

Annual Budget Assumptions

Income:

- Rates income will increase on average 4.8% in the current budgets, which is the same increase as the last financial year and as per the Long Term Financial Plan. The same rate has been applied to the outer year budgets.
- Waste Management Levy is to increase on average 5.9%. The same rate has been applied to the outer year budgets.
- A 3.3% increase has been applied to fees and charges, with some exceptions and adjustments.
- Interest income is forecast using the 10 year Australian Government Bond Rate 4.25%.

Expenditure:

- The Council employee Enterprise Bargaining Agreement (EBA) is due for renewal in 2025 and to avoid pre-empting negotiations the same 3% rate increase has been applied for outer years.
- Material and contracts expenses are forecast to increase in 2024-2025 with the CPI (Darwin) rate of 4.2% being applied and outer years.
- Finance costs relating to the rehabilitation of Katherine Waste Management Landfill have been provided for.
- Government grants are currently forecast to account for 12% of overall Council revenue. This is expected to increase with further grant applications during the financial year.
- Currently rates and waste charges represent 68% of Council income.

*Elected Member allowances and expenses will be paid as per the Northern Territory of Australia Remuneration Tribunal - Determination of Allowances for members of Local Councils - Report Determination No.1 of 2024.
 **Council committee allowances and expenses have been provided for the Independent Members of the Audit and Risk Management Committee only.
 ***The Budgeted Operating Deficit is due to depreciation increase as a result of the 5 year Asset Revaluation completed in December 2023.

Annual Budget Income and Expenditure 2024-2025

	Annual Budget \$
OPERATING INCOME	
Rates	9,451,844
Charges - Waste	1,554,125
Fees and Charges	2,221,918
Operating Grants and Subsidies	1,934,232
Interest / Investment Income	671,500
Commercial and Other Income	291,138
TOTAL OPERATING INCOME	16,124,757
OPERATING EXPENDITURE	
Employee Expenses	5,701,033
Materials and Contracts	8,369,081
Elected Member Allowances*	241,500
Elected Member Expenses*	43,960
Council Committee Allowances**	14,000
Council Committee Expenses**	10,000
Depreciation, Amortisation and Impairment	4,866,133
Interest Expenses	49,589
Other Expenses	0
Gain/(Loss) from the remeasurement of Landfill Provision	406,116
TOTAL OPERATING EXPENDITURE	19,661,411
BUDGETED OPERATING SURPLUS / DEFICIT***	(3,536,655)

Annual Budget Operating Position 2024-2025

	Annual Budget \$
BUDGETED OPERATING SURPLUS / DEFICIT***	(3,536,655)
REMOVE NON-CASH ITEMS	
Remove Non-Cash Income	-
Less Non-Cash Income	5,232,249
Add Back Non-Cash Expenses	5,232,249
TOTAL NON-CASH ITEMS	5,232,249
LESS ADDITIONAL OUTFLOWS	
Capital Expenditure	20,605,460
Borrowing Repayments (Principal Only)	-
Transfer to Reserves	-
Other Outflows	-
TOTAL ADDITIONAL OUTFLOWS	(20,605,460)
ADD ADDITIONAL INFLOWS	
Add Prior Year Carry Forward Tied Funding	15,940,164
Capital Grants Income	
Prior Year Carry Forward Tied Funding	-
Other Inflow of Funds	
Transfers from Reserves	-
Drawdown of Borrowings	3,000,000
TOTAL ADDITIONAL INFLOWS	18,940,164
NET BUDGETED OPERATING POSITION	30,298

Long Term Financial Plan 2024-2025

Long Term Financial Plan

	Budget 2024-2025 \$	Estimate 2025-2026 \$	Estimate 2026-2027 \$	Estimate 2027-2028 \$	Estimate 2028-2029 \$
OPERATING INCOME					
Rates	9,451,844	9,905,533	10,380,998	10,879,286	11,401,492
Waste Charges	1,554,125	1,645,818	1,742,922	1,845,754	1,954,653
Fees and Charges	2,221,917	2,339,679	2,463,682	2,594,257	2,731,753
Operating Grants & Subsidies	1,934,232	1,934,232	1,934,232	1,934,232	1,934,232
Bank & Investment Income	671,500	434,500	462,000	578,500	297,000
Other revenue	291,138	296,961	302,900	308,958	315,137
TOTAL OPERATING INCOME	16,124,757	16,556,723	17,286,734	18,140,987	18,634,267
OPERATING EXPENDITURE					
Employment Expenses	5,701,033	5,877,096	6,058,653	6,245,876	6,438,945
Materials & Contracts	8,369,081	8,887,964	9,439,017	10,024,237	10,645,739
Elected Member Allowances	241,500	241,500	241,500	241,500	241,500
Elected Member Expenses	43,960	43,960	43,960	43,960	43,960
Council Committee Allowances	14,000	14,000	14,000	14,000	14,000
Council Committee Costs	10,000	10,000	10,000	10,000	10,000
Depreciation, Amortisation & Impairment	4,826,133	5,095,756	5,272,483	5,290,107	5,316,833
Interest Expenses	49,589	212,253	299,394	278,151	258,849
Other Expenses	-	-	-	-	-
Net Gain/Loss on Disposal of Assets	-	-	-	-	-
Gain/(Loss) from the remeasurement of Landfill Provision	406,116	335,713	132,349	129,904	202,854
TOTAL OPERATING EXPENDITURE	19,661,411	20,718,242	21,511,356	22,277,754	23,172,681
BUDGETED OPERATING SURPLUS / DEFICIT	(3,536,655)	(4,161,519)	(4,224,622)	(4,136,746)	(4,538,413)

Long Term Financial Plan

	Annual Budget 2025-2026 \$	Estimate 2026-2027 \$	Estimate 2027-2028 \$	Estimate 2028-2029 \$
BUDGETED OPERATING SURPLUS / DEFICIT***	(3,536,655)	(4,161,519)	(4,224,622)	(4,538,413)
REMOVE NON-CASH ITEMS				
Remove Non-Cash Income	-	-	-	-
Add Back Non-Cash Expenses	5,232,249	5,431,469	5,404,832	5,420,011
TOTAL NON-CASH ITEMS	5,232,249	5,431,469	5,404,832	5,519,687
LESS ADDITIONAL OUTFLOWS				
Capital Expenditure	20,605,460	13,120,296	8,475,444	520,296
Borrowing Repayments (Principal Only)	0	0	250,000	333,333
Transfer to Reserves	-	-	-	-
Other Outflows	-	-	-	-
TOTAL ADDITIONAL OUTFLOWS	(20,605,460)	(13,120,296)	(8,725,444)	(1,308,777)
ADD ADDITIONAL INFLOWS				
Capital Grants Income	15,940,164	10,550,000	8,255,148	300,000
Prior Year Carry Forward Tied Funding	-	-	-	-
Other Inflow of Funds	-	-	-	-
Transfers from Reserves	-	-	-	-
Drawdown of Borrowings	3,000,000	2,000,000	-	-
TOTAL ADDITIONAL INFLOWS	18,940,164	12,550,000	8,255,148	300,000
NET BUDGETED OPERATING POSITION	30,298	699,654	709,914	427,644

Statement Of Cash Flow

	Budget 2024-2025	Estimate 2025-2026	Estimate 2026-2027	Estimate 2027-2028	Estimate 2028-2029
	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
Rates	9,397,059	9,843,771	10,316,597	10,812,124	11,331,442
Waste Charges	1,545,039	1,635,575	1,732,241	1,834,615	1,943,036
Fees and Charges	2,207,202	2,323,090	2,446,384	2,576,217	2,712,937
Operating Grants & Subsidies	1,934,232	1,934,232	1,934,232	1,934,232	1,934,232
Bank & Investment Income	671,500	434,500	462,000	578,500	297,000
Other revenue	289,975	295,749	301,637	307,642	313,766
Sub-total	16,045,007	16,466,917	17,193,090	18,043,330	18,532,413
PAYMENTS					
Employee Costs	(5,680,618)	(5,856,069)	(6,036,994)	(6,223,567)	(6,415,967)
Materials & Contracts	(8,267,589)	(8,788,894)	(9,335,788)	(9,916,672)	(10,533,658)
Elected Members Allowances & Expenses	(285,460)	(285,460)	(285,460)	(285,460)	(285,460)
Council Committee Allowances & Expenses	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Interest Paid	(49,589)	(212,253)	(299,394)	(278,151)	(258,849)
Sub-total	(14,307,256)	(15,166,676)	(15,981,636)	(16,727,850)	(17,517,934)
Net Cash Provided by (Used in) Operating Activities	1,731,365	1,300,241	1,183,955	1,250,480	954,479
CASH FLOWS FROM INVESTING ACTIVITIES					
RECEIPTS:					
Amounts Specifically for New or Upgraded Assets	15,940,164	10,550,000	8,255,148	300,000	755,148
Sale of Replaced Assets	-	-	-	-	-
PAYMENTS:					
Expenditure on Renewal/Replacement of Assets	(20,605,460)	(13,620,296)	(8,975,444)	(1,020,296)	(1,225,444)
Net Cash Provided by (Used in) Investing Activities	(4,665,296)	(3,070,296)	(720,296)	(720,296)	(470,296)
CASH FLOWS FROM FINANCING ACTIVITIES					
RECEIPTS:					
Proceeds from Borrowings	3,000,000	2,000,000	-	-	-
PAYMENTS:					
Repayment of Borrowings	-	-	(250,000)	(333,333)	(333,333)
Net Cash Provided by (Used in) Financing Activities	3,000,000	2,000,000	(250,000)	(333,333)	(333,333)
NET INCREASE (DECREASE) IN CASH HELD	66,069	229,945	213,659	196,851	150,850
Cash & Cash Equivalents at Beginning of Period	19,903,671	19,969,740	20,199,685	20,413,344	20,610,195
Cash & Cash Equivalents at End of Period	19,969,740	20,199,685	20,413,344	20,610,195	20,761,045

Capital Expenditure and Funding

	2024-2025 Budget	2025-2026 Budget	2026-2027 Budget	2027-2028 Budget	2028-2029 Budget
	\$	\$	\$	\$	\$
CAPITAL EXPENDITURE					
Land and Buildings	10,890,000	9,700,000	7,000,000	-	-
Improvements	7,955,000	2,400,000	-	-	-
Infrastructure - Footpaths & Cycleways	-	500,000	500,000	-	-
Infrastructure - Roads	1,005,164	300,000	755,148	300,000	755,148
Infrastructure - Stormwater & Drainage	100,000	100,000	100,000	100,000	100,000
Infrastructure - Street Lighting	-	-	-	-	-
Plant and Machinery	500,000	500,000	500,000	500,000	250,000
Fleet	155,296	120,296	120,296	120,296	120,296
Other Assets (including furniture and office equipment)	-	-	-	-	-
Leased Land and Buildings	-	-	-	-	-
Other Leased Assets	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	20,605,460	13,620,296	8,975,444	520,296	975,444
TOTAL CAPITAL EXPENDITURE FUNDED BY:					
Operating Income (amount allocated to fund capital items)	1,619,296	1,024,296	674,296	674,296	424,296
Capital Grants	15,940,164	10,550,000	8,255,148	300,000	755,148
Transfers from Cash Reserves	-	-	-	-	-
Borrowings	3,000,000	2,000,000	-	-	-
Sale of Assets (including trade-ins)	46,000	46,000	46,000	46,000	46,000
Other Funding	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE FUNDING	20,605,460	13,620,296	8,975,444	1,020,296	1,225,444

Budget by Planned Major Capital Works

Class of Assets	By Major Capital Project*	Total Prior Year(s) Actuals**	2024-2025 Budget	2025-2026 Budget	2026-2027 Budget	2027-2028 Budget	2028-2027 Budget	Total Planned Budget	Expected Project Completion Date
	\$	\$	\$	\$	\$	\$	\$	\$	
Capex: Building and Other Structures	Civic Centre Office	3,000,000	3,000,000	2,000,000	-	-	-	5,000,000	Dec-25
Capex: Building and Other Structures	Aquatic Centre	300,000	7,600,000	2,400,000	-	-	10,300,000	Sep-25	
Capex: Building and Other Structures	Dog Pound and Other Relocation	-	250,000	-	-	-	250,000	Sep-24	
Capex: Improvements	Sportsground Fencing Stage 2	125,000	125,000	-	-	-	250,000	Aug-24	
TOTAL	0	425,000	10,975,000	4,400,000	0	0	15,800,000		

*Council are yet to adopt the minimum threshold of major capital works which is scheduled to be tabled at the 23 July 2024 Ordinary Meeting of Council after a recommendation is provided by the Audit and Risk Management Committee meeting scheduled for 20 June 2024.

**Total Prior years actuals correct as at 30 April 2024

Assumptions

ASSUMPTIONS					
	Budget 2024-2025	Estimate 2025-2026	Estimate 2026-2027	Estimate 2027-2028	Estimate 2028-2029
	\$	\$	\$	\$	\$
Rates Charges	4.80%	4.80%	4.80%	4.80%	4.80%
Waste Charges	5.90%	5.90%	5.90%	5.90%	5.90%
Fees and Charges	3.30%	3.30%	3.30%	3.30%	3.30%
Interest Rates (Australian Govt. Bonds Rate)	4.25%	2.75%	2.75%	3.25%	1.50%
Business Growth	2.00%	2.00%	2.00%	2.00%	2.00%
EBA and Superannuation Guarantee	3.50%	3.00%	3.00%	3.00%	3.00%
CPI (Katherine - Darwin)	4.20%	4.20%	4.20%	4.20%	4.20%
FY 2025 \$ FY 2026 \$ FY 2027 \$ FY 2028 \$ FY 2029 \$					
Debt Servicing Ratio (debt servicing/revenue net of grants)	0.35%	1.46%	3.61%	3.81%	3.58%
Current Ratio (current liquid assets/current liabilities)	9	9	9	9	8

