



2019 – 2020 Budget

ANNUAL BUDGET

Council is required to prepare an annual budget in accordance with the *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 an 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's Objectives for 2019/2020

- To ensure community infrastructure is managed in a sustainable way for the benefit of Katherine's residents.
- To ensure value for money and scrutiny of all operations to avoid waste and to improve productivity.
- To adopt as a priority, 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 plan initiatives that maximise Council's success in obtaining grant funding.

Measures Council proposes to take to achieve the above objectives

- Asset Management Planning to ensure all infrastructure assets are identified and their whole of life costs are known.
- Economic strategies, in conjunction with other tiers of government, which through projected growth and development, benefit the community.
- Sustainability strategies 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:

- Continuous improvement of asset management to better align with the Long-Term Financial Plan.
- Economic development strategies which support and inform growth within Katherine.
- Rates, fees and charges reflect greater equity across the community.
- Public open space in the CBD is attractive and regularly used by a wide cross-section of the community.

Rates

Council levy rates utilising 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 2019/2020 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 2019/20 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	0.014765362
Agricultural	A	0.00200881
Water Management	WM	0.001998629
Rural	R	0.003520528
Rural Living	RL	0.005807408
Community Living, Specific Use 2, Specific Use 3, Community Purpose	CL, SK2, SK3, CP	0.02298765
Central Business 1	CB1	0.026363655
Central Business 2	CB2	0.020249259
Central Business 3	CB3	0.02638767
Commercial	C	0.020133933
Service Commercial	SC	0.039159756
Future Development, Railway	FD, RW	0.011647679
Caravan Parks, Tourist Commercial	CV, TC	0.025486648
Light Industry	LI	0.014980845
General Industry	GI	0.014176444
Organised Recreation	OR	0.010263197
Land which is otherwise non-ratable and land within that part of the municipality comprising Zone Utilities	U	NIL

Minimum rate has increased from \$1130.00 to \$1214.75.

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 \$358.27 and \$127.12 respectively. The Waste Management charge is levied for the provision of a 240 litre bin and free access to the Waste Management Facility (WMF). The minimum waste management levy provides for free access to the WMF.

Council charges a tonnage charge for commercial business users to dispose of waste at the waste management facility. The tonnage charge will increase for 2019/2020 financial year to \$125/tonne for mixed waste. 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 so as to provide services sustainably. 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 the *Local Government Act*, Katherine Town Council proposes to pay the following elected member allowances in 2019/20.

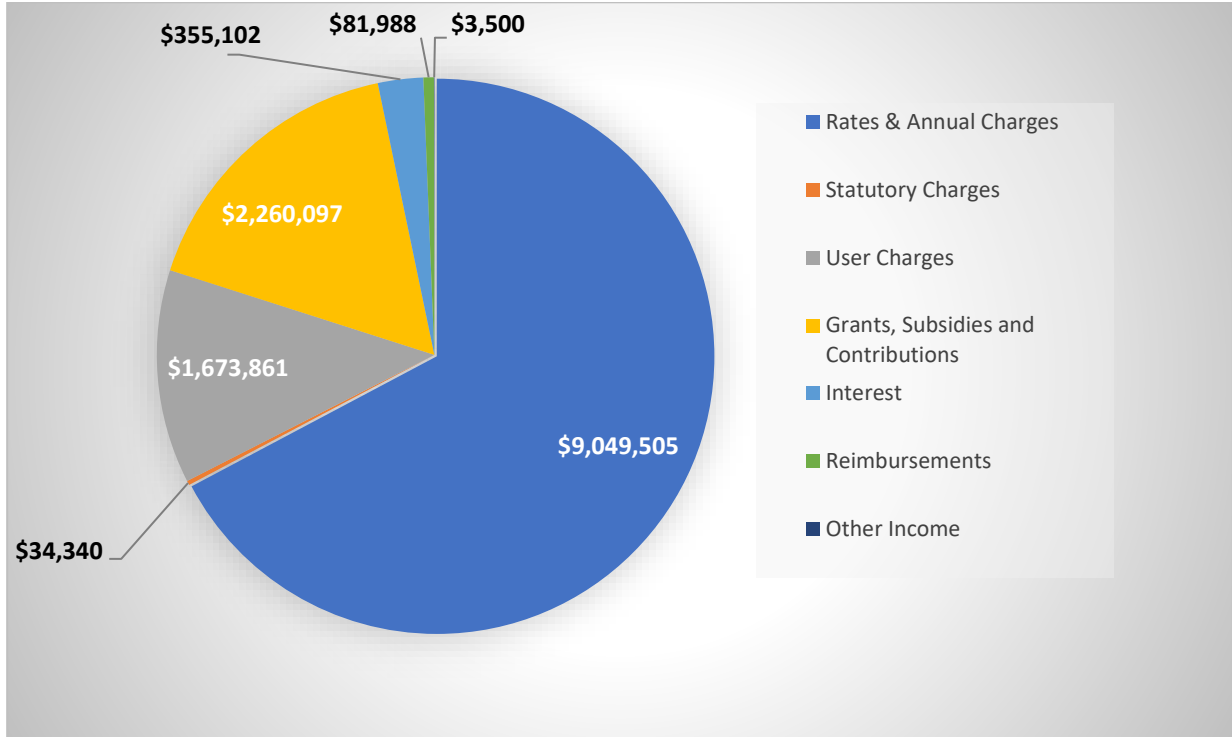
Allowance Type	Mayor	Deputy Mayor	Aldermen
Annual Base Allowance	74,742.90	20,354.00	12,438.90
Annual Electoral Allowance	19,672.93	3,392.00	3,391.00
Total	94,415.83	23,746.00	15,829.90

The total amount budgeted for the above allowances is \$199,140

Financial Summary

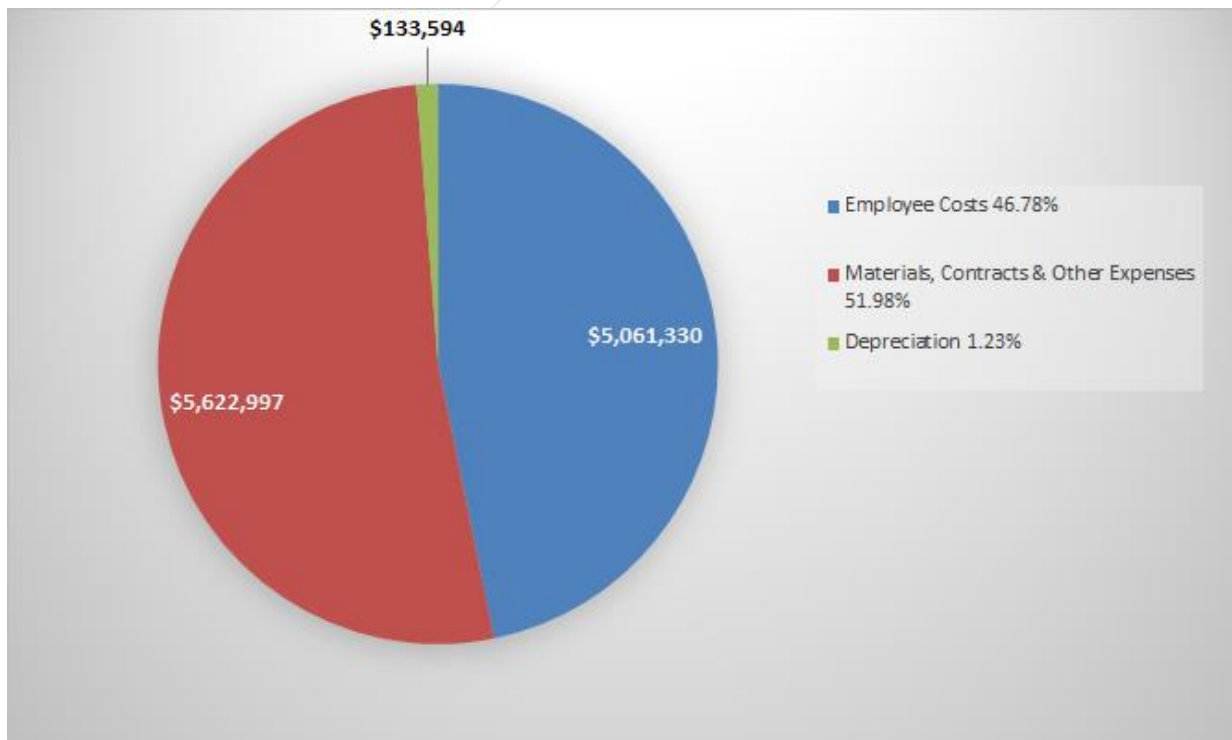
Total Operating Revenue

Operating revenue of \$13.46 million budgeted in 2019/20 is summarised below by major category.



Total Operating Expenditure

Operating expenditure of \$10.82 million budgeted in 2019/20 is summarised below by major category.



Budgeted Financial Statement

Budgeted financial statements for 2019/2020 are 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 2020

	Revised 2018/19 \$	Budget 2019/20 \$
INCOME		
Rates	8,234,326	9,049,505
Statutory charges	61,200	34,340
User charges	1,815,681	1,673,861
Grants, subsidies and contributions	1,508,912	2,260,097
Interest	395,555	355,102
Reimbursements	85,673	81,988
Other income	3,060	3,500
	<u>12,104,407</u>	<u>13,458,393</u>
EXPENDITURE		
Employee Costs		
Salaries & Wages	3,376,709	3,746,518
Provisions	599,046	678,786
Superannuation	410,572	427,786
Training	108,400	129,700
Other	57,734	78,540
	<u>4,552,461</u>	<u>5,061,330</u>
Materials, contracts and other expenses		
Advertising	119,300	171,311
Bad Debts	500	1,200
Bank Charges	39,800	30,900
Book Purchases	5,000	5,000
Community Grants	106,000	104,000
Consultant	362,000	477,000
Council Elections	20,000	20,000
Debt Collection Costs	25,000	32,500
Elected Members Allowance	194,180	199,140
Elected Members Other Expenses	58,023	51,828
Electricity	251,730	284,289
Fuel	112,500	115,000
Insurance	328,511	335,236
Management Fees	80,000	80,945
Materials & Contracts	3,552,517	3,230,319
Cost of sales	50,000	25,000
Museum Grounds Maintenance	-	22,200
Postage	19,500	19,420
Printing & Stationery	34,000	28,340
Rent	3,000	1,000
Sewerage	99,850	86,103
Subscriptions	39,550	86,045
Telephone	62,300	59,667
Vehicle Registrations	24,000	25,800
Water	158,200	130,754
	5,745,461	5,622,997
Total Operating Expenses	10,297,922	10,684,328
Finance costs	-	-
Operating Surplus/(Deficit) before depreciation	<u>1,806,485</u>	<u>2,774,065</u>

**Katherine Town Council
Budgeted Income Statement
For the Year Ending 30 June 2020**

	Revised 2018/19 \$	Budget 2019/20 \$
Depreciation	267,189	133,594
Operating Surplus/(Deficit) before capital items	1,539,296	2,640,471
Net gain (loss) on disposal of assets	-	(100,000)
Amounts received specifically for new or upgraded assets	751,710	14,293,559
Net Operating Surplus/(Deficit)	2,291,006	16,834,030
NET RESULT	2,291,006	16,834,030
OTHER COMPREHENSIVE INCOME		
Changes in Valuation of non-current assets	8,058,747	2,847,424
Total Other Comprehensive Income	8,058,747	2,847,424
TOTAL COMPREHENSIVE INCOME	10,349,753	19,681,454

**Katherine Town Council
Budgeted Balance Sheet
As at 30 June 2020**

Actual 2017/18 \$		Revised 2018/19 \$	Budget 2019/20 \$
ASSETS			
Current Assets			
29,399,635	Cash and cash equivalents	28,341,284	15,764,412
1,010,567	Trade and other receivables	1,186,200	1,209,755
19,539	Inventories	19,039	17,840
<u>30,429,741</u>		<u>29,546,523</u>	<u>16,992,008</u>
Non-Current Assets			
Infrastructure, Property,			
66,904,929	Plant and Equipment	78,736,447	114,021,742
1,673,330	Capital works in progress	1,673,329	1,673,329
<u>68,578,259</u>		<u>80,409,776</u>	<u>115,695,071</u>
<u>99,008,000</u>	TOTAL ASSETS	<u>109,956,299</u>	<u>132,687,079</u>
LIABILITIES			
Current Liabilities			
15,577,243	Trade and other payables	15,577,243	2,027,774
558,691	Provisions	1,157,237	1,834,823
<u>16,135,934</u>		<u>16,734,480</u>	<u>3,862,597</u>
Non-Current Liabilities			
-	Provisions	-	-
<u>-</u>		<u>-</u>	<u>-</u>
<u>16,135,934</u>	TOTAL LIABILITIES	<u>16,734,480</u>	<u>3,862,597</u>
<u>82,872,066</u>	NET ASSETS	<u>93,221,819</u>	<u>128,824,482</u>
EQUITY			
15,071,315	Accumulated Surplus/(Deficit)	17,362,321	34,195,604
62,398,433	Asset Revaluation Reserve	70,457,180	89,226,558
5,402,318	Other Reserve	5,402,318	5,402,318
<u>82,872,066</u>	TOTAL EQUITY	<u>93,221,819</u>	<u>128,824,482</u>

**Katherine Town Council
Budgeted Capital Funding Statement
For the Year Ended 30 June 2020**

	2018/19	2019/20
	\$	\$
Sources of capital funding		
General revenue used for capital purposes	2,845,491	2,630,552
Other capital revenue sources:		
Proceeds from the sale of capital assets	-	
Grants and subsidies	751,710	568,155
Transfer from internally restricted funds	482,758	13,725,404
	4,079,959	16,924,111
Application of capital funding		
Non current capital assets :		
Buildings & Other Structures	93,260	734,220
Furniture, Fixture & Equipment	62,000	47,219
Improvements	1,060,397	12,318,476
Infrastructure	2,334,913	3,405,196
Plant & Equipment	529,389	419,000
	4,079,959	16,924,111

KATHERINE TOWN COUNCIL
Budgeted Statement of Changes in Equity
For the Year Ending 30 June 2020

	Accumulated Surplus/ (Deficit)	Asset Revaluation Reserve	Other Reserve	Total Equity
	\$	\$	\$	\$
Budget 2019/20				
Balance at end of previous reporting period	14,661,162	86,375,468	8,103,477	109,140,108
Net surplus/(deficit) for the year	16,834,030	2,847,424	-	19,681,454
Other Comprehensive Income - Prior Period Adjustments	(2,701,159)		2,701,159	
Revaluation of infrastructure, property, plant and equipment	28,794,033	89,222,892	10,804,636	128,821,561
Balance at end of period				
Budget 2018/19				
Balance at end of previous reporting period	15,071,315	62,398,434	5,402,318	82,872,067
Net surplus/(deficit) for the year	2,291,006	8,058,747		10,349,753
Other Comprehensive Income - Prior Period Adjustments	(2,701,159)		2,701,159	
Balance at end of period	14,661,162	70,457,181	8,103,477	93,221,820
Inventories				
Other				
Actual 2017/18				
Balance at end of previous reporting period	13,120,236	62,398,433	2,741,418	78,260,087
Net surplus/(deficit) for the year	4,611,979			4,611,979
Other Comprehensive Income - Prior Period Adjustments	(2,660,900)		2,660,900	0
Balance at end of period	15,071,315	62,398,433	5,402,318	82,872,066
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	-
Balance at end of period	13,120,236	62,398,433	2,741,418	78,260,087

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

Actual 2017/18 \$		Revised 2018/19 \$	Budget 2019/20 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
11,704,366	Operating receipts	11,533,219	13,255,670
258,297	Investment receipts	395,555	355,102
(8,681,101)	Operating payments to suppliers and employees	(9,698,876)	(10,006,288)
<u>3,281,562</u>	Net Cash provided by (or used in) operating activities	<u>2,229,898</u>	<u>3,604,484</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Receipts			
13,961,541	Amounts specifically for new or upgraded assets	751,710	568,155
58,096	Sale of replaced assets		174,600
Payments			
(2,531,507)	Expenditure on renewal/replacement of assets	(4,039,959)	(16,924,111)
<u>11,488,130</u>	Net Cash provided by (or used in) investing activities	<u>(3,288,249)</u>	<u>(16,181,356)</u>
14,769,692	Net increase (decrease) in cash held	(1,058,351)	(12,576,872)
<u>14,629,943</u>	Cash and cash equivalents at beginning of period	<u>29,399,635</u>	<u>28,341,284</u>
<u>29,399,635</u>	Cash at end of reporting period	<u>28,341,284</u>	<u>15,764,412</u>

Capital Works Summary

AREA	ITEM DETAIL	Revised Budget	
		2018/2019	Budget 2019/2020
Airport	Airport upgrade/airport	28,489	
Aquatic Centre	Masterplan		30,000
Aquatic Centre	Priority Repair & Maintenance		220,000
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	
Bridges & Culverts	Emungalan Road Drainage		50,000
Bridges & Culverts	Emungalan Bridge	1,568,710	1,568,710
CBD	1998 Flood Anniversary Exhibits	15,000	
CBD	CBD Public art	8,400	
CBD Revitalisation	Wayfinder Signage and Landscape	86,364	86,364
CBD Revitalisation	CBD Revitalisation-DIPL Grant	5,000,000	5,000,000
Cemetery	Continuation CF Plinth Extensions	16,000	16,000
Civic Center	Replace ceiling tiles	5,000	
Civic Center	Replace AC x 2 - Finance	20,000	20,000
Civic Center	Signage	3,000	
Civic Center	PC replacement	17,500	6,000
Civic Centre	Civic Centre Roof Rejuvenation		50,000
Civic Center	Mobile phone replacement	6,000	5,000
Civic Center	iPad & mobile phones	3,600	
Civic Center	Live Streaming Equipment	5,500	
Civic Center	New Computer x 3		6,000
Civic Center	Handsets x 3		3,000
Drainage	Enclosed Drains and Side Entry Pit Expenses	40,000	40,000
Footpaths & Cycleways	Rolling installation program; schools & service centre connectivity	91,925	
Footpaths & Cycleways	Annual renewal of 400m of footpath and cycleways (approx 2% of network)	52,000	52,000

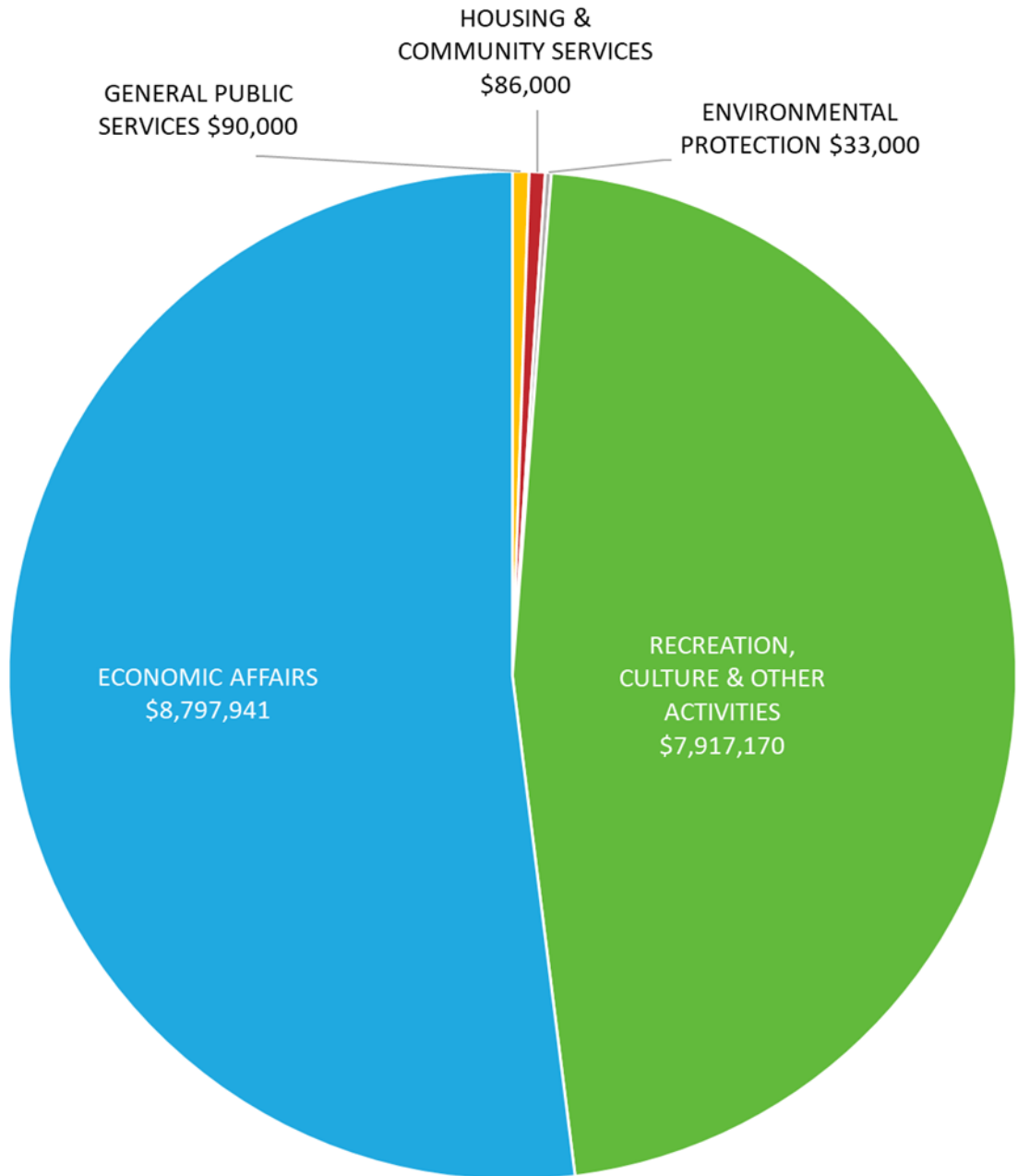
Footpaths & Cycleways	Survey and Options study for reconstruction of Riverlink trail (North side)	15,000	
Footpaths & Cycleways	Extend Casuarina St path to school (500m)		75,000
Hot Springs	Hot Springs revegetation/revitalisation	350,000	
Hot Springs	Hot Springs revegetation/revitalisation	88,297	
Hot Springs	Hot Springs revegetation/revitalisation	112,700	
Katherine Airport	Terminal Car Park Repairs		45,000
Katherine Library	Big Rivers Library Coordinator Computer		2,840
Katherine Library	Computer replacement	3,000	3,000
Katherine Library	External signage	5,000	
Katherine Library	6 x Chairs		2,000
Katherine North Parks	Dog park fence	18,000	
Municipal Depot	Replacement of small plants (chain saws, brush cutters etc)	5,000	
Municipal Depot	Aircons x 1	2,000	
Minor Plant	2 x Chainsaw		3,000
Minor Plant	1 x Backpack blower vac		2,000
Minor Plant	2 x Blower vac		1,200
Minor Plant	2 x Whipper Snippers		1,200
Minor Plant	1 x Hedge Trimmer		800
Minor Plant	1 x Cordless Impact Driver		500
Minor Plant	1 x Cordless Screwdriver		500
Minor Plant	2 x Cordless Screw Gun		500
Minor Plant	1 x Pole saw		1,300
Municipal Depot	Computers		3,500
Museum	Museum Repairs & Maintenance		40,000
Plant & Equipment	Spray unit	18,000	
Plant & Equipment	Admin Vehicle x 2	113,689	
Plant & Equipment	Mini excavator	25,000	
Plant & Equipment	Car trailerx1	10,000	
Plant & Equipment	Blower - 2	1,000	
Plant & Equipment	Whipper snipper	3,200	
Plant & Equipment	Pole saw	1,500	
Plant & Equipment	Work utes x 3	32,000	
Plant & Equipment	Replace TOYOTA D/CAB #181		40,000

Plant & Equipment	HINO 300 2 TONNE TIPPER	60,000
Plant & Equipment	HINO 300 2 TONNE TIPPER	60,000
Plant & Equipment	Replace JOHN DEERE 72" MOWER #217	45,000
Plant & Equipment	Replace KUBOTA OUTFRONT 72"	40,000
Plant & Equipment	Replace KUBOTA ATV 4X4 #512	28,000
Plant & Equipment	Replace KUBOTA ATV 4X4 # 513	28,000
Plant & Equipment	Replace Trailer #51511	8,000
Plant & Equipment	Replace Ford Ranger Ute 4 x 4	35,000
Plant & Equipment	Replace Kia Sportage SUV #196	35,000
Plant & Equipment	Rangers Vehicle Dog cage	4,000
Roads	Roads to Recovery	440,000
Roads	Roads to Recovery	231,636
Roads	Roads to Recovery	309,695
Roads	First Street / Giles Street roundabout pavement repairs	75000
Roads	Lindsay Street parking formalisation and kerbing	50000
Roads	First Street Parking Bay Repairs	30000
Roads	Zimin Drive shoulder widening	200,000
Roads	Emungalan Road edge repairs and drainage improvements	100,000
Roads	Florina road shoulder repairs	300,000
Roads	Shoulder reconstruction (2.7km various roads)	20,000
Roads	Florina / Hendry Intersection Upgrade	10,000
Roads	Egan Street Pavement Repairs	2,000
Roads	Ivanoff Road Pavement Repairs	2,000
Roads	Zimin Drive / Gillard Crescent I/S Pavement Repairs	75,000
Roads	Black Spot	98,460
Roads	Drainage Issues Investigation - Gory Road	15,000
Roads	Reseal 23,000m2 (6.67%)	460,000
Roads	Reseal Urban Street	85,863
Roads	Reseal 33,000m2	405,241
Roads	Reseal 2,500m2 (6.67%)	50,000
Roads	Rural road reseals	100,000
Roads	Reseal 42,000m2 (6.67%)	353,980

Roads	Annual Culvert Renewals based on condition assessments	4,000	
Roads	Annual Headwall & Endwall Renewals (Culverts & Outfalls) based on condition assessments	28,000	
Roads	Annual renewal of 300m of kerb and guttering	48,000	
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	
Showgrounds	Care takers Area		20,000
Showgrounds	Showgrounds Grandstand Exit Lights + Cages		4,000
Showgrounds	Showgrounds Grandstand Offices flooring and exhaust fan		10,000
Showgrounds	Showgrounds-Rodeo Relocation	155,480	132,220
Showgrounds	Showgrounds- Upgrade- Dept of Tourism & Culture	2,000,000	2,000,000
Sportsground	Sportsground reseal	45,000	
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	Adventure Playground Shelter		200,000
Sportsground	Long Jump Track resurface		5,000
Sportsground	Oval 2	156,000	150,000
Sportsground	Resurface oval 2 G - Dept of Tourism & Culture		300,000
Sportsground	Sportsground Upgrade -Dept of Tourism & Culture	4,100,000	4,100,000
Sportsground	Community Centre/sportsground	150,000	150,000
Sportsground	Community Centre	250,000	250,000
Sportsground	Sportsground Lighting - Dept of Sport & Rec	98,110	98,110

Sportsground	Oval 2 - Federal Funding	300,000	200,000
Streetlighting	Streetlighting		30,000
Visitors Information Centre	Computer & EFTpos	3,000	
Visitors Information Centre	Signage Upgrade	4,400	
Visitors Information Centre	Computer & EFTpos		3,000
Visitors Information Centre	Signage Upgrade & Design		6,112
Visitors Information Centre	Solar Panel Installation		55,000
Visitors Information Centre	Photocopier (New)		8,879
Visitors Information Centre	Chairs		4,000
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	
Waste Management Facility	4 x Bins replacements		25,000
Waste Management Facility	Plumbing & Fire System		8,000
TOTAL CAPITAL WORKS PROGRAM		17,765,363	16,924,111

**KATHERINE TOWN COUNCIL
2019/2020 CAPITAL BUDGET BY FUNCTION
(including Grant & General Funds)
\$16,924,111**



**KATHERINE TOWN COUNCIL
2019/2020 CAPITAL EXPENDITURE BUDGET
(including Grant & General Funds)
\$16,924,111**

