



KATHERINE TOWN COUNCIL

BUDGET 2018/2019



ANNUAL BUDGET

Council is required to prepare an annual budget in accordance with *Local Government Act (The Act)*

The Local Government act states:

- (1) A council must prepare a budget for each financial year.
- (2) The budget for a particular financial year must:
 - (a) outline:
 - (i) the council's objectives for the relevant financial year; and
 - (ii) the measures the council proposes to take, during the financial year, towards achieving those objectives; and
 - (iii) the indicators the council intends to use as a means of assessing its efficiency in achieving its objectives; and
 - (b) contain estimates of revenue and expenditure for the financial year (differentiating between operating and capital expenditure); and
 - (c) state the amount to be allocated to the development and maintenance of each class of infrastructure for the financial year; and
 - (d) state the amount the council proposes by way of rates, and set out the rates structure, for the financial year; and
 - (e) contain and assessment of the social and economic effects of its rating policies; and
 - (f) state the allowances for members of the council for the financial year and the amount budgeted to cover payment of those allowances.

Council objectives for the 2018/2019 year

Katherine Town Council's objectives for the 2018/2019 year are:

- To ensure that community infrastructure is managed in a sustainable way for the benefit of Katherine residents.
- To ensure value for money and careful scrutiny of all operations to avoid waste and to improve productivity
- To adopt as a priority the sustainable management of community assets held by Council.
- To provide leadership and facilitate economic and community development.
- To ensure, where appropriate and achievable, that Council activities are sustainable and based on a user pays approach
- To pre-plan initiatives in order to maximize Council's success in obtaining grant funding.

Measures Council proposes to take to achieve the above objectives

- Council has an Asset Management Plan to ensure all infrastructure assets are identified and their whole of life costs are available.
- In conjunction with other tiers of government, Council has developed an economic development strategy aimed at positioning the community to benefit from projected growth and development.
- Sustainability strategies will be based on equity principles, user pay models and sound financial principles.

Indicators Council intends to use as a means of assessing its efficiency in achieving above objectives

- Continually develop and improve the asset management plan to better align with our Long Term Financial Plan.
- An economic development strategy that supports and informs growth within Katherine.
- Public open space in the CBD is attractive and regularly used by a wide cross-section of the community.
- Rates, fees and charges reflect greater equity across the community.

Rates

Council charges rates using the Differential Rating System. Council calculates rates by using the Unimproved Capital Value (UCV) of the property and a rate in the dollar or a minimum rate as set out in the annual rates declaration.

Each zone has its own rate in the dollar. Land that falls outside the NT Planning Scheme is treated in the Rates Declaration as Agricultural. Commercial and industrial properties are charged at a higher rate in the dollar than residential properties.

For the 2018/2019 financial year, Council is budgeting for a 7.5% increase on its current rates.

In accordance with the requirements of the *Local Government Act*, it is proposed that for the 2018/2019 financial year Council will levy the following rates:

Town Planning Zone	Zone Code	Rate in the Dollar
Single Dwelling, Multiple Dwelling, Medium Dwelling Specific Use 1	SD, MD, MR SK1	.01373522
Agricultural	A	.00186866
Water Management	WM	.00185919
Rural	R	.00327491
Rural Living	RL	.00540224
Community Living, Specific Use 2, Specific Use 3, Community Purpose	CL, SK2, SK3, CP	.02138386
Central Business 1	CB1	.02452433
Central Business 2	CB2	.01883652
Central Business 3	CB3	.02454667
Commercial	C	.01872924
Service Commercial	SC	.03642768
Future Development, Railway	FD, RW	.01083505
Caravan Parks, Tourist Commercial	CV, TC	.02370851
Light Industry	LI	.01393567
General Industry	GI	.01318739
Organised Recreation	OR	.00954716

Minimum rate has increased from \$1050 to \$1130.

Waste Management Charges

Where the Council provides, or is willing and able to provide a waste disposal service to land within the Municipal Boundary, pursuant to the *Local Government Act*, the Council will charge a fixed rate for the service as an annual charge for each parcel of land. Where multiple residential units exist on a parcel of land, the fee times the number of residential units on each parcel will be multiplied to give the annual charge.

The waste management charge and the minimum waste management levy will increase to \$333.27 and \$118.25 respectively. The waste management charge is levied for the provision of a 240 litre bin and free access to the waste management facility. The minimum waste management levy provides for free access to the waste management facility.

Council charges a tonnage charge for commercial business users to dispose of waste at the waste management facility. The tonnage charge will increase for the 2018/2019 financial year to \$100/tonne. Businesses are not liable for the waste management charge unless they require a 240 litre bin service.

Assessment of Social and Economic Effects of the Rating Policy

Council has in many years continued to make conscious decisions to minimise the social and economic effects of its rating policy by keeping any increases in rates to a minimum. As part of its financial planning and budget processes, the rate revenue required to meet expenditure needs is calculated taking into account other sources of revenue. The structure of the rating system is then determined, considering how the rates are levied between, and within, various categories of ratepayers.

In relation to payment of rates Council has a rating policy which allows for payment of rates by instalments. Council is sympathetic to ratepayers who have difficulty in meeting their payment obligations by allowing them to enter into an arrangement with no recovery action being taken provided the arrangement is being adhered to. Council also offers deferment of rates (for recovery at a later time) in some cases.

Elected Member Allowances

In accordance with *Local Government Act*, Katherine Town Council proposes to pay the following elected member allowances in 2016/2017:

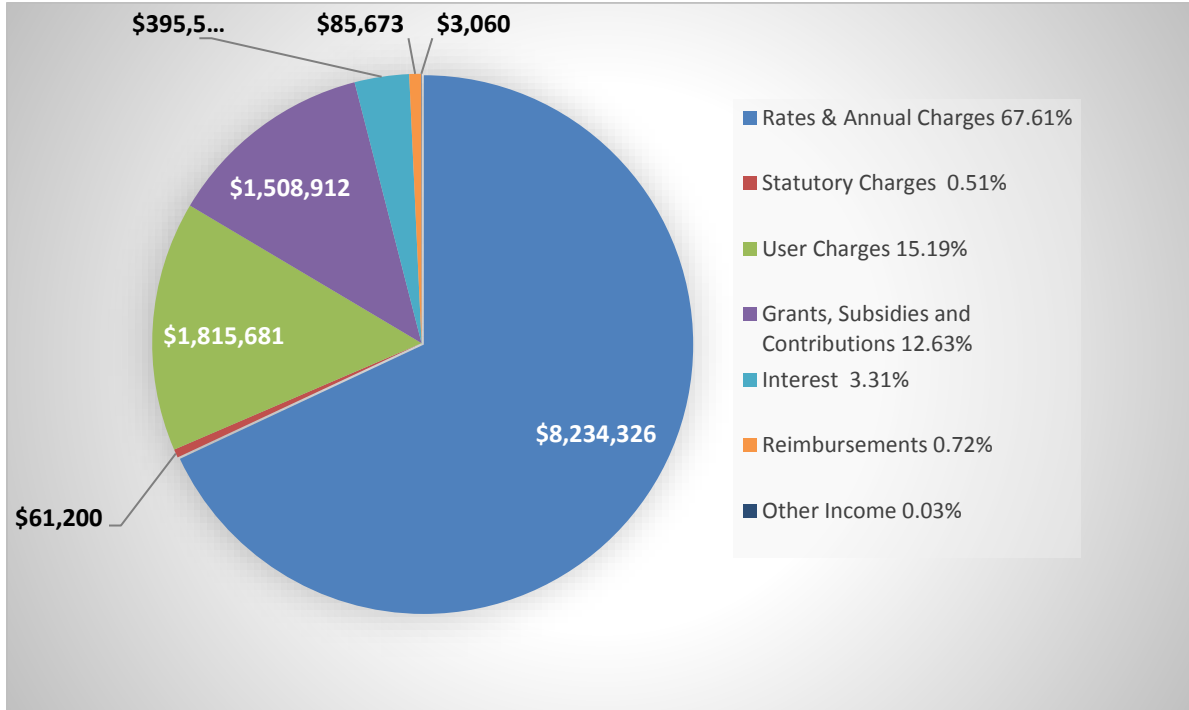
Allowance Type	Mayor	Deputy Mayor	Alderman
Annual Base Allowance	\$ 73,856.62	\$ 19,955	\$ 12,195
Annual Electoral Allowance	\$ 19,439.65	\$ 3,325	\$ 3,325
Total	\$ 93,296	\$ 23,280	\$ 15,520

The total amount budgeted for the above allowances is \$194,176.

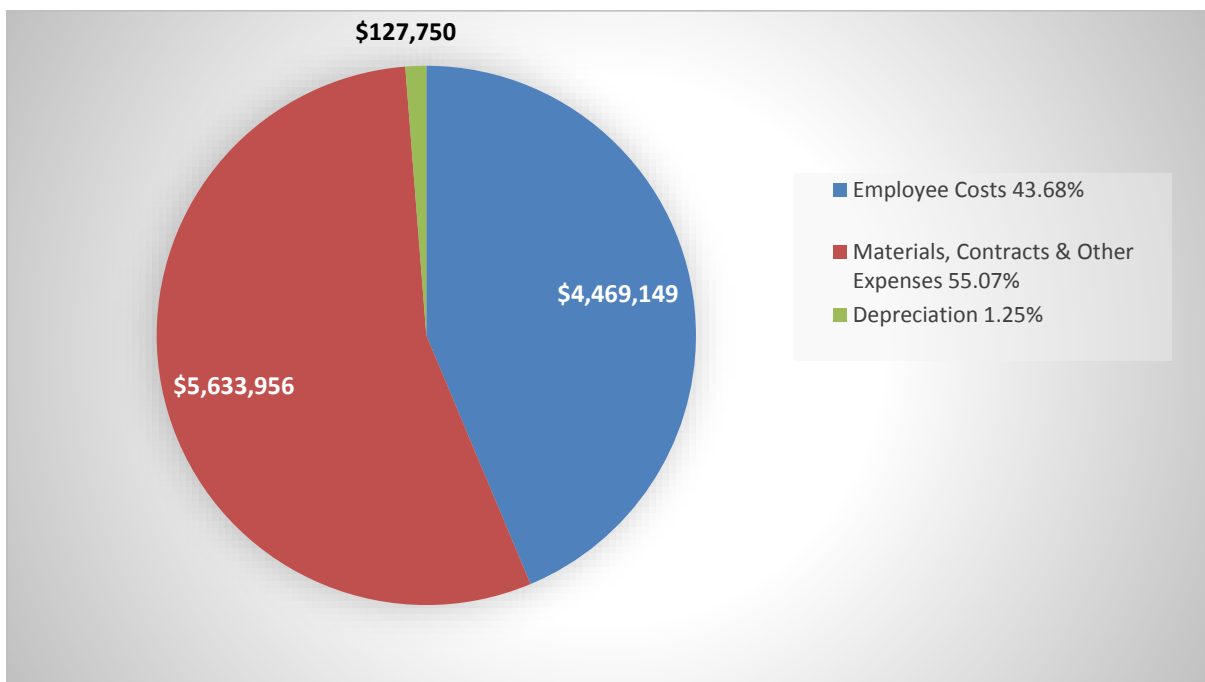
FINANCIAL SUMMARY

TOTAL OPERATING REVENUE

Operating revenue of \$12.10 million budgeted in 2018/2019 is summarised below by major category.



TOTAL OPERATING EXPENDITURE Operating expenditure of \$10.20 million budgeted in 2018/2019 is summarised below by major category.



Budgeted Financial Statements

Budgeted financial statements for 2018/2019 on the following pages are:

Budgeted Income Statement

This statement (sometimes called the Profit and Loss Statement) summarises all sources of Council's income and all operating expenses including depreciation.

The Net Operating Surplus/(Deficit) measures Council's financial performance. This figure is calculated by deducting the total operating expenses from the total operating income/revenue.

Budgeted Balance Sheet

This statement (sometimes called Statement of Financial Position) summarises Council's expected total assets and liabilities at the end of the year. The difference between the total assets and total liabilities is called equity – the larger the equity, the stronger the financial position.

Budgeted Capital Funding Statement

This statement provides details of Council's capital expenditure and the sources of funds to be used to finance the expenditure.

Budgeted Statement of Changes in Equity

This statement summarises Council's equity throughout the financial year. Council's equity can change as a result of a surplus or deficit as recorded in the Income Statement and an increase or decrease in the net value of non-current assets resulting from a revaluation of those assets.

Budgeted Cash Flow Statement

This statement summarises the actual flows of cash for a period and explains the change in the cash balance held from the start of the period through to the end of the reporting period. This shows where Council received its cash from and then what it spent it on.

**Katherine Town Council
Budgeted Income Statement
For the Year Ending 30 June 2019**

	Revised 2017/18 \$	Budget 2018/19 \$
INCOME		
Rates	7,604,785	8,234,326
Statutory charges	60,000	61,200
User charges	1,425,009	1,815,681
Grants, subsidies and contributions	2,107,795	1,508,912
Interest	360,950	395,555
Reimbursements	117,860	85,673
Other income	3,000	3,060
	11,679,399	12,104,407
EXPENDITURE		
Employee Costs		
Salaries & Wages	3,219,608	3,376,709
Provisions	715,330	515,735
Superannuation	405,800	410,572
Training	104,600	108,400
Other	83,796	57,734
	4,529,133	4,469,149
Materials, contracts and other expenses		
Advertising	119,500	119,300
Bad Debts	30,500	500
Bank Charges	39,700	39,800
Book Purchases	5,000	5,000
Community Grants	84,000	106,000
Consultant	270,000	362,000
Council Elections	60,000	20,000
Debt Collection Costs	23,000	25,000
Elected Members Allowance	172,940	194,180
Elected Members Other Expenses	59,125	56,325
Electricity	302,287	251,730
Fuel	97,400	112,500
Insurance	280,817	238,704
Management Fees	80,000	80,000
Materials & Contracts	3,284,500	3,532,517
Cost of sales	63,000	50,000
Museum Grounds Maintenance	22,497	-
Postage	21,200	19,500
Printing & Stationery	33,500	34,000
Rent	4,000	3,000
Sewerage	97,869	99,850
Subscriptions	25,550	39,550
Telephone	59,420	62,300
Vehicle Registrations	24,000	24,000
Water	158,581	158,200
	5,418,386	5,633,956
Total Operating Expenses	9,947,520	10,103,106
Finance costs	-	-
Operating Surplus/(Deficit) before depreciation	1,731,879	2,001,301

**Katherine Town Council
Budgeted Income Statement
For the Year Ending 30 June 2019**

	Revised 2017/18 \$	Budget 2018/19 \$
Depreciation	81,256	127,750
Operating Surplus/(Deficit) before capital items	1,650,623	1,873,551
Net gain (loss) on disposal of assets	(90,000)	-
Amounts received specifically for new or upgraded assets	756,162	545,000
Net Operating Surplus/(Deficit)	2,316,785	2,418,551
NET RESULT	2,316,785	2,418,551
OTHER COMPREHENSIVE INCOME		
Changes in Valuation of non-current assets		8,031,405
Total Other Comprehensive Income	-	8,031,405
TOTAL COMPREHENSIVE INCOME	2,316,785	10,449,956

**Katherine Town Council
Budgeted Balance Sheet
As at 30 June 2019**

Actual 2016/17 \$		Revised 2017/18 \$	Budget 2018/19 \$
ASSETS			
Current Assets			
14,629,943	Cash and cash equivalents	13,452,254	10,984,638
921,103	Trade and other receivables	1,207,929	1,096,736
17,826	Inventories	18,450	19,096
<u>15,568,872</u>		<u>14,678,633</u>	<u>12,100,469</u>
Non-Current Assets			
	Infrastructure, Property,		
65,070,620	Plant and Equipment	68,453,844	101,421,840
854,966	Capital works in progress	1,549,308	313,028
<u>65,925,586</u>		<u>70,003,152</u>	<u>101,734,869</u>
<u>81,494,458</u>	TOTAL ASSETS	<u>84,681,785</u>	<u>113,835,338</u>
LIABILITIES			
Current Liabilities			
2,907,051	Trade and other payables	3,113,546	1,047,879
306,536	Provisions	962,854	1,088,969
<u>3,213,587</u>		<u>4,076,400</u>	<u>2,136,848</u>
Non-Current Liabilities			
20,784	Provisions	28,512	
<u>20,784</u>		<u>28,512</u>	<u>-</u>
<u>3,234,371</u>	TOTAL LIABILITIES	<u>4,104,912</u>	<u>2,136,848</u>
<u>78,260,087</u>	NET ASSETS	<u>80,576,873</u>	<u>111,698,491</u>
EQUITY			
13,120,236	Accumulated Surplus/(Deficit)	15,437,021	19,824,282
62,398,433	Asset Revaluation Reserve	62,398,434	89,132,790
2,741,418	Other Reserve	2,741,418	2,741,418
<u>78,260,087</u>	TOTAL EQUITY	<u>80,576,873</u>	<u>111,698,491</u>

**Katherine Town Council
Budgeted Capital Funding Statement
For the Year Ended 30 June 2018**

	2017/18	2018/19
	\$	\$
Sources of capital funding		
General revenue used for capital purposes	3,294,550	417,290
Other capital revenue sources:		
Proceeds from the sale of capital assets	121,000	-
Grants and subsidies	756,162	545,000
Transfer from internally restricted funds	500,000	2,081,410
	4,671,712	3,043,700
Application of capital funding		
Non current capital assets :		
Buildings & Other Structures	754,505	155,900
Furniture, Fixture & Equipment	4,000	22,000
Improvements	800,200	45,000
Infrastructure	2,326,507	2,271,000
Plant & Equipment	786,500	549,800
	4,671,712	3,043,700

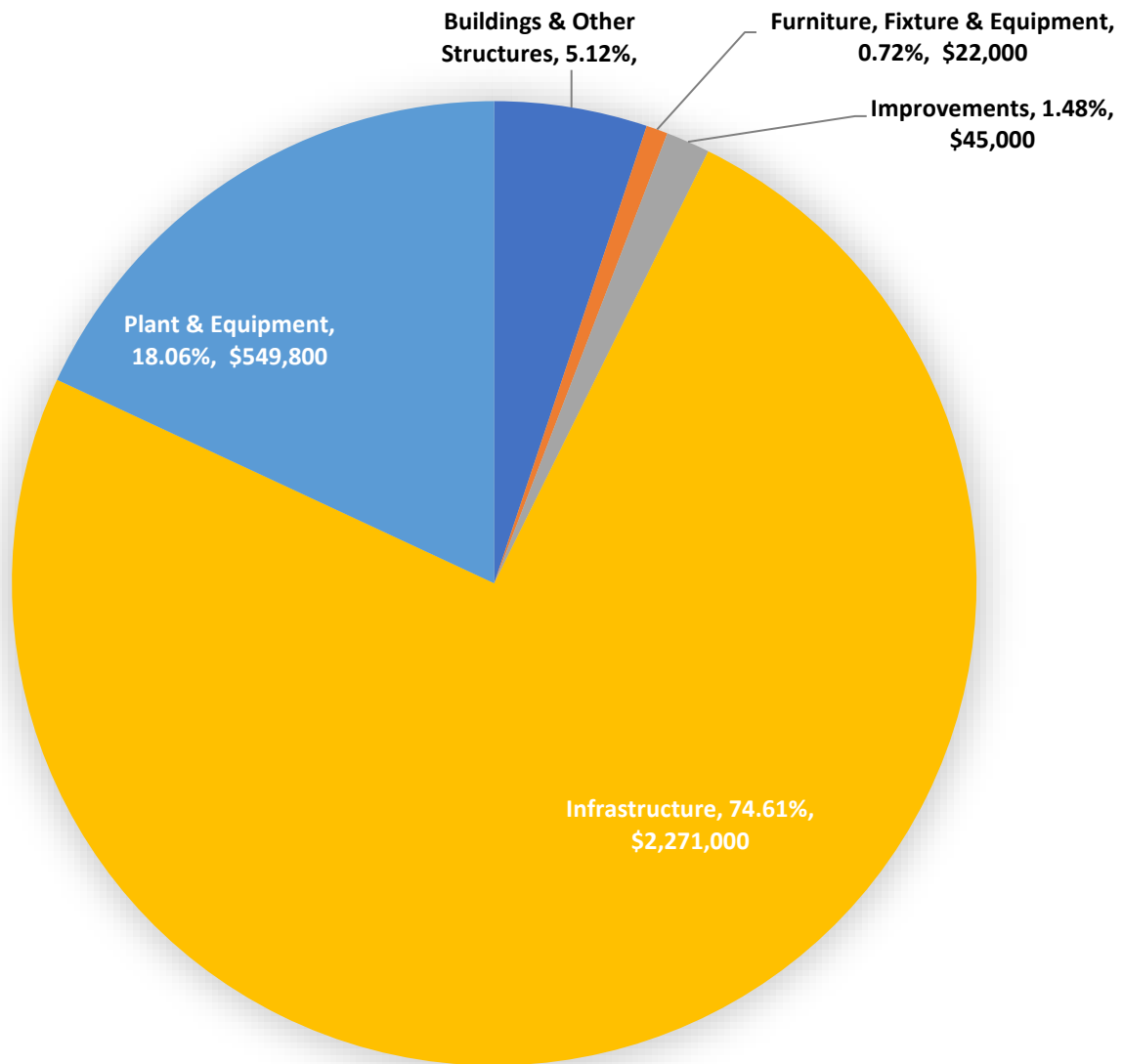
KATHERINE TOWN COUNCIL
Budgeted Statement of Changes in Equity
For the Year Ending 30 June 2019

	Accumulated Surplus/ (Deficit)	Asset Revaluation Reserve	Total Equity
	\$	\$	\$
Budget 2018/19			
Balance at end of previous reporting period	15,437,021	65,139,852	80,576,873
Net surplus/(deficit) for the year	4,387,261	26,734,357	31,121,618
Balance at end of period	19,824,282	91,874,209	111,698,491
Budget 2017/18			
Balance at end of previous reporting period	13,120,236	65,139,851	78,260,087
Net surplus/(deficit) for the year	2,316,785	-	2,316,785
Balance at end of period	15,437,021	65,139,851	80,576,873
Actual 2016/17			
Balance at end of previous reporting period	12,252,561	62,398,433	74,650,994
Net surplus/(deficit) for the year	3,609,093		3,609,093
Other Comprehensive Income - Prior Period Adjustments	(2,741,418)	2,741,418	0
Balance at end of period	13,120,236	65,139,851	78,260,087

**Katherine Town Council
Budgeted Cash Flow Statement
For the Year Ending 30 June 2018**

Actual 2016/17 \$		Revised 2017/18 \$	Budget 2018/19 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
11,426,298	Operating receipts	11,186,210	11,820,045
458,411	Investment receipts	360,950	395,555
(10,051,920)	Operating payments to suppliers and employees	(9,232,190)	(10,103,106)
<u>1,832,789</u>	Net Cash provided by (or used in) operating activities	<u>2,314,970</u>	<u>2,112,494</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
984,071	Amounts specifically for new or upgraded assets	756,162	545,000
19,773	Sale of replaced assets	121,000	
Payments			
(3,339,042)	Expenditure on renewal/replacement of assets	(4,369,822)	(5,125,110)
(2,335,198)	Net Cash provided by (or used in) investing activities	(3,492,660)	(4,580,110)
(502,409)	Net increase (decrease) in cash held	(1,177,689)	(2,467,616)
<u>15,132,352</u>	Cash and cash equivalents at beginning of period	<u>14,629,943</u>	<u>13,452,254</u>
<u><u>14,629,943</u></u>	Cash at end of reporting period	<u><u>13,452,254</u></u>	<u><u>10,984,638</u></u>

Capital expenditure of \$3,043,700 budgeted for 2018/19 is summarized below by major class.



CAPITAL WORKS SUMMARY

2018/2019

AREA	ITEM DETAIL	Revised 2017/18	Budget 2018/19
Administration	Communications equipment	5,000	
Aquatic Centre	Front roller door	11,000	
Aquatic Centre	New roller door		13,000
Aquatic Centre	Signage		1,000
Aquatic Centre	New lighting (flood + security lights)		20,000
Aquatic Centre	Shade structure		5,000
Aquatic Centre	Pool cleaner		10,000
Bridges & Culverts	Low level hand rail		15,000
Car Park	Wurli-wurlinjang	27,500	
Car Park	Reseal		50,000
Cemetery	Continuation CF Plinth Extensions	16,000	16,000
Civic Center	Solar panels	62,700	
Civic Center	Split system replacement x 12	65,000	
Civic Center	Lighting upgrade (LED)	53,000	
Civic Center	Smart boardroom system	13,895	
Civic Center	Replace ceiling tiles		5,000
Civic Center	Replace AC x 2 - Finance		20,000
Civic Center	Signage		3,000
Civic Center	PC replacement		17,500
Civic Center	Computer replacement x 4	10,000	
Civic Center	iPad (Elected Members x 7)	8,500	
Civic Center	Mobile phone replacement	5,000	6,000
Civic Center	iPad & mobile phones		3,600
Civic Center	Live Streaming Equipment		5,500
Enclosed Drains and Side Entry Pits	Enclosed Drains and Side Entry Pit Expenses		40,000
Footpath Construction	Rolling installation program; schools & service centre connectivity	115,000	
Footpaths & Cycleways	Annual renewal of footpath and cycleways		52,000
Footpaths & Cycleways	Survey and Options study for reconstruction of Riverlink trail (North side)		15,000
Hot Springs	Hot Springs revegetation/revitalisation	797,200	350,000
Katherine Airport	Airport upgrade	827,345	
Katherine East Parks	Playground compliance	2,000	
Katherine Library	Computer replacement	8,600	3,000
Katherine Library	Tables & chairs (children)	4,000	
Katherine Library	External signage		5,000
Katherine North Parks	Playground compliance	2,000	
Katherine North Parks	Dog park fence		18,000
Katherine South Parks	Playground compliance	2,000	
Katherine South Parks	Ryan Park solar light x3 @ \$3500/each	10,500	
Knotts Crossing Reserve	New bollards & gate	15,000	
Municipal Depot	Replacement of small plants (chain saws, brush cutters etc)		5,000
Municipal Depot	Aircons x 1		2,000
Museum	1998 Flood Anniversary Exhibits	10,000	
Plant and Equipment	Works vehicle (AWM manager's car)	30,000	
Plant and Equipment	Depot Utilities	30,000	
Plant and Equipment	Finance Manager vehicle	44,000	

CAPITAL WORKS SUMMARY

2018/2019

AREA	ITEM DETAIL	Revised 2017/18	Budget 2018/19
Plant and Equipment	Kubota 2800mm cut 5 deck oval mower	74,000	
Plant and Equipment	Hilux single cab pl182 ECM	40,000	
Plant and Equipment	Offset verge slasher	25,000	
Plant and Equipment	Spray unit		18,000
Plant and Equipment	Ride on mower - 3		64,000
Plant and Equipment	Mini excavator		25,000
Plant and Equipment	Car trailerx1		10,000
Plant and Equipment	Blower - 2		1,000
Plant and Equipment	Whipper snipper		3,200
Plant and Equipment	Pole saw		1,500
Plant and Equipment	Work ute		32,000
Railway Terrace Reserve	Cenotaph relocation	70,000	
Roads	Roads to Recovery	430,162	
Roads	Railway Tce drain fill	50,000	
Roads	First Street / Giles Street roundabout pavement repairs		50,000
Roads	Black Spot	600,000	
Roads	Zimin Drive shoulder widening		200,000
Roads	Emungalan Road edge repairs and drainage improvements		100,000
Roads	Rowland's Quarry Bridge repairs		390,000
Roads	Florina road shoulder repairs		300,000
Roads	Urban street reseals	100,000	
Roads	Reseal		460,000
Roads	Rural road reseals	100,000	
Roads	Annual Culvert Renewals based on condition assessments		4,000
Roads	on condition assessments		28,000
Roads	Annual renewal of kerb and guttering		48,000
Ryan Park Toilet	Loss on decommissioning of Ryan Park auto toilet	15,200	
Showgrounds	Showgrounds seating stage (2)	10,000	
Showgrounds	Rodeo grounds	200,000	
Showgrounds	Connect power and wall switches to Buntine Pavilion roller doors		5,000
Showgrounds	Commission poly water supply line around main oval		15,000
Showgrounds	Replace toilet block roof (near Buntine)		5,000
Showgrounds	Replace board ceiling in rotary building		2,000
Sportsground	Resurface oval 2		50,000
Sportsground	Scoreboard security		10,000
Sportsground	PA system		1,500
Sportsground	Traffic control (rubber speed humps)		10,000
Sportsground	Underground plumbing upgrades		20,000
Sportsground	Extension of slab at skate park		4,500
Sportsground	Play park shade sail		10,000
Sportsground	Community Centre council contribution		100,000
Sportsground	Community Centre	250,000	
Town Square	Irrigation upgrade	3,000	

CAPITAL WORKS SUMMARY**2018/2019**

AREA	ITEM DETAIL	Revised 2017/18	Budget 2018/19
Visitors Information Centre	PC replacements	3,800	
Visitors Information Centre	Computer & EFTpos	2,600	3,000
Visitors Information Centre	Air-conditioning unit rental office	10,710	
Visitors Information Centre	Signage Upgrade		4,400
Waste Management Facility	New Traxcavator 963D	500,000	
Waste Management Facility	Replace office flooring	12,000	
Waste Management Facility	Hook Truck		250,000
Waste Management Facility	Green Waste Shredder		60,000
Waste Management Facility	Green Waste Shredder Shed		30,000
Waste Management Facility	Plumbing & Fire System		8,000
Waste Management Facility	Bores x 4		40,000
	TOTAL CAPITAL WORKS PROGRAM	4,671,712	3,043,700