCV of land is set by the NT Valuer General. (Rates for mining tenements and pastoral leases are set by the relevant Northern Territory Government minister.)

A special rate for the sealing of Guys Creek Road will be levied on thirteen properties, which is able to be paid over two years.

Rate revenue

	Budget \$ 2019-20	Budget \$ 2020-21	Budget \$ 2021-22
Residential rate	6,768,171	6,900,977	7,283,817
Horticulture/agriculture	-	193,125	265,784
Commercial and industrial rates	680,275	793,928	743,055
Gas plant/workers' village /pastoral lease/mining tenements	178,521	280,286	385,808
Special Rate	8,842	297,024	63,349
TOTAL	7,635,809	8,465,340	8,741,813



Rates 2021-2022

- Residential
- Horticulture / agriculture
- Commercial and industrial
- Gas plant/workers' village /pastoral lease/mining tenements
- Special



Rating structure

Rating category (in line with Policy FIN02)	Planning zones	No. of properties	Rate 2020-21	Rate 2021-22
Fixed rates				
Residential	R; RR; RL; WM; CN; SL14; SL18; FD; SD; MD; MR; SL11	7,788	\$903	\$948
Horticulture/agriculture	H; A	201	\$903	\$948
Valuation-based				
Allotments of commercial/ industrial land	C; CP; CV; DV; GI; LI; OR; PS; RW; SC; SL1; SL1; SL3; SL4; SL5; SL6; SL7; SL8; SL9; SL10; SL12; SL13; SL15; SL17; SL23	264	0.2643374% Min charge \$1,615	0.277554% Min Charge \$1,695.75
Gas plant	MZ	3	0.933826%	1.400739%
Mining tenements	As set by the Minister	66	0.3475% Min Charge \$890.96	0.3475% Min Charge \$890.96
Pastoral lease	As set by the Minister	4	0.0306% Min Charge \$376.45	0.0306% Min Charge \$376.45
Total number of Rateable Properties		8,326		
Charge				
Waste charge		8,030	\$369	\$387
Special Rate				
Guys Creek Road	R	13	\$4,641	\$4,873

Sponsorship, grants and operating subsidies

The Community Grants Scheme was launched in 2017 in line with the Grants, Donations and Sponsorship Policy FIN07. The scheme provides a framework for delivering grant funding to the community with clear links to achieving the Strategic Plan 2018-22 outcomes and Council's vision to be the best place to live in the Top End. The funding supports community groups and organisations to run events, facilities and programs that provide opportunities to connect and to enrich life in local communities. The scheme is 100% funded through money made from recycling of bottles, cans and batteries collected at Council's Waste Transfer Stations.

Recreation reserves funding support

With the addition of Mira square in 2020-21, Council now has eight recreation reserves across the municipality. Of those, it supports five by providing operational funding to independent associations to maintain facilities and provide a range of activities. The other three recreation reserves are directly managed under a budget set by Council.

Recreational Reserve	Budget \$	Budget \$	Increase	
	2020/21	2021/22	\$	%
Berry Springs Reserve	67,429	67,988	559	1
Freds Pass Reserve	706,388	712,845	6,457	1
Howard Park Reserve	124,000	134,000	10,000	8
Humpy Doo Village Green	106,360	118,913	12,553	12
Knuckey Lagoon Reserve	35,000	37,645	2,645	8
Livingstone Reserve	60,196	60,692	496	1
McMinns Lagoon Reserve	25,499	25,654	155	1
Mira Square	0	20,000	20,000	0
Total	\$1,124,872	\$1,177,737	\$52,865	5%

Grants and donations

Grants/Donations/Community Support	2020/21 \$	2021/22 \$
TOTAL	131,132	130,340

The small decrease from 2020-21 relates to the Cemetery Infant Subsidy which is now absorbed into Cemetery revenue.

Council continues to support the following:

- Women's Business Network
- Freds Pass Show
- Taminmin Library - Litchfield Collection
- Community Grants Scheme
- Sponsorships paid
- Anzac Day activities
- Australia Day activities
- Youth Week Forum
- Annual Art Exhibition



Elected members allowances

In accordance with Section 71(3) of the Local Government Act 2019, Elected Members’ allowances are set annually by Council, guided by a Ministerial Guideline setting maximum allowances payable. There has been no increase in Elected Member allowances for 2021-22 however, the elected member expenses are expected to increase in line with the addition of two new Council members after the August election.

Elected members allowances for 2021-22

Allowance type	Amount \$		
	Mayor	Deputy Mayor	Councillor
Annual base allowance	75,116.61	27,776.12	13,509.96
Annual electoral allowance	19,771.29	4,943.73	4,943.73
Extra meeting allowance	-	-	9,006.64
Professional development allowance	3,753.17	3,753.17	3,753.17
Total maximum claimable	98,641.07	36,473.02	31,213.50

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Analysis of the operating budget

Operating revenue by department

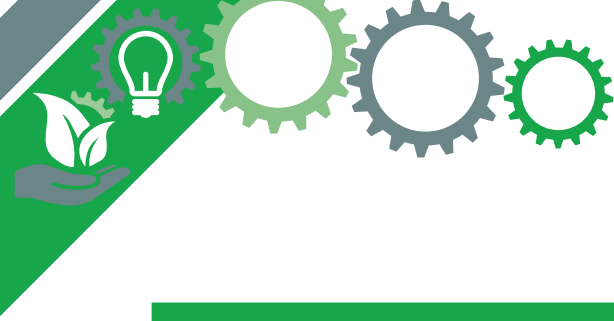
Overall, operating revenue for the 2021-22 financial year is forecast to increase by \$803,066 (4.8%) compared to the 2020-21 budget. Note: Council’s operational revenue would have increased by 7.4% if not for the uncontrollable decrease in investment revenue related to a decrease in interest rates.

The table on the following page identifies the changes in operating revenue by department.

Rates have been calculated through a combination of fixed rates and rates based on unimproved capital value. Both Residential and Commercial rates are budgeted to increase by 5%.

The waste charge is budgeted to increase by 3%.





DEPARTMENT	2020/21 \$	2021/22 \$	Variance \$
Council leadership	-	-	-
Community	78,000	88,000	10,000
Corporate	-	-	-
Library	419,953	442,712	22,759
Finance	9,047,698	9,561,134	513,436
ICT	-	-	-
Infrastructure & Assets	2,977,214	2,980,594	3,380
Thorak Cemetery	928,483	1,017,579	89,096
Mobile Workforce	-	-	-
Waste	3,162,705	3,263,000	100,295
Regulatory Services	125,400	189,500	64,100
TOTAL	16,739,453	17,542,519	803,066

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Operating expenses by department

Operating expenses have increased by \$1,159,401 (7.8%) compared to the 2020-21 budget. This increase is predominately offset by a related increase in income. The remainder is the result of an increase in expenses related to insurance, two additional Elected Members and resources required to meet the budgeted increase in capital investment.

DEPARTMENT	2020-21 \$	2021-22 \$	Variance \$
Council Leadership	1,065,065	1,327,210	262,145
Community	1,452,426	1,539,546	87,120
Corporate	610,392	687,753	77,361
Library	419,954	442,712	22,758
Finance	1,615,907	1,472,618	(143,289)
ICT	614,000	690,239	76,239
Infrastructure & Assets	3,446,813	3,831,662	384,849
Thorak Cemetery	911,138	959,062	47,924
Mobile Workforce	1,289,009	1,328,714	39,705
Waste	3,131,133	3,246,634	115,501
Regulatory Services	402,715	591,802	189,087
TOTAL	14,958,552	16,117,953	1,159,401



Analysis of the capital budget

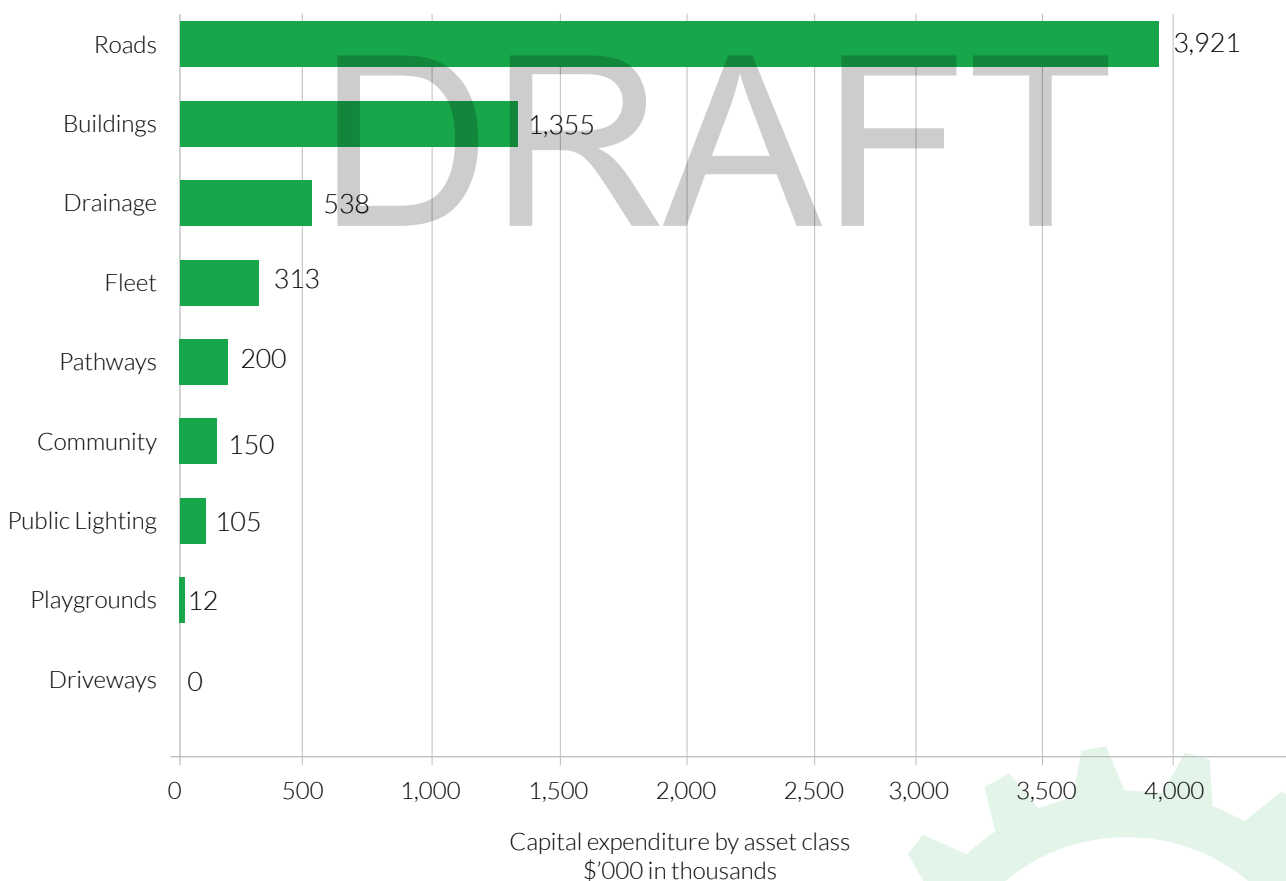
Capital works improve or replace existing assets or create new assets for Council.

Due to limited income from rates, Council is heavily reliant on grant funding and funds drawn from the Asset Reserve to fund capital works. Each year, as part of the Long Term Financial Plan, Council transfers funds from the Asset Reserve to deliver the road infrastructure renewals.

In 2021-22 Council expects to draw down \$2.2 million from the Asset Reserve to partly fund the capital works program of \$6.6 million.

Capital expenditure on assets

Capital expenditure planned to be spent by asset classes





Capital expenditure by department

PROGRAMS		COSTS \$
INFRASTRUCTURE & OPERATIONS		
	Buildings	1,220,000
	Drainage renewal and upgrade	537,500
	Vehicle replacement	313,000
	Shared Path Program	20,000
	Pathway renewal	180,000
	Street lighting replacement	30,000
	Gravel surface renewal	300,000
	Forward Planning & Design	350,000
	Pavement renewal	760,285
	Road seal renewal	760,285
	Gravel Road Seal	500,000
	Productive Roads - Mango Road	300,000
	Road safety upgrades	1,025,000
	Mira Square development	150,000
TOTAL		6,446,070
WASTE MANAGEMENT		
	Waste transfer station renewal	35,000
TOTAL		35,000
THORAK CEMETERY		
	Thorak Cemetery asset renewal	80,000
TOTAL		80,000
COUNCIL LEADERSHIP & COMMUNITY SERVICES		
	Reserve building renewal and compliance	20,000
	Reserve playground renewal	12,000
TOTAL		32,000
Grand total		6,593,070



Budgeted Statement of Comprehensive Income

This statement provides a detailed summary of Council's income and operating expenses, including depreciation. The operating deficit illustrates Council's overall financial performance, and its inability to fund the consumption of assets.

	Actual \$ 2019-20	Budget \$ 2020-21	Budget \$ 2021-22
Income			
Rates	10,685,294	11,050,208	11,720,414
Statutory charges	137,049	125,000	189,000
User charges	1,757,340	1,245,123	1,289,199
Investment income	689,534	668,201	249,500
Reimbursements	543	0	0
Other income	153,975	70,000	485,524
Grants subsidies and contributions – other	3,855,333	3,580,922	3,608,882
Total income	17,279,068	16,739,454	17,542,519
Expenses			
Employee costs	6,643,444	6,932,575	7,218,475
Materials, contracts and other expenses	7,218,993	8,025,979	8,899,478
Depreciation, amortisation and impairment	13,166,270	11,744,243	13,660,232
Total expenses	27,028,707	26,702,797	29,778,185
Operating deficit	(9,749,639)	(9,963,343)	(12,235,666)
Net gain (loss) on disposal or revaluation of assets	(31,186)	0	0
Amounts received specifically for new or upgraded assets	408,072	1,820,525	2,949,084
Physical resources received free of charge	0	0	3,650,000
Net deficit	(9,372,753)	(8,142,818)	(5,636,582)



Budgeted statement of financial position

This statement provides an estimate of the assets Council will own and the liabilities Council will have as at 30 June 2022.

	Actual 2019-20 \$'000's	Budget 2020-21 \$'000's	Budget 2021-22 \$'000's
Assets			
Current assets			
Cash and cash equivalents	1,803	3,025	2,782
Trade and other receivables	2,926	3,248	3,233
Other financial assets	22,100	15,071	13,193
Total current assets	26,829	21,344	19,208
Non-current assets			
Infrastructure, property, plant and equipment	301,370	305,412	314,143
Other non-current assets	4,365	0	0
Total non-current assets	305,735	305,412	314,143
Total assets	332,564	326,756	333,351
Liabilities			
Current liabilities			
Trade and other payables	4,497	3,613	5,346
Borrowings	33	0	0
Provisions	605	593	635
Total current liabilities	5,135	4,206	5,981
Non-current liabilities			
Provisions	432	487	453
Total non-current liabilities	432	487	453
Total liabilities	5,567	4,693	6,434
NET ASSETS	326,997	322,063	326,917
Equity			
Accumulated surplus	11,433	9,064	19,388
Asset Revaluation Reserve	294,302	295,860	294,302
Other reserves	21,262	17,139	13,227
TOTAL EQUITY	326,996	322,063	326,917



Budgeted Statement of Cash Flow

This statement provides a summary of the flow of cash and insight into where Council receives and spends its cash.

	Actual 2019-20 \$'000's	Budget 2020-21 \$'000's	Budget 2021-22 \$'000's
Cash flows from operating activities			
Receipts			
Rates - general and other	10,350	10,170	11,398
Fees and other charges	1,941	1,955	1,799
Investment receipts	690	512	453
Grants used for operating purposes	3,919	3,668	3,609
Other operating receipts	2,136	512	411
Payments			
Employee costs	(7,166)	(6,699)	(7,218)
Contractual services and materials	(8,299)	(8,434)	(8,899)
Other operating payments	-	-	-
Net cash provided by operating activities	3,571	1,684	1,553
Cash flows from investing activities			
Receipts			
Amounts specifically for new or upgraded assets	1,792	3,428	2,949
Sale of surplus assets	79	-	-
Net disposal of investment securities	-	-	-
Payments			
Expenditure on renewal/replacement of assets	(5,167)	(10,950)	(6,593)
Net disposal of investment securities	(729)	-	-
Net cash used in investing activities	(4,025)	(7,522)	(3,644)
Cash flows from financing activities			
Receipts			
Proceeds from borrowing	-	-	-
Payments			
Repayment of borrowings	(49)	-	-
Net cash used in financing activities	(49)	-	-
Net Increase in cash held	(503)	(5,838)	(2,091)
Cash and cash equivalents at beginning of period	24,406	23,903	18,065
Cash and cash equivalents at end of period	23,903	18,065	15,974



Budgeted Statement of Reserves

This statement provides a summary of Council’s financial reserve balances.

Council’s financial reserves exist to ensure sufficient funds are set aside for specific purposes as they arise. Council’s Financial Reserves Policy FIN04 describes Council’s intentions in using those funds.

In 2021-22 Council will utilise all Developer Contributions and draw a further \$2.2 million from the asset reserve in order to fund capital investment. However, Council continues to advocate strongly for grant funding for capital renewals. If successful, less funding from the asset reserve would be required to fund capital investment.

The election reserve will be exhausted to fund the 2021-22 election. The closing balance reflects the first year of annual contributions to this reserve in order to meet election expenses in 2025-26.

In light of the Northern Territory Government’s new Disaster Recovery Co-Contribution which requires Municipal Councils to contribute 25% of the cost of disaster recovery up to a maximum of \$400,000, the Disaster Recovery Reserve will increase by \$100,000 each year for the next four years.

The Strategic Initiatives Reserve has been reduced by \$100,000 in order to fund the new Information and Communication Technology (ICT) Reserve. This new reserve reflects Council’s commitment to sustainable ICT.

RESERVES	2020/21 Forecast \$	Transfers from \$	Transfers to \$	2021/22 Budget \$	Movement \$
Developer Contributions Reserve	82,735	(82,735)	-	-	(82,735)
Unexpended Grants Reserve	-	-	-	-	-
Total Restricted	82,735	(82,735)	-	-	(82,735)
Asset Reserve	8,999,628	(3,611,721)	1,386,418	6,774,326	(2,225,303)
Waste Management Reserve	4,608,776	(35,000)	16,366	4,590,142	(18,634)
Thorak Regional Cemetery	704,514	(80,000)	58,517	683,031	(21,483)
Election Reserve	100,000	(100,000)	46,000	46,000	(54,000)
Disaster Recovery Reserve	500,000	-	100,000	600,000	100,000
Strategic Initiatives Reserve	500,000	(100,000)	-	400,000	(100,000)
ICT Reserve	-	-	100,000	100,000	100,000
Total Unrestricted	15,412,918	(3,926,721)	1,707,301	13,193,499	(2,219,419)
TOTAL	15,495,653	(4,009,456)	1,707,301	13,193,499	(2,302,154)



Long Term Financial Plan

Long Term Financial Plan assumptions

The Litchfield Council Long Term Financial Plan 2021-22 to 2030-31 is designed to guide Council's financial sustainability over the next 10 years by supporting sound financial decision-making.

Sustainability means meeting our own needs (e.g. the community has well-maintained facilities, infrastructure and services) without compromising the needs of future generations.

Council currently has strong cash reserves and no debt, which provides a good foundation in the short term. In the long term, however, Council faces several interrelated challenges including:

- Operating deficits due to depreciation
- High dependency on external funding
- Insufficient own-source revenue
- Inadequate income to allocate towards maintaining the existing asset base (refer to asset sustainability ratio)

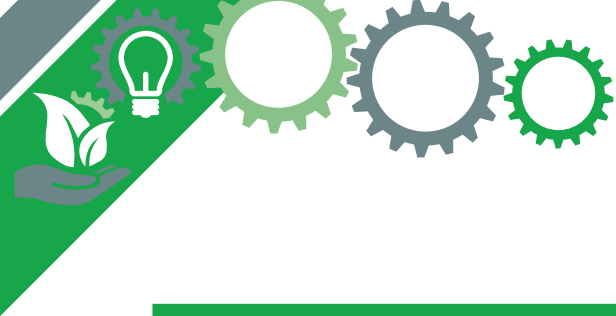
These challenges are not easily resolved. Without a considerable increase in revenue, these challenges will continue to be present and will require a long term and disciplined approach to the allocation of financial resources.

The Long Term Financial Plan is based on the following strategies:

- Constrain growth in operating costs
- Advocate strongly for grants from other levels of government
- Improve the approach to asset management
- Allocate unrestricted reserves and grant funding to capital renewal projects until operational income supports investment in new assets
- Increase rate income to fund sustainable capital spend

The combination of these strategies will improve the sustainability of Litchfield gradually over time with the key objective of increasing the level of capital expenditure, which is currently inadequate.

Litchfield Council Long Term Financial Plan 2021-22 to 2030-31 can be found at: <https://www.litchfield.nt.gov.au/council/council-plans-and-publications>



ITEM	INCREMENT (Annual)
INCOME	
General rates	FY23 – 10% reducing by 1% each year for 5 years*
Waste charge	3.0%
Statutory charges	2.0%
User charges	5.0%
Grants, subsidies and contributions	1.0%
EXPENSES	
Employee costs	2.0%
Elected member expense	0.5%
Election expenses	10% growth every four years
Energy	1.0%
Insurance	2.0%
Other expenses	1.0%

* An increase of \$94.80 in FY23

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Local Government Act 2008 Requirements

Municipal Plan		Reference
23(a)(i)	Service Delivery Plan for the period of the plan	Page 9
23(a)(ii)	Budget	Page 20
23(b)(i)	Long-term, community or strategic plan adopted by Council and relevant to the period of the Municipal Plan	litchfield.nt.gov.au/your-council/governance/plans-and-publications
23(b)(ii)	Council's Long-term Financial Plan	Page 33 – 34
23(c)(i)	The adequacy of constitutional arrangements presently in force for the council under this Act and in particular whether they provide effective possible representation for the area	Page 6
23(c)(ii)	Opportunities and challenges for local government service delivery in Council's area	Page 9
23(c)(iii)	Possible changes to the administrative and regulatory framework for delivering local government services in the Council's area over the period to which the plan relates	Page 9
23(c)(iv)	Whether possibilities exist for improving local government service delivery by cooperation with other councils, or with government agencies or other organisations	Page 9
23(d)	Define the indicators for judging the standard of performance	Page 13 – 19
24(1)	Must adopt between 1 April and 31 July each year and forward copy to the Agency by 31 July each year	Comply
24(2)(a)	Prepare a draft plan	Comply
24(2)(b)	Make draft accessible on the council's website and copies at the council public offices	Comply
24(2)(c)	Publish notice on website and in a newspaper	Comply
Annual Budget		Reference
127(2)(a)(i)	Council's objectives for the relevant financial year	Page 20
127(2)(a)(ii)	The measures the council proposes to take, during the financial year, towards achieving those objectives	Page 20
127(2)(a)(iii)	The indicators the council intends to use as a means of assessing its efficiency in achieving its objectives it proposes to take, during the financial year, towards achieving those objectives.	Page 20
127(b)	Estimates of revenue and expenditure – differentiating between operating and capital	Page 25 – 28
127(c)	State the amount to be allocated to the development and maintenance of each class of infrastructure for the financial year	Page 28
127(d)	The amount the Council proposes to raise by way of rates, and set out the rates structure for the financial year	Page 22
127(e)	An assessment of the social and economic effects of its rating policies	Page 21
127(f)	State the allowances for members of the council for the financial year and the amount budgeted to cover payment of those allowances	Page 25