

**KATHERINE TOWN COUNCIL  
BUDGET 2015/2016**

## **ANNUAL BUDGET**

Council is required to prepare an annual budget in accordance with Part 10.5 of the *Local Government Act*.

Section 127 of the 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 2015/16 year**

Katherine Town Council's objectives for the 2015/16 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 support strong actions necessary to reduce anti-social behavior.
- To ensure, where appropriate and achievable, that Council activities are sustainable and based on a user pays approach
- To fund and 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 is currently in the process of preparing 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 is currently developing an economic development strategy aimed at positioning the community to benefit from projected growth and development.
- Council will place a focus on using good urban design principles aimed at reducing concentrations of anti-social behavior in the Central Business District (CBD).
- 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**

- An asset plan is in place and is used in the development of financial planning and infrastructure development.
- An economic development strategy that supports and informs growth within Katherine.
- There are measurable reductions in anti-social behaviours within the CBD.
- 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 2015/16 financial year, Council is budgeting for a 9% increase on its current rates.

In accordance with the requirements of the Local Government Act, it is proposed that for the 2015/16 financial year Council will levy the following rates:

<b>Town Planning Zone</b>	<b>Zone Code</b>	<b>Rate in the Dollar</b>
Single Dwelling, Multiple Dwelling, Medium Dwelling, Specific Use 1	Zone SD MD MR SK1	0.0126019
Agricultural	Zone A	0.0016366
Water Management	Zone WM	0.0018336
Rural	Zone R	0.0032740
Rural Living	Zone RL	0.0038534
Community Living, Specific Use 2, Specific Use 3, Community Purpose	Zone CL SK2 SK3 CP	0.0179494
Central Business 1	Zone CB1	0.0212597
Central Business 2	Zone CB2	0.0176640
Central Business 3	Zone CB3	0.0259276
Commercial	Zone C	0.0176640
Service Commercial	Zone SC	0.0374751
Future Development, Railway	Zone FD RW	0.0159037
Caravan Parks, Tourist Commercial	Zone CV TC	0.0213521
Light Industry	Zone LI	0.0134337
General Industry	Zone GI	0.0134337
Organised Recreation	Zone OR	0.0185929

Minimum rate has increased from \$810 to \$883.

## 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 Section 157 of the 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. For a second dwelling where a 240 litre bin is not required the applicable fee will be the minimum waste management levy.

The waste management charge and the minimum waste management levy will stay at \$250 and \$92 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 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 has increased to \$76 inclusive of GST. Businesses are not liable for the minimum waste management charge or 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 minimize the social and economic effects of its rating policy. 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 Section 71 of the *Local Government Act*, Katherine Town Council proposes to pay the following elected member allowances in 2015/16:

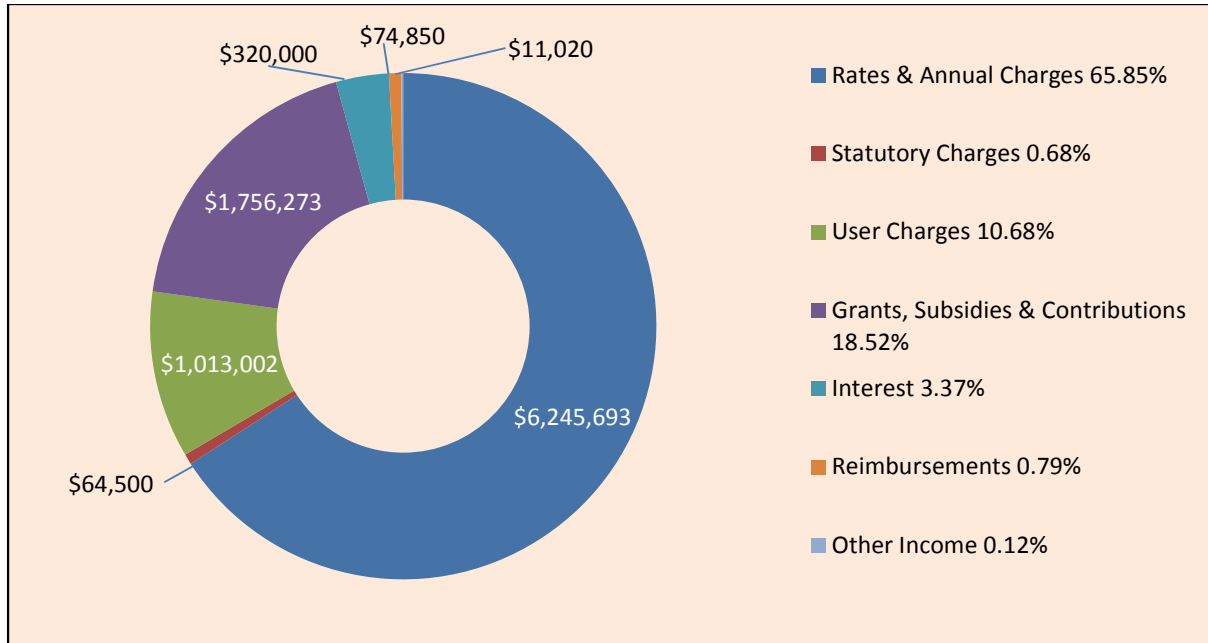
<b>Allowance Type</b>	<b>Mayor</b>	<b>Deputy Mayor</b>	<b>Alderman</b>
Annual Base Allowance	\$ 65,208	\$ 19,562	\$ 11,955
Annual Electoral Allowance	\$ 5,434	\$ 3,260	\$ 3,260
<b>Total</b>	<b>\$ 70,642</b>	<b>\$ 22,822</b>	<b>\$ 15,215</b>

The total amount budgeted for the above allowances is \$169,539.

## FINANCIAL SUMMARY

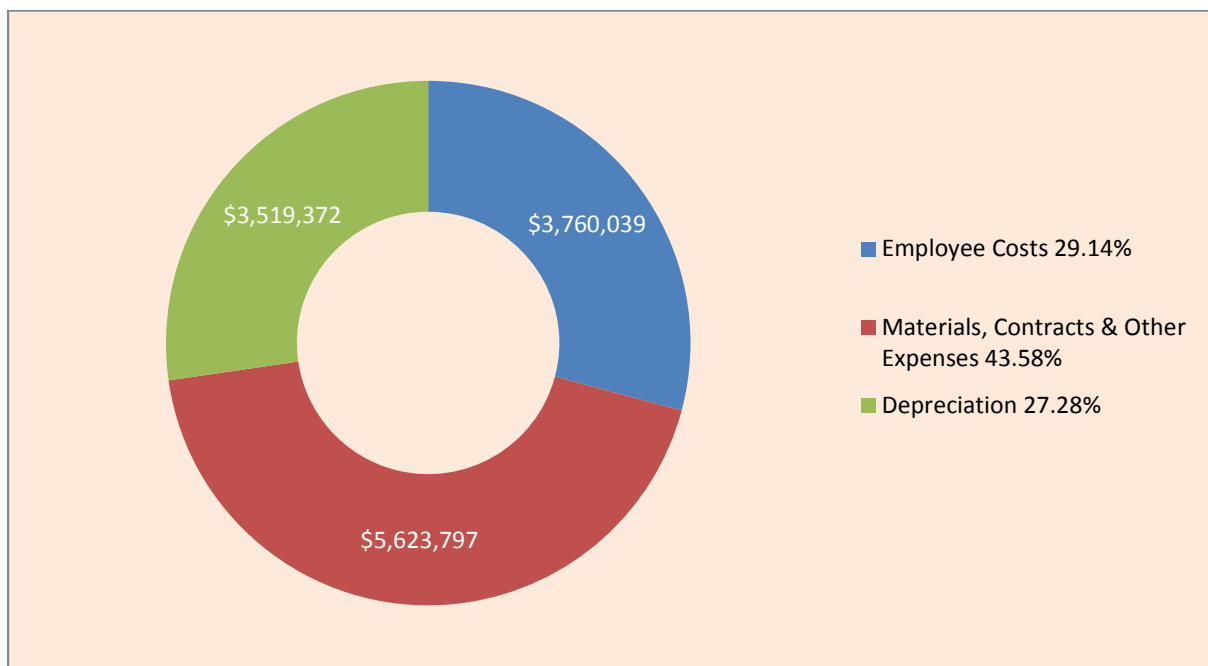
### TOTAL OPERATING REVENUE

Operating revenue of \$9.5 million budgeted in 2015/16 is summarised below by major category.



### TOTAL OPERATING EXPENDITURE

Operating revenue of \$12.9 million budgeted in 2015/16 is summarised below by major category.



## **Budgeted Financial Statements**

Budgeted financial statements for 2015/16 on the following pages are:

### **Budgeted Income Statement**

This statement (sometimes called the Profit and loss statement) summarizes 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 summarizes 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 summarizes 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 summarizes 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 2016**

Actual 2013/14 \$		Revised 2014/15 \$	Budget 2015/16 \$
<b>INCOME</b>			
4,981,566	Rates	5,760,648	6,303,918
67,407	Statutory charges	52,000	64,500
988,283	User charges	1,076,390	1,726,193
1,560,714	Grants, subsidies and contributions	1,783,518	1,756,273
410,218	Interest	364,000	320,000
101,703	Reimbursements	76,500	74,850
80,447	Other income	18,000	11,020
<u>8,190,338</u>		<u>9,131,056</u>	<u>10,256,754</u>
<b>EXPENSES</b>			
3,157,474	Employee Costs	3,631,440	3,792,498
3,652,146	Materials, contracts and other expenses	4,919,425	5,591,339
<u>6,809,620</u>	<b>Total Operating Expenses</b>	<u>8,550,865</u>	<u>9,383,837</u>
<b>1,380,718</b>	<b>Operating Surplus/(Deficit)</b>		
	<b>before depreciation</b>	<b>580,191</b>	<b>872,917</b>
3,519,372	Depreciation	3,572,153	3,396,587
	<b>Operating Surplus/(Deficit)</b>		
<b>(2,138,654)</b>	<b>before capital items</b>	<b>(2,991,962)</b>	<b>(2,523,670)</b>
(56,522)	Net gain (loss) on disposal of assets	(221)	(9,790)
	Amounts received specifically for new or		
185,421	upgraded assets	215,081	430,162
<u><b>(2,009,755)</b></u>	<b>Net Operating Surplus/(Deficit)</b>	<u><b>(2,777,102)</b></u>	<u><b>(2,103,298)</b></u>
<u><b>(2,009,755)</b></u>	<b>TOTAL COMPREHENSIVE INCOME</b>	<u><b>(2,777,102)</b></u>	<u><b>(2,103,298)</b></u>



**Katherine Town Council  
Budgeted Balance Sheet  
As at 30 June 2016**

Actual 2013/14 \$		Revised 2014/15 \$	Budget 2015/16 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
10,904,325	Cash and cash equivalents	10,012,875	9,802,492
489,829	Trade and other receivables	518,738	486,680
<u>11,394,154</u>		<u>10,531,613</u>	<u>10,289,172</u>
<b>Non-Current Assets</b>			
Infrastructure, Property,			
60,477,958	Plant and Equipment	58,573,786	56,800,569
<u>60,477,958</u>		<u>58,573,786</u>	<u>56,800,569</u>
<b><u>71,872,112</u></b>	<b>TOTAL ASSETS</b>	<b><u>69,105,399</u></b>	<b><u>67,089,741</u></b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
857,945	Trade and other payables	809,930	850,000
505,652	Provisions	559,930	597,500
<u>1,363,597</u>		<u>1,369,860</u>	<u>1,447,500</u>
<b>Non-Current Liabilities</b>			
45,874	Provisions	50,000	60,000
<u>45,874</u>		<u>50,000</u>	<u>60,000</u>
<b><u>1,409,471</u></b>	<b>TOTAL LIABILITIES</b>	<b><u>1,419,860</u></b>	<b><u>1,507,500</u></b>
<b><u>70,462,641</u></b>	<b>NET ASSETS</b>	<b><u>67,685,539</u></b>	<b><u>65,582,241</u></b>
<b>EQUITY</b>			
(11,324,085)	Accumulated Surplus/(Deficit)	(14,101,187)	(16,204,485)
81,786,726	Asset Revaluation Reserve	81,786,726	81,786,726
<b><u>70,462,641</u></b>	<b>TOTAL EQUITY</b>	<b><u>67,685,539</u></b>	<b><u>65,582,241</u></b>

**Katherine Town Council  
Budgeted Capital Funding Statement  
For the Year Ended 30 June 2015**

	<b>Revised 2014/15 \$</b>	<b>2015/16 \$</b>
<b>Sources of capital funding</b>		
General revenue used for capital purposes	1,454,141	1,083,300
Other capital revenue sources:		
Proceeds from the sale of capital assets	17,500	66,000
Grants and subsidies	215,081	430,162
Transfer from internally restricted funds	390,990	-
	<b>1,686,722</b>	<b>1,579,462</b>
<b>Application of capital funding</b>		
Non current capital assets :		
Buildings	257,452	68,600
Plant and equipment	138,490	222,000
Total infrastructure assets	1,244,980	1,175,662
Furniture & equipment	45,800	113,200
	<b>1,686,722</b>	<b>1,579,462</b>

**KATHERINE TOWN COUNCIL**  
**Budgeted Statement of Changes in Equity**  
**For the Year Ended 30 June 2016**

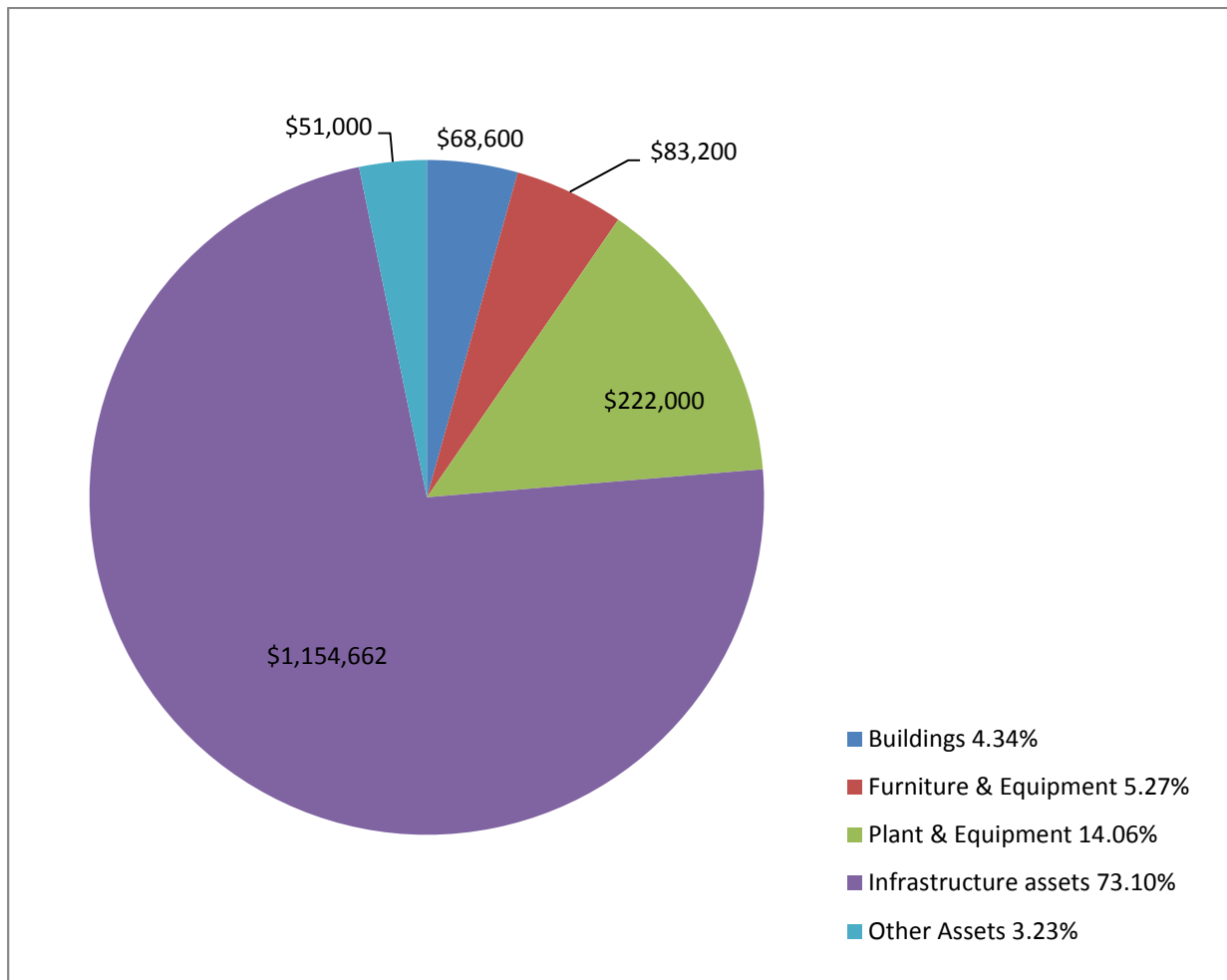
	Accumulated Surplus/ (Deficit)	Asset Revaluation Reserve	Total Equity
	\$	\$	\$
<b>Estimate 2015/16</b>			
Balance at end of previous reporting period	(14,101,187)	81,786,726	67,685,539
<b>Net surplus/(deficit) for the year</b>	<b>(2,103,298)</b>	-	<b>(2,103,298)</b>
<b>Balance at end of period</b>	<b>(16,204,485)</b>	<b>81,786,726</b>	<b>65,582,241</b>
<b>Estimate 2014/15</b>			
Balance at end of previous reporting period	(11,324,085)	81,786,726	70,462,641
Net surplus/(deficit) for the year	(2,777,102)	-	(2,777,102)
<b>Balance at end of period</b>	<b>(14,101,187)</b>	<b>81,786,726</b>	<b>67,685,539</b>
<b>Actual 2013/14</b>			
Balance at end of previous reporting period	(9,314,330)	81,786,726	72,472,396
Net surplus/(deficit) for the year	(2,009,755)	-	(2,009,755)
<b>Balance at end of period</b>	<b>(11,324,085)</b>	<b>81,786,726</b>	<b>70,462,641</b>

**Katherine Town Council  
Budgeted Cash Flow Statement  
For the Year Ending 30 June 2016**

Actual 2013/14 \$		Revised 2014/15 \$	Budget 2015/16 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
7,711,399	Operating receipts	8,749,556	9,936,754
485,364	Investment receipts	364,000	320,000
<u>(6,628,660)</u>	Operating payments to suppliers and employees	<u>(8,550,865)</u>	<u>(9,383,837)</u>
<u>1,568,103</u>	<b>Net Cash provided by (or used in) operating activities</b>	<u>562,691</u>	<u>872,917</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
185,421	Amounts specifically for new or upgraded assets	215,081	430,162
82,327	Sale of replaced assets	17,500	66,000
<b>Payments</b>			
<u>(888,369)</u>	Expenditure on renewal/replacement of assets	<u>(1,686,722)</u>	<u>(1,579,462)</u>
	Net proceeds (cost) from advances and investments		
<u>(620,621)</u>	<b>Net Cash provided by (or used in) investing activities</b>	<u>(1,454,141)</u>	<u>(1,083,300)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
<u>0</u>	Repayments of borrowings	<u>0</u>	<u>0</u>
<u>0</u>	<b>Net Cash provided by (or used in) financing activities</b>	<u>0</u>	<u>0</u>
947,482	<b>Net increase (decrease) in cash held</b>	<u>(891,450)</u>	<u>(210,383)</u>
<u>9,956,843</u>	Cash and cash equivalents at beginning of period	10,904,325	10,012,875
<u><u>10,904,325</u></u>	<b>Cash at end of reporting period</b>	<u><u>10,012,875</u></u>	<u><u>9,802,492</u></u>

## CAPITAL WORKS PROGRAM

Capital expenditure of \$1,579,462 budgeted for 2015/16 is summarized below by major class.



**CAPITAL WORKS SUMMARY  
2015/2016**

AREA	ITEM DETAIL	AMOUNT \$
Civic Centre	Replace folding machine	15,000
Civic Centre	Replace back door including locking system	1,600
Civic Centre	PC replacement	9,000
Civic Centre	Server upgrade	12,000
Cemetery	Continuation CF Plinth Extensions	3,000
Cemetery	Installation of cemetery boards in rotunda	3,000
Waste Management Facility	Installation of New Bore Line (Fire Supression Requirement)	15,000
Showgrounds	Upgrade 3Phase Power Supply	50,000
Showgrounds	Building Upgrades - Norforce	10,000
Showgrounds	Building Upgrades - Toilets	10,000
Showgrounds	Irrigation Upgrade	10,000
Sportsgrounds	Underground Service Upgrade	7,000
River Corridor	Solar lighting - high trafficked areas	22,500
River Corridor	River loop path restoration (co-contribution)	5,000
Katherine North Parks	Playground compliance	8,000
Katherine South Parks	Solar lighting in shade shelters	8,000
Katherine South Parks	Playground compliance	8,000
Katherine East Parks	Playground compliance	8,000
Library	Staff computers	3,600
Library	Shelving stage 2	30,000
Sealed Roads - Rural	Shoulder reconstruction	150,000
Sealed Roads - Rural	Roads to Recovery project	430,162
Roads Reseal - Township	Urban street reseals	200,000
Roads Reseal - Rural	Rural road reseals	230,000
Footpaths	Rolling installation program; schools & service centre connectivity	50,000
Plant & Machinery	Admin vehicle	26,000
Plant & Machinery	DCCS Ford Territory	45,000
Plant & Machinery	Mayor's vehicle	50,000
Plant & Machinery	Hilux single cab pl169	21,000
Plant & Machinery	Case tractor pl164	80,000
Visitor Information Centre	PC replacements	3,600
Visitor Information Centre	Server	10,000
Visitor Information Centre	Internal signage	30,000
Municipal Depot	Extension to outside storage (undercover)	15,000
	<b>TOTAL CAPITAL PURCHASES</b>	<b>1,579,462</b>