



## **SUPPLEMENTARY**

**WEST ARNHEM REGIONAL COUNCIL**

**ORDINARY COUNCIL MEETING**

**AGENDA**

**WEDNESDAY, 9 NOVEMBER 2022**



## **WEST ARNHAM REGIONAL COUNCIL**

Notice is hereby given that an Ordinary Meeting of the West Arnhem Regional Council will be held in Council Chambers, Jabiru on Wednesday, 9 November 2022 at 9:00 am.

Paul Hockings  
Chief Executive Officer

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## WEST ARNHEM REGIONAL COUNCIL

### FOR THE MEETING 9 NOVEMBER 2022

<b>Agenda Reference:</b>	<b>11.6</b>
<b>Title:</b>	<b>WARC Audited Financial Statements 2021-2022 and Financial Statement Analysis</b>
<b>File Reference:</b>	<b>1044228</b>
<b>Author:</b>	<b>David Glover, Chief Corporate Officer</b>

#### SUMMARY

The purpose of this report is to present the Audited Financial Statements 2021-2022 to Council for approval for publication in the 2021-2022 Annual Report, and for presentation to the Minister. The Analysis of the Financial Statements also form part of this report. The key achievements for the 2021-2022 year for West Arnhem Regional Council in striving to meet its Strategic Objectives have been celebrated in the Annual Report. Sound financial management also plays a key role in meeting Council's Strategic Objectives, in particular Goal 2 – Systems and processes that support the effective and efficient use of financial and human resources. For 2021-2022 Council's performance in the area of financial management is a "good news" story about:

- Maintaining grant income for operational purposes above \$13 million;
- Increasing capital grants by \$0.659 million
- Maintaining sufficient cash held at 30 June 2022 to meet externally restricted grant obligations totaling \$5.093 million;
- Additions to fixed assets totaling \$10.339 million.

Again in 2021-2022, Council utilised its cash-backed asset replacement reserve funds to assist in improving assets throughout the region, and Council's untied cash balance declined from 2020-2021 by \$3.103 million. The total unrestricted cash balance at 30 June 2022 is \$1.576 million. This ensures Council can meet its commitments as and when they become payable. Council has excellent collections on rates, with minimal outstanding by year end.

These Statements and associated documents were presented to the Risk Management and Audit Committee Confidential Meeting held on 4 November 2022 with the following motion having been carried:

#### **10.2 DRAFT FINANCIAL STATEMENTS 2021-2022, DRAFT ANALYSIS, AND DRAFT NEXIA EDWARDS MARSHALL NT AUDIT COMPLETION REPORT**

The Committee considered the draft Audited Annual Financial Statements 2021-2022, and the Analysis of the Financial Statements.

**ACM29/2022 RESOLVED:**

**On the motion of Mayor Matthew Ryan  
Seconded Deputy Mayor Elizabeth Williams**

**The Committee:**

- 1. noted the analysis of the Financial Statements for 2021-2022;**
- 2. noted the draft external audit completion report based on the presentation and assurance provided by the external auditor and Nexia Edwards Marshall's proposed unmodified opinion; and**
- 3. recommends to Council that the Financial Statements are ready for inclusion in the 2021-2022 Annual Report for presentation to the Minister.**

**CARRIED**

The Financial Statements including the signed management representation letter, and CEO certification were provided to the external auditors on 7 November 2022, and they indicated they will provide an unqualified signed audit opinion. The unsigned draft of the Independent auditor's report to the members of WARC on the audit of the financial report is on pages 3 and 4 of the Annual Financial Statements, attached.

#### **BACKGROUND**

It is a legislative requirement that Financial Statements be prepared for the West Arnhem Regional Council at the conclusion of each financial year ending 30 June. Furthermore these Financial Statements are required to be externally audited.

Part 10.7, Sections 207 and 208 of the *Local Government Act 2019* outline the requirement to prepare annual financial statements as soon as practical after the financial year and refer them to an auditor and have the audit process completed by the 15 November each year.

#### **COMMENT**

These financial statements were prepared after consultation with Senior Management of West Arnhem Regional Council and lengthy deliberations with Council's auditors.

#### **STATUTORY ENVIRONMENT**

The *Local Government Act 2019* states as follows:

Section 208 - Reference of annual financial statement for audit

The annual financial statement must be prepared, and referred to the council's auditor for audit:

- as soon as reasonably practicable after the end of the relevant financial year; and
- in any event, in time to ensure that the audited statement will be available no later than 15 November in the calendar year in which the financial year ends.

#### **POLICY IMPLICATIONS**

There are no policies implications identified by this report.

## FINANCIAL IMPLICATIONS

Cash and cash equivalents as at 30 June 2022 were \$9,976,320 as compared to \$13,339,541 at the same time last year. Further detail, and commentary regarding restricted cash and liabilities is available in the Financial Statements and the Financial Analysis which accompanies the Statements.

## STRATEGIC IMPLICATIONS

In preparing the Financial Statements for the Region within the timelines specified within the Act the administration has ensured that the objectives, outputs and actions of the Regional Plan are being achieved, as follows.

### PILLAR 1 PARTNERSHIPS, RELATIONSHIPS AND BELONGING

**Investing in relationships and partnerships at all levels supports and strengthens community and belonging. We prioritise the value of partnerships and relationships as a key determinant of a happy, strong and thriving community.**

#### Goal 1.1

##### Community Engagement

Seek out and support diverse perspectives and collaborations with community, community leaders, businesses, agencies and local service providers to enhance community life

### PILLAR 6 FOUNDATIONS OF GOVERNANCE

**Integrity is at the heart of everything we do. We are leaders of best practice and excellence in governance, advocacy, consultation and administration.  
Our processes, procedures and policies are ethical and transparent.**

#### Goal 6.1

##### Financial Management

Provision of strong financial management and leadership which ensures long term sustainability and growth

#### Goal 6.5

##### Planning and Reporting

Robust planning and reporting that supports Council's decision-making processes

## VOTING REQUIREMENTS

Simple majority.

### RECOMMENDATION:

**That the Council approves the publication and presentation to the Minister of the Audited Financial Statements for the 2021-2022 financial year.**

## ATTACHMENTS

- 1 WARC Fin Statements 30-06-2022 - Unsigned.pdf
- 2 ANALYSIS AND NOTES FOR ANNUAL REPORT 2021-22 OCM.pdf

# WEST ARNHEM



# REGIONAL COUNCIL

**West Arnhem Regional Council**

**ABN: 45 065 336 873**

**Financial Report For The Year Ended  
30 June 2022**

## West Arnhem Regional Council

ABN: 45 065 336 873

### Financial Report For The Year Ended 30 June 2022

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**INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF WEST ARNHem REGIONAL COUNCIL  
REPORT ON THE AUDIT OF THE FINANCIAL REPORT**

**Opinion**

We have audited the financial report of West Arnhem Regional Council ("the Council"), which comprises the statement of financial position as at 30 June 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the Chief Executive Officer's Certificate.

In our opinion the accompanying financial report of West Arnhem Regional Council, is in accordance with *Northern Territory Local Government Act 2019*, including:

- (a) Giving a true and fair view of the Council's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and the *Northern Territory Local Government (General) Regulations 2021*.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**The Responsibility of the Chief Executive Officer and Those Charged with Governance for the Financial Report**

The Chief Executive Officer of the Council is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Northern Territory Local Government Act 2019* and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive Officer either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

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**INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF WEST ARNHEM REGIONAL COUNCIL  
REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONT)**

**Auditor's Responsibility for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Edwards Marshall NT  
Chartered Accountants

Noel Clifford  
Partner, Assurance Services

Darwin  
Dated

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## West Arnhem Regional Council

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### Chief Executive Officer's Certificate

I, Paul Hockings, the Chief Executive Officer of the West Arnhem Regional Council, do hereby certify that the Annual Financial Statements:

- a) have been, to the best of my knowledge, information and belief, been properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act and the Local Government (General) Regulations so as to present fairly the financial position of Council and the results for the year ended 30 June 2022; and
- b) are in accordance with the accounting and other records of the Council.

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Paul Hockings  
Chief Executive Officer  
Jabiru  
Date:

West Arnhem Regional Council  
 ABN: 45 065 336 873  
 Statement of Profit or Loss and Other Comprehensive Income  
 For The Year Ended 30 June 2022

	Note	2022 \$	2021 \$
<b>CONTINUING OPERATIONS</b>			
<b>OPERATING REVENUE</b>			
Rates & Annual Charges	3a	5,865,217	5,743,950
User Charges and Fees	3b	411,709	249,125
Interest	3c	40,578	88,556
Grants provided for operating purposes	3e	13,298,032	13,705,857
Contributions and Donations	3g	5,804	-
Share of net profits of Associates and joint venture entities		-	
Net Gain on Disposal of Property Plant & Equipment	4f	-	147,874
Other Operating Revenue	3d	7,703,663	6,266,286
<b>TOTAL OPERATING REVENUE</b>		<b>27,325,003</b>	<b>26,201,648</b>
<b>OPERATING EXPENSES</b>			
Employee Costs	4a	(17,285,434)	(16,090,842)
Materials and Contracts	4e	(6,682,703)	(5,732,187)
Interest Charges	4b	(242,766)	(158,129)
Net Loss on Disposal/Write off of Property Plant & Equipment	4f	(187,492)	-
Other Operating Expenses	4d	(2,830,331)	(2,962,104)
<b>TOTAL OPERATING EXPENSES</b>		<b>(27,228,726)</b>	<b>(24,943,262)</b>
<b>Surplus Before Depreciation and Capital Grants</b>		<b>96,277</b>	<b>1,258,386</b>
<b>Grants &amp; Contributions provided for</b>			
- Acquisition of assets	3f	2,145,020	1,486,294
<b>Operational Surplus Before Depreciation</b>		<b>2,241,297</b>	<b>2,744,680</b>
Depreciation and Amortisation	4c	(5,701,868)	(5,207,258)
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR</b>		<b>(3,460,571)</b>	<b>(2,462,578)</b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

West Arnhem Regional Council  
 ABN: 45 065 336 873  
 Statement of Financial Position  
 As at 30 June 2022

	Note	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash on hand and at bank	5a	571,177	2,236,398
Investments	5b	9,405,143	11,103,143
Trade and Other Receivables	6	1,790,810	1,029,221
Inventories	7a	126,923	115,607
Other Assets	7b	467,208	309,213
<b>TOTAL CURRENT ASSETS</b>		<b>12,361,261</b>	<b>14,793,582</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8a	94,179,561	89,862,980
Work In Progress	8b	36,800	3,456,064
<b>TOTAL NON-CURRENT ASSETS</b>		<b>94,216,361</b>	<b>93,319,044</b>
<b>TOTAL ASSETS</b>		<b>106,577,622</b>	<b>108,112,626</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	2,405,490	2,295,642
Provisions	9b1	2,083,923	2,175,809
Lease Liabilities	9d1	93,977	65,883
Other Liabilities	9c	2,669,534	2,788,289
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,252,924</b>	<b>7,325,623</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	9b2	275,066	368,948
Lease Liabilities	9d2	6,821,877	4,729,729
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,096,943</b>	<b>5,098,677</b>
<b>TOTAL LIABILITIES</b>		<b>14,349,867</b>	<b>12,424,300</b>
<b>NET ASSETS</b>		<b>92,227,755</b>	<b>95,688,326</b>
<b>EQUITY</b>			
Assets Revaluation Reserve		25,711,095	28,750,081
Other Reserve		1,160,271	2,465,034
Accumulated Funds		65,356,389	64,473,211
<b>TOTAL EQUITY</b>		<b>92,227,755</b>	<b>95,688,326</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

West Arnhem Regional Council  
 ABN: 45 065 336 873  
 Statement of Changes in Equity  
 For The Year Ended 30 June 2022

	Accumulated Funds	Assets Revaluation Reserve	Other Reserves	Total
<b>Balance at 1 July 2020</b>	<b>65,046,013</b>	<b>31,789,067</b>	<b>1,315,824</b>	<b>98,150,904</b>
<b>Comprehensive Income</b>				
Net Operating Deficit for the year	(2,462,578)	-	-	(2,462,578)
Other comprehensive income for the year	-	-	-	-
Disposal of revalued assets	-	-	-	-
Depreciation related to revalued assets	3,038,986	(3,038,986)	-	-
Transfers between equity	(1,149,210)	-	1,149,210	-
<b>Balance at 30 June 2021</b>	<b>64,473,211</b>	<b>28,750,081</b>	<b>2,465,034</b>	<b>95,688,326</b>
<b>Comprehensive Income</b>				
Net Operating Deficit for the year	(3,460,571)	-	-	(3,460,571)
Other comprehensive income for the year	-	-	-	-
Disposal of revalued assets	-	-	-	-
Depreciation related to revalued assets	3,038,986	(3,038,986)	-	-
Transfers between equity	1,304,763	-	(1,304,763)	-
<b>Balance at 30 June 2022</b>	<b>65,356,389</b>	<b>25,711,095</b>	<b>1,160,271</b>	<b>92,227,755</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

West Arnhem Regional Council  
 ABN: 45 065 336 873  
 Statement of Cash Flows  
 For The Year Ended  
 30 June 2022

<b>CASH FLOW STATEMENT</b>	Note	2022 \$	2021 \$
<b>Cash flows from Operating Activities</b>			
Grants received		16,080,588	16,122,304
Receipts from user charges & fees		411,709	249,125
Receipts from rates and annual charges		5,468,241	5,686,558
Receipts from customers		7,345,405	6,183,911
Payments to employees		(17,467,871)	(16,116,864)
Payments for materials & contracts		(4,794,082)	(3,515,577)
Payments to suppliers & customers		(5,672,796)	(4,014,420)
Interest paid - Leases		(230,533)	(145,697)
Interest received		27,451	121,663
<b>Net cash flows from operating activities</b>	<b>10</b>	<b>1,168,312</b>	<b>4,571,003</b>
<b>Cash flows from Investing Activities</b>			
Acquisition of property, plant & equipment		(4,571,683)	(5,544,009)
Proceeds from Sale of property, plant & equipment		133,263	209,328
<b>Net cash flows (used in) investing activities</b>		<b>(4,438,420)</b>	<b>(5,334,681)</b>
<b>Cash flows from Financing Activities</b>			
Repayment of Lease principal amounts		(93,113)	(60,955)
<b>Net cash flows from (used in) financing activities</b>		<b>(93,113)</b>	<b>(60,955)</b>
<b>Net (decrease) in cash held</b>		<b>(3,363,221)</b>	<b>(824,633)</b>
Add opening balance carried forward		13,339,537	14,164,170
<b>Closing cash carried forward</b>	<b>5</b>	<b>9,976,316</b>	<b>13,339,537</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**WEST ARNHem REGIONAL COUNCIL**  
**ABN: 45 065 336 873**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The West Arnhem Regional Council (the Council) was established as a body corporate by a restructuring order under section 114C of the Local Government Act on 16 October 2007. West Arnhem Regional Council came into full operation on 1 July 2008, when it merged with other constituent councils to form the local government authority, also referred to as the West Arnhem Regional Council. The Council incorporates five (5) local government bodies:

- 1 Jabiru Town Council;
- 2 Kunbarlanjinja Community Government Council;
- 3 Maningrida Council Inc.
- 4 Minjilang Community Inc.; and
- 5 Warruwi Community Inc.

The principal place of business of the Council is Tasman Crescent, Jabiru NT 0886.

The purpose of this financial report is to provide users with information about the stewardship of the Council and accountability for the resources entrusted to it, information about the financial position, performance and cash flows of the Council.

This note sets out the principal accounting policies adopted in the preparation of the financial statements by the Council as set out below.

*The Local Government Reporting Entity*

These financial statements include all businesses through which the Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between functional areas and controlled entities have been eliminated. A summary of contributions to the operating result by function is provided at note 2(a).

**Basis of Accounting**

*Statement of Compliance*

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations, the requirements of the Local Government Act, the Local Government (Accounting) Regulations, and other authoritative pronouncements of the Australian Accounting Standards Board.

*Adoption of new and revised accounting standards*

The Council has adopted all of the new, revised or amending accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There were no new standards adopted for the year ended 30 June 2022.

Other new, revised, interpretations or amending standards issued prior to the sign-off date applicable to the current reporting period did not have a financial impact and are not expected to have any future financial implications on the Council.

*Standards and Interpretations issued not yet effective*

The Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective.

*Significant accounting policies*

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies adopted for the reporting period are consistent with those of the previous reporting period except where otherwise indicated.



WEST ARNHEM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(a) Revenue and Other Income**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Council expects to be entitled in exchange for those goods or services. Performance obligations may be completed at a point in time or over time. Revenue is measured on major income categories as follows:

*(i). Rates and levies*

Rates are recognised at the commencement of rating period.

Rates are an enforceable debt linked to rateable property that will be recovered when the property is next sold, where receipt is outstanding. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenue.

Uncollected rates are recognised as receivables. A provision is recognised when collection in full is no longer probable.

*(ii). Grants, donations and other contributions*

Grants revenue is recognised at fair value exclusive of the amount of GST. Until 30 June 2019, grant revenue and other non-reciprocal contributions were recognised as revenue when the Council obtains control over the asset comprising the contribution, which was normally obtained on receipt.

From 1 July 2019, where a grant agreement is enforceable and has sufficiently specific performance obligations for the Council to transfer goods or services to the grantor or a third party beneficiary, the transaction is accounted for under AASB 15 - Revenue from Contracts with Customers. In this case, revenue is initially deferred as a contract liability when received in advance and recognised as or when the performance obligations are satisfied.

Where grant agreements do not meet criteria above, it is accounted for under AASB 1058 - Income of Not-For-Profit Entities, and income is recognised on receipt of funding except for capital grants revenue received for the purchase or construction of non-financial assets to be controlled by the Council. Capital grants with enforceable contracts and sufficiently specific obligations are recognised as an unearned revenue liability when received and subsequently recognised progressively as revenue as or when the Council satisfies its obligations under the agreement. Where a non-financial asset is purchased, revenue is recognised at the point in time the asset is acquired and control transfers to the Council.

Government grants relating to income are recognised as revenue in the period in which they are received.

*(iii) User Charges and Service fee revenue*

User Charges and Service Fee revenue is recognised when the outcome of such transactions can be estimated reliably.

*(i). Rendering of Services*

Until 30 June 2019, revenue from rendering services was recognised by reference to the stage of completion of the contract. From 1 July 2019, revenue from rendering of services is recognised when the Council satisfies the performance obligation by transferring the promised services. The Council typically satisfies its performance obligations when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured and
- it is probable that the economic benefits associated with the transaction will flow to the Council.

*(i). Disposal of property, plant and equipment*

The gain or loss on disposal of an asset is determined when control of the asset has passed from the Council and can be measured reliably.

*(i). Interest revenue*

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

## WEST ARNHEM REGIONAL COUNCIL

ABN: 45 065 336 873

## NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

**(b) Cash and Cash Equivalents:**

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**(c) Financial Instruments:****(i) Initial recognition and measurement**

Financial assets are recognised when the Council becomes a party to the contractual provisions of the instrument. For financial assets this is the equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial assets (except for trade receivables) are initially measured at fair value plus directly attributable transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component.

**(ii) Subsequent measurement**

Financial assets are subsequently measured at:

- amortised cost (Loans & receivables and investments);
- fair value through Statement of Profit or Loss and Other Comprehensive Income; or
- fair value through Other Comprehensive Income.

Financial liabilities are subsequently measured at

- amortised costs; or
- fair value through Statement of Profit or Loss and Other Comprehensive Income.

The Council does not have any financial assets and liabilities fair value through other comprehensive income.

Trade receivables are subsequently measured at amortised cost using the effective interest rate method, net of any provision for expected credit losses. Whereas, trade payables are subsequently measured at amortised costs using the effective interest rate method.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(c) Financial Instruments (cont.):**

**(iii) Derecognition**

Financial assets are derecognised when the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Council no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non cash assets or liabilities assumed, is recognised in Statement of Profit and Loss and Other Comprehensive Income.

**(iv) Impairment**

Impairment on trade and other receivables is reduced through the use of provision accounts, all other impairment losses on financial assets at amortised cost are taken directly to the Statement of Profit or Loss and Other Comprehensive Income.

*Impairment Losses*

The Council recognises an allowance for expected credit losses (ECLs) for trade and other receivables. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Council expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, the Council applies a simplified approach in calculating ECLs. Therefore, the Council does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Council has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Council considers a trade and other receivables in default when contractual payments are 90 days past due. However, in certain cases, the Council may also consider a financial asset to be in default when internal or external information indicates that the Council is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Council. A trade and other receivables is written off when there is no reasonable expectation of recovering the contractual cash flows.

**(d) Inventory:**

Inventories are measured at the lower of cost and net realisable value.

**(e) Property, Plant and Equipment:**

*(i). Acquisition of property, plant and equipment (including structural assets)*

Property, plant and equipment is recognised at cost when control of the asset passes to the Council. Cost includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to the Council is the fair value of the asset, plus costs directly attributable to the acquisition.

The Council recognises assets over the value of \$5,000.

Assets classes of Land and Building, Infrastructure and Roads are valued at fair value with valuations being conducted in accordance with AASB 116 - Property, Plant and Equipment. These classes of the assets were valued by a professional valuer and the Council has adopted the new valuation from 1 July 2015. The other classes of assets are being valued at initial transfer value/cost.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(e) Property, Plant and Equipment (Cont.):**

*(ii). Depreciation*

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost or other re-valued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Depreciation is provided for on a straight line method using lives which are reviewed each reporting period.

The following useful lives are used in the calculation of depreciation:

Asset Category	2022	2021
Right of Use Assets – s19 Leases and Jabiru Town Leases	3 to 40 years	3 to 40 years
Buildings	10 to 60 years	10 to 60 years
Plant and Equipment	1 to 14 years	1 to 14 years
Infrastructure	15 to 100 years	15 to 100 years
Roads	2 to 100 years	2 to 100 years
Motor Vehicles	1 to 4 years	1 to 4 years
Office Furniture and Equipment	1 to 5 years	1 to 5 years
Other Assets	5 years	5 years

*(iii). Work In Progress*

Initial expenditures incurred for buildings under construction are capitalised as they are incurred and depreciation is commenced once the building is complete and ready for use.

*(iv). Impairment of assets*

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

If such an indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For non cash generating assets of the Council such as roads, cycle paths and public buildings, fair value is represented by the depreciated optimised replacement cost. Impairment losses are recognised in the surplus or deficit.

*(v). Land under Roads*

The Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 Land under Roads.

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Leases:

*Council as a lessee*

The Council has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low value assets are assets with a fair value of \$10,000 or less when new and not subject to a sublease arrangement, comprising mainly of photocopiers.

*Recognition and measurement*

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

The Council recognises right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site, if any.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as indicated in Note e(ii).

If ownership of the leased asset transfers to the Council at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subsequently measured at fair value which approximates costs except for those arising from leases that have significantly below-market terms and conditions principally to enable the Council to further its objectives and are also subject to impairment.

The right-of-use assets are subject to remeasurement principles consistent with the lease liability including indexation and market rent review that approximates fair value and only revalued where a trigger or event may indicate their carrying amount does not equal fair value.

(g) Lease Liabilities:

At the commencement date of the lease where the Council is the lessee, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments may include fixed payments (including in substance fixed payments) less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the entity exercising the option to terminate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Council's leases, the weighted average incremental borrowing rate is used as the incremental borrowing rate.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (such as changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(h) Employee Benefits:**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

*(i). Employee benefits expected to be settled within 12 months*

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

*(ii). Employee benefits not expected to be settled within 12 months*

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the Council in respect of services provided by the employees up to reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

*(iii). Defined contribution plans*

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions. The Council contributes in respect of its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme) established in respect of certain municipalities in South Australia and the Northern Territory.

**(i) Provisions:**

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(j) Goods and services tax:**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(i). where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cashflows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

**(k) Tax Status:**

West Arnhem Regional Council is tax exempt under Sec 50-25 of the *Income Tax Assessment Act 1997*, being a local governing body.

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

**(l) Budget Information:**

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of the Council. Budget figures represented are those approved by the Council at the beginning of the financial year.

**(m) Rounding of amounts:**

The financial report is presented in Australian dollars and values are rounded to the nearest dollar unless otherwise specified.

**(n) Key Sources of Estimation Uncertainty:**

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

**(o) Economic Dependence and Going Concern:**

The Council is funded predominantly by funding provided by both the Australian and Northern Territory Governments to meet operational and capital expenditure needs.

The Council has made an operational surplus before depreciation and capital grants of \$86,277 in the current year (2021: Surplus \$1,258,386) from continuing operations. After depreciation and capital grants, the Council recorded a deficit for the year of \$3,460,571 (2021: Deficit \$2,462,578) from continuing operations. In line with the current year results, the Council recorded positive operating cash flows in 2022, and net working capital of \$5,108,337 in 2022 (2021: \$7,467,959).

In the Council's opinion, this general purpose financial report has been prepared on a going concern basis in the expectation that such funding and support from the Australian and Northern Territory Governments will continue. The Council's future as a going concern is dependent upon grants and subject to compliance conditions attached to the grants received.

Despite the ongoing uncertainty in relation to the impact of the COVID-19 pandemic, the Council believes that it will continue to receive support from funding bodies and will be able to generate sufficient cash flows to be able to pay its debts as and when they fall due. As such, the Council believes the going concern assumption used is appropriate.

**(p) Comparatives**

When required by Accounting Standards comparative amounts have been adjusted to conform with changes in presentation in the current year.

**WEST ARNHEM REGIONAL COUNCIL**  
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022**

**2(a). REVENUE, EXPENSES AND ASSETS BY FUNCTIONS**

- Revenues, expenses and assets have been attributed to the following functions/activities. Details of those functions/activities are provided at note 2(b).

Description	General Public Services		Public Order & Safety		Economic Affairs		Env. Protection		Housing and Comm. Amenities	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>REVENUE</b>										
Rates and Annual Charges	2,049,852	2,126,929	142,250	142,250	-	-	2,059,429	2,064,812	1,913,685	1,910,000
User Charges and Fees	20,103	14,141	705	1,150	6,945	4,866	193,768	144,480	157,434	156,793
Interest Income	594	1,210	-	-	39,064	19,000	-	-	-	-
Grant Income - Operating	5,770,036	5,342,182	1,566,852	2,096,799	2,062,455	4,711,539	-	217,177	187,273	538,676
Contributions	2,550	2,500	-	-	-	-	-	-	-	-
Other Revenue	375,522	181,300	15,194	15,000	2,644,418	3,101,989	165,970	166,974	3,060,193	3,130,355
Net Gain on Disposal of PP&E	206,000	556,423	43,655	1,566	1,664,565	1,532,776	310,500	939,669	-	270,460
Grant Income - Capital	8,424,608	8,226,775	1,769,695	2,260,155	6,368,368	9,369,170	2,733,968	3,532,932	5,048,585	6,006,314
<b>TOTAL REVENUE</b>										
<b>EXPENDITURE</b>										
Employee Costs	(6,635,236)	(6,940,144)	(1,145,149)	(1,212,420)	(2,133,782)	(2,165,694)	(998,615)	(883,437)	(2,230,525)	(2,174,671)
Materials and Contracts	(1,765,237)	(1,943,572)	(238,858)	(359,396)	(1,567,387)	(3,363,327)	(276,118)	(242,450)	(1,329,806)	(1,758,751)
Interest Charges	(31,894)	(5,876)	(5,319)	-	(46,046)	(6,300)	-	-	(150,876)	-
Net Loss on Disposals/Write Off of PP&E	(187,452)	195,594	(23,276)	(112,419)	(260,659)	(169,534)	(193,268)	(223,786)	(136,688)	(164,951)
Other Operating Expenses	(1,806,509)	(1,839,947)	(23,276)	(112,419)	(260,659)	(169,534)	(193,268)	(223,786)	(136,688)	(164,951)
<b>TOTAL EXPENDITURE</b>	<b>(10,426,168)</b>	<b>(10,433,955)</b>	<b>(1,410,651)</b>	<b>(1,684,225)</b>	<b>(4,006,252)</b>	<b>(5,724,855)</b>	<b>(1,469,001)</b>	<b>(1,349,674)</b>	<b>(3,648,025)</b>	<b>(4,118,273)</b>
<b>SURPLUS/(DEFICIT) BEFORE DEPRECIATION &amp; AMORTISATION</b>										
Depreciation Expenses	(3,123,166)	-	-	-	(428,711)	-	-	-	(2,145,971)	-
Impairment of Jabiru Assets	-	-	-	-	-	-	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR FOR CONTINUING OPERATIONS</b>	<b>(3,123,166)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(428,711)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,145,971)</b>	<b>-</b>
Gain on Revaluation of Assets	-	-	-	-	-	-	-	-	-	-
<b>NET SURPLUS / (DEFICIT) :</b>	<b>(3,123,166)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(428,711)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,145,971)</b>	<b>-</b>
Carrying Value of Non-Current Assets	7,439,065	-	705,700	-	25,603,062	-	15,178,174	-	32,024,159	-



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 2(a). REVENUE, EXPENSES AND ASSETS BY FUNCTIONS (CONT.)

Description	Health		Recreation, Culture and Religion		Education		Social Protection	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>REVENUE</b>								
Rates and Annual Charges	-	-	-	-	-	-	-	-
User Charges and Fees	-	-	32,266	42,020	-	-	486	145
Interest Income	-	-	-	-	-	-	-	-
Grant Income - Operating	40,860	220,145	1,167,918	2,628,433	-	-	2,472,597	2,606,863
Contributions	-	-	2,000	-	-	-	1,304	1,304
Other Revenue	-	-	142,683	93,929	-	-	1,265,683	1,301,750
Net Gain on Disposal of PP&E	-	-	-	1,080,265	-	-	-	-
Grant Income - Capital	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>40,860</b>	<b>220,145</b>	<b>1,344,867</b>	<b>3,845,656</b>	-	-	<b>3,740,070</b>	<b>3,910,072</b>
<b>EXPENDITURE</b>								
Employee Costs	-	-	(1,802,939)	(1,876,286)	-	-	(2,235,207)	(2,349,847)
Materials and Contracts	(28,260)	(134,700)	(938,328)	(1,171,890)	-	-	(540,580)	(523,508)
Interest Charges	-	-	-	(30)	-	-	(9,833)	(1,500)
Net Loss on Disposal/Write Off of PP&E	-	-	-	-	-	-	-	-
Other Operating Expenses	(31,207)	(11,655)	(197,878)	(317,849)	-	-	(181,445)	(311,818)
<b>TOTAL EXPENDITURE</b>	<b>(59,467)</b>	<b>(146,355)</b>	<b>(3,039,147)</b>	<b>(3,366,055)</b>	-	-	<b>(2,971,065)</b>	<b>(3,186,773)</b>
<b>SURPLUS/(DEFICIT) BEFORE DEPRECIATION &amp; AMORTISATION</b>								
Depreciation & Impairment Expenses	-	-	-	-	-	-	-	-
<b>SURPLUS/(DEFICIT) FOR THE YEAR FOR CONTINUING OPERATIONS</b>								
Gain on Revaluation of Assets	-	-	-	-	-	-	-	-
<b>NET SURPLUS / (DEFICIT) :</b>								
Carrying Value of Non-Current Assets	-	-	12,441,503	-	-	-	786,796	-

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2(a). REVENUE, EXPENSES AND ASSETS BY FUNCTIONS (CONT.)

Description	TOTAL	
	Actual \$	Budget \$
<b>REVENUE</b>		
Rates and Annual Charges	5,865,217	6,243,730
User Charges and Fees	411,709	363,595
Interest Income	40,576	19,210
Grant Income - Operating	13,298,032	18,365,814
Contributions	5,804	3,804
Other Revenue	7,703,663	7,981,407
Net Gain on Disposal of PP&E	-	-
Grant Income - Capital	2,145,020	4,383,600
<b>TOTAL REVENUE</b>	<b>29,470,023</b>	<b>37,371,220</b>
<b>EXPENDITURE</b>		
Employee Costs	(17,285,434)	(17,502,600)
Materials and Contracts	(8,662,703)	(9,497,594)
Interest Charges	(242,766)	(13,706)
Net Loss on Disposal/Write Off of PP&E	(187,482)	195,584
Other Operating Expenses	(2,830,331)	(3,191,959)
<b>TOTAL EXPENDITURE</b>	<b>(27,228,726)</b>	<b>(30,016,165)</b>
<b>SURPLUS/(DEFICIT) BEFORE DEPRECIATION &amp; AMORTISATION</b>	<b>2,241,297</b>	<b>7,361,056</b>
Depreciation & Impairment Expenses	(5,701,868)	-
<b>(DEFICIT) FOR THE YEAR FOR CONTINUING OPERATIONS</b>	<b>(3,460,571)</b>	<b>7,361,056</b>
Gain on Revaluation of Assets	-	-
<b>NET SURPLUS / (DEFICIT) :</b>	<b>(3,460,571)</b>	<b>7,361,056</b>
Carrying Value of Non-Current Assets	94,178,560	

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2(b). COMPONENTS OF FUNCTIONS

The activities relating to the Council functions reported on in Note 2(a) are as follows:

**GENERAL PUBLIC SERVICES**

Executive and Legislative Functions

Administration, operation and support of executive and legislative functions and all elements associated with Corporate governance.

Financial and Fiscal Affairs

Administration of Council's finances and compliance with legislative provisions of *Local Government (Accounting) Regulations*.

General Public Services - including General Admin Corporate Services/Community Services/Works & Infrastructure, Other and Office Personnel Maintenance

Administration, support, regulation, research and operation of general public services including insurance.

**PUBLIC ORDER & SAFETY**

Public Order & Safety

Control of animals such as dog registration, pounds and the control of stray animals.

**HEALTH**

Public Health Services

Preventative health programs which have the aim of preventing disease including mosquito control. Conduct health inspections of food premises.

**SOCIAL PROTECTION**

Childcare Services

Operation of the Jabiru Childcare Centre and Warruwi Jet Crèches, Outside School Hours Care.

Other Welfare Services NEC including:

Community Aged Care, Community Capacity Projects, Community Youth Camp, Emergency Relief, Family Safety Program, Endangered Language Programs, Volatile Substance Abuse.

**ENVIRONMENTAL PROTECTION**

Recycling

Monitoring, reduction, collection, treatment and disposal of all types of solid waste intended for recycling.

Solid Waste Management

Collection, disposal and management of waste products including household garbage, trade and industrial waste.

Environmental Protection NEC

Protection against and reduction of environmental damage by erosion, pollution, weed and vegetation growth including special rubbish clean-ups and anti-litter enforcement.

Waste Water Management

Sewerage collection, sewerage treatment and disposal of sewerage. Maintenance of equipment and collection of charges for service.

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2(b). COMPONENTS OF FUNCTIONS (CONT.)

**RECREATION, CULTURE & RELIGION**

Community Halls and Recreation Centres

Operation and maintenance of community halls and recreation centres for general community and cultural activities.

Swimming Pools

Operation and maintenance of the swimming pools and gymnasium.

Sport & Recreation Activities

To facilitate and encourage the development of sport and recreational activities in the region.

Parks, Gardens & Paths

Administration and maintenance of recreational parks which are green open spaces provided primarily for recreation purposes and playgrounds.

Library

Operation of council's library including lending and reference services, provision of books, library archives and support for library research.

Community Celebrations

Activities relating to national, regional and local celebrations including Australia Day, Anzac Day, etc.

Other Performing Arts

The presentation of artistic performances including funding for the administration, support, provision and operation of festivals which provide a range of predominantly artistic performances.

Sports Grounds

Management of purpose built sport grounds that would normally involve turf management including maintenance of facilities attached to the sport ground.

Cultural or Arts Services NEC - including Endangered Languages and Song Project

The support, Provision, Operation, etc, of arts or culture related activities that cannot be assigned elsewhere.

**ECONOMIC AFFAIRS**

Public Relations, Tourism and Area Promotion -

Facilitation and encouragement of activities which will promote tourism in Jabiru. Includes council promotion to attract development.

**HOUSING & COMMUNITY AMENITIES**

Community Maintenance and Capital Upgrades

Maintain the housing provided for the indigenous residents, government employees and other tenants of the Council.

Community Development & Planning

Administering zoning laws, town planning regulations on land use and planning regarding culture and recreation facilities.

Water Supply

Maintain the water supply services provided in Jabiru by the Council. Monitor the treatment and supply of town water. Maintain town bores.

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2(b). COMPONENTS OF FUNCTIONS (CONT.)

Public Housing

Under agency agreements with Department of Environment Energy (DoEE) provide administrative support, undertake inspections, arrange repairs and maintenance, etc. of housing accommodation.

Cemetery, Street Lighting & Amenities

Administration, regulation, installation, operation and maintenance of street lights.

Housing and Community Amenities NEC

Including Sanitation & Garbage, Stormwater, Sewerage anti-litter and Weed Control.

**EDUCATION**

Education NEC

Provision of youth welfare services which are developmental in nature including:

Youth Employment Services

Youth Advisory Committee

**TRANSPORT & COMMUNICATION (included under ECONOMIC AFFAIRS)**

Road Maintenance - Roads

Servicing and operation of the road system, road pavement and footway/cycle paths, shoulder maintenance.

WEST ARNHEM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>3. OPERATING REVENUES</b>		
<b>(a) Rates and Annual Charges</b>		
<u>Ordinary Rates</u>		
General	2,049,853	2,020,559
<u>Annual Charges</u>		
Domestic Waste Charges	1,341,491	1,296,184
Sewerage Charges	717,938	716,049
Water Charges	1,613,685	1,711,158
Animal Control - special rate	142,250	-
<b>Total Rates and Annual Charges</b>	<b>5,865,217</b>	<b>5,743,950</b>
<b>(b) User Charges and Fees</b>		
User Charge Fee Income	57,760	51,557
Property Lease Rental Fee Income	26,795	22,577
Equipment Hire Income	140,264	79,089
Landfill Income	186,708	94,972
Other	182	930
<b>Total User Charges and Fees</b>	<b>411,709</b>	<b>249,125</b>
<b>(c) Interest</b>		
Interest on Investments	39,984	87,540
Other interest	594	1,016
<b>Total Interests</b>	<b>40,578</b>	<b>88,556</b>
<b>(d) Other Operating Revenue</b>		
Contract Fees	3,778,714	3,262,466
Sales Income	880,712	539,572
Service Fee Income	1,515,153	1,401,594
Share of Profit of Joint Venture	-	-
Reimbursements	745,893	366,965
FAO Childcare Benefit	243,706	263,759
Fuel Tax Credits	44,700	50,135
Other Revenue	494,785	379,795
<b>Total Other Operating Revenue</b>	<b>7,703,663</b>	<b>6,266,286</b>

WEST ARNHAM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>3. OPERATING REVENUES ( CONT.)</b>		
<b>(e) Grants provided for operating purposes</b>		
<b>Commonwealth Operational Funding</b>		
Night Patrol	963,864	1,052,086
Warruwi and Minjilang Crèche	851,610	825,909
NT Jobs Package - Aged Care	669,818	663,120
Safety and Wellbeing - Sport and Recreation	507,574	515,000
Jabiru Beautification Project	457,128	140,691
E-Tools - Commonwealth Home Support Program (CHSP)	454,315	208,140
Children and Schooling - Youth, Sport and Rec. Project	277,333	300,000
Outside School Hours Care (OSHC) - Warruwi	95,756	95,756
Preparing Australian Communities - LED Screens	82,909	-
Support Child Care Services - Jabiru	66,666	-
Kurrung Sports Carnival - Sport Australia	40,000	-
CHSP Adhoc Funding	33,875	-
Aged Care Transitional Support	32,500	32,500
Get Up Stand Up Show Up - NAIDOC Week Activity	23,920	-
Remote Indigenous Broadcasting Service	6,361	35,000
COVID-19 Aged Care	3,360	-
Local Roads and Community Infrastructure Program	-	757,086
COVID Safe Australia Day LED Screen	-	20,000
Aged Care Workforce Retention (ACWR)	-	8,160
Night Patrol Covid-19 Booster Program	-	475,000
COVID19 SUPPORT Commonwealth Home Support Program	-	28,488
<b>Total Commonwealth Operational Funding</b>	<b>4,566,987</b>	<b>5,156,935</b>
<b>NT Operational Funding</b>		
NT Operational Funding	3,645,000	3,696,266
General Purpose Financial Assistance Grant	1,318,225	596,871
Local Roads Financial Assistance Grant	1,298,456	582,150
Indigenous Jobs Development Funding	794,000	835,909
Local Authorities Community Projects	626,500	626,500
Women's Safe House - Gunbalanya	440,453	440,453
NT Remote Sports Program	213,508	215,067
Library Service - Jabiru	126,281	127,203
Flexible Support Packages and COVID-19 Service Delivery Cost	79,666	-
Operate Long Day Care Centre - Jabiru	23,224	23,386
Community Road Safety Education	11,000	-
BBQ Trailer - Community Benefit Fund	10,367	-
NT Govt - Jabiru Pool Mobility Lift	5,025	-
Suicide Prevention Workshops	5,000	8,840
Youth Mobile Gym Program - Maningrida	2,000	-
Culture school Holiday Activities in Maningrida	2,000	-
Beautification and Place-making Initiatives Jabiru 2020-21	-	1,000,000
WaRM - Waste and Resource Management	-	148,800
Domestic Family and Sexual Violence Programs	-	97,197
COVID-19 Domestic and Family Response Tranche 1	-	55,000
Commercial Rate Replenishment Funding	-	46,680
Maningrida Youth Strategy	-	30,000
Strong Women for Healthy Country Network Forum	-	6,500
Remote Sports Voucher Program	-	5,000
<b>Total NT Operational Funding</b>	<b>8,600,705</b>	<b>8,541,922</b>

WEST ARNHAM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>3. OPERATING REVENUES ( CONT.)</b>		
<b>(e) Grants provided for operating purposes (Cont.)</b>		
<u>Other Operational Funding</u>		
TEABBA Staff Funding - Indigenous Broadcasting Prgm (RIBS)	107,340	-
Australia Day Grant - Australia Day Council NT	23,000	3,000
Territory Day Community Grant	-	3,000
Australia Day Branding Grant	-	1,000
<b>Total Other Operational Funding</b>	<b>130,340</b>	<b>7,000</b>
<b>Total Grants provided for operating purposes</b>	<b>13,298,032</b>	<b>13,705,857</b>
<b>(f) Capital Grants</b>		
<u>Commonwealth Capital Funding</u>		
Roads to Recovery	368,458	540,268
Local Roads and Community Infrastructure Program	216,107	-
ABA - Gunbalanya Children's Playground	206,000	-
Upgrade Minjilang Basketball Court	-	146,026
<b>Total Commonwealth Capital Funding</b>	<b>790,565</b>	<b>686,294</b>
<u>NT Capital Funding</u>		
Mala'la Rd - Maningrida - DIPL \$1m	1,000,000	-
LGIP - Towards purchase of Rubbish Compactor - Waruwi	162,000	-
WaRM - Waste and Resource Management	148,800	-
Safe house Paint and Furniture : Gunbalanya	43,655	-
Oval Upgrade - Maningrida	-	500,000
Airport Road Drainage Construction : Waruwi	-	300,000
<b>Total NT Capital Funding</b>	<b>1,354,455</b>	<b>800,000</b>
<u>Other Capital Funding &amp; Contributions</u>		
Transfer of Ownership Jabiru Streetlight	-	-
Transfer of Houses from ERA	-	-
JTDA Infrastructure Projects - Jabiru	-	-
<b>Total NT Capital Funding</b>	<b>-</b>	<b>-</b>
<b>Total Capital Grants</b>	<b>2,145,020</b>	<b>1,486,294</b>
<b>(g) Contributions and Donations</b>		
Cash from Fundraising	1,304	-
Cash Donations	4,500	-
<b>Total Contributions &amp; Donations</b>	<b>5,804</b>	<b>-</b>



WEST ARNHEM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>4. OPERATING EXPENSES</b>		
<b>(a) Employee Costs</b>		
Salaries and Wages	11,860,006	10,885,473
Employee Leave Benefits	1,948,315	1,972,811
Superannuation	1,660,561	1,569,104
Locality & Other Allowances	730,345	636,137
Staff Housing/Relocation	571,684	420,474
Workers Compensation Insurance	396,275	369,764
Fringe Benefits Tax	52,028	19,753
Staff Hire	60,438	217,326
Other	7,784	-
<b>Total Operating Employee Costs</b>	<b>17,285,434</b>	<b>16,090,842</b>
<b>(b) Interest Charges</b>		
Interest Expenses S19 Leases	230,533	145,697
Bank Fees	12,233	12,432
<b>Total Interest Charges</b>	<b>242,766</b>	<b>158,129</b>
<b>(c) Depreciation and Amortisation</b>		
Buildings	1,914,669	1,698,372
Infrastructure	1,772,410	1,510,181
Plant and Machinery	949,685	908,768
Roads	428,711	540,096
Motor Vehicles	377,158	362,227
Leasehold Land	235,303	160,187
Furniture and Fittings	23,932	27,457
<b>Total Depreciation and Amortisation</b>	<b>5,701,868</b>	<b>5,207,258</b>
<b>(d) Other Operating Expenses</b>		
Insurance	858,680	679,435
Consultants & Legal Expenses	518,387	696,189
Travel and Accommodation	380,575	583,953
Councillor Allowance Exp	217,644	226,326
Repayment Prior Year Funding	20,000	52,560
Vehicle Registration Expense	122,427	107,672
Council Chairman's Allowance	94,888	94,888
Training and Seminars	346,965	312,813
Bad debt write-off Exp	(1,553)	(21,257)
Royalty payments	117,898	-
Other	154,420	229,525
<b>Total Other Operating Expenses</b>	<b>2,830,331</b>	<b>2,962,104</b>
<b>(e) Materials and Contracts</b>		
Materials Expenditure	2,407,284	2,141,844
Contractor expenses	1,927,805	1,515,776
Electricity	607,514	526,614
Fuel & Oil Motor Vehicles	434,713	373,092
IT Help Desk & Software Leases	387,028	336,758
Water & Sewerage	275,958	236,389
Freight	230,296	250,997
Internet & Network Communication	210,806	156,339
Telephone Communication Expenses	111,890	59,451
Operating Lease Expenses	25,248	24,022
Section 19 Leases	48,264	45,788
Plant & Equipment hire	15,897	65,317
<b>Total Materials and Contracts</b>	<b>6,682,703</b>	<b>5,732,187</b>

WEST ARNHEM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>4. OPERATING EXPENSES (CONT.)</b>		
<b>(f) Gain or Loss on Disposal/Writeoff of Assets</b>		
<b>Motor Vehicle Gain/(Loss ) on Disposal</b>		
Written Down Value	-	61,454
Proceeds from Sale	37,672	128,156
Gain on disposal	37,672	66,702
Loss on disposal	-	-
<b>Plant Gain/(Loss ) on Disposal</b>		
Written Down Value	197,339	-
Proceeds from Sale	95,591	81,172
Gain on disposal	-	81,172
Loss on disposal	(101,748)	-
<b>Other PP&amp;E Gain/(Loss ) on Disposal</b>		
Written Down Value	123,416	-
Proceeds from Sale	-	-
Gain on disposal	-	-
Loss on disposal	(123,416)	-
<b>Net Gain (Loss) on Disposal/Write off of Property Plant &amp; Equipment</b>	<b>(187,492)</b>	<b>147,874</b>
<b>Total (Gain)/Loss on Disposal</b>		
Written Down Value	320,755	61,456
Proceeds from Sale	133,263	209,330
Gain on disposal	37,672	147,874
Loss on disposal	(225,164)	-
<b>Net Gain/(Loss) on Disposal/Write Off of Assets</b>	<b>(187,492)</b>	<b>147,874</b>

WEST ARNHEM REGIONAL COUNCIL  
 ABN: 45 065 336 873  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

**5. CASH AND INVESTMENTS**

**(a) CASH**

Current Operating Accounts & Cash on Hand	571,177	2,236,398
Short Term Deposits	-	-
ATM and Petty Cash	-	-
<b>Total Cash</b>	<b><u>571,177</u></b>	<b><u>2,236,398</u></b>

**(b) INVESTMENTS**

Short Term Deposits	9,405,139	11,103,139
Shares Credit Union	4	4
<b>Total Investments</b>	<b><u>9,405,143</u></b>	<b><u>11,103,143</u></b>

<b>Total Cash and Investments Available</b>	<b><u>9,976,320</u></b>	<b><u>13,339,541</u></b>
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**Summary:**

Current Operating Accounts & Cash on Hand	571,177	2,236,398
Short Term Deposits	9,405,139	11,103,139

<b>Total Cash and Cash Equivalent Assets</b>	<b><u>9,976,316</u></b>	<b><u>13,339,537</u></b>
----------------------------------------------	-------------------------	--------------------------

**Investments**

Shares Credit Union	4	4
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<b>Total Cash and Investment Assets</b>	<b><u>9,976,320</u></b>	<b><u>13,339,541</u></b>
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WEST ARNHAM REGIONAL COUNCIL  
ABN: 45 065 336 873  
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>5. CASH AND INVESTMENTS (CONT.)</b>		
<b>RESTRICTED CASH AND INVESTMENTS SUMMARY</b>		
Purpose:		
<u>External Restrictions</u>		
<u>Externally Restricted included in liabilities:</u>		
DoEE rent held in trust	14,583	26,936
Bonds	127,504	121,370
	<u>142,087</u>	<u>148,306</u>
<u>Externally Restricted Included in Revenue in the</u>		
<u>Current or Past Years:</u>		
Local Authorities Community Projects	1,213,014	1,331,126
Mala'la Rd - Maningrida - DIPL \$1m	1,000,000	-
Local Roads and Community Infrastructure Program	533,989	694,054
E-Tools - Commonwealth Home Support Program (CHSP)	327,530	-
Oval Upgrade - Maningrida	277,382	298,782
LGIP - Towards purchase of Rubbish Compactor - Waruwi	162,000	-
NT Jobs Package - Aged Care	146,083	59,423
NT Remote Sports Program	143,292	131,804
Waruwi and Minjilang Crèche	119,593	-
Women's Safe House - Gunbalanya	111,814	79,351
Jabiru Beautification Project	99,405	-
Domestic Family and Sexual Violence Programs	93,090	102,292
WaRM - Waste and Resource Management	85,345	148,800
Children and Schooling - Youth, Sport and Rec. Project	84,444	133,775
Preparing Australian Communities - LED Screens	82,909	-
Flexible Support Packages and COVID-19 Service Delivery Cost	79,666	-
Night Patrol Covid-19 Booster Program	70,620	372,272
Aged Care Transitional Support	51,910	32,500
Safety and Wellbeing - Sport and Recreation	47,444	186,654
COVID-19 Domestic and Family Response Tranche 1	43,430	55,000
Kurrung Sports Carnival - Sport Australia	40,000	-
Remote Indigenous Broadcasting Service	38,314	79,981
Get Up Stand Up Show Up - NAIDOC Week Activity	20,747	-
ABA - Gunbalanya Children's Playground	14,445	-
Community Road Safety Education	11,000	-
BBQ Trailer - Community Benefit Fund	10,367	-
TEABBA Staff Funding - Indigenous Broadcasting Prgm (RIBS)	10,264	-
Worker and Wellbeing Fund	6,875	7,350
Library Service - Jabiru	5,088	-
NT Govt - Jabiru Pool Mobility Lift	5,025	-
Safe house Paint and Furniture : Gunbalanya	3,655	-
COVID-19 Aged Care	3,360	-
Suicide Prevention Workshops	3,336	3,949
Youth Mobile Gym Program - Maningrida	2,000	-
Culture school Holiday Activities in Maningrida	2,000	-
Strong Women for Healthy Country Network Forum	1,135	2,406
Territory Day Community Grant	631	2,727
Boundless Possible Instagram Campaign	400	400
COVID Safe Australia Day LED Screen	301	301
Women's Safe House - Upgrades	1	8,605
Upgrade Minjilang Basketball Court	-	15,411
Beautification and Place-making Initiatives Jabiru 2020-21	-	428,373
Airport Road Drainage Construction : Waruwi	-	300,000
Outside School Hours Care (OSHC) - Waruwi	-	23,707
Furniture & Garden Beautification - Womens Safe House	-	7,868
Aged Care Workforce Retention (ACWR)	-	1,440
Maningrida Youth Strategy	-	30,000
	<u>4,951,704</u>	<u>4,538,351</u>
<b>Total External Restrictions</b>	<u>5,093,791</u>	<u>4,686,657</u>

WEST ARNHAM REGIONAL COUNCIL  
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>5. CASH AND INVESTMENTS (CONT.)</b>		
<b>RESTRICTED CASH AND INVESTMENTS SUMMARY ( CONT.)</b>		
<u>Internally Restrictions</u>		
Local Roads Financial Assistance Grant - early release	1,038,892	624,976
General Purpose Financial Assistance Grant - early release	1,059,400	626,280
Suicide Prevention Workshops - early release	48,000	-
Children and Schooling - Youth, Sport and Rec. Project - early release	-	257,500
Cash Backed Capital Reserve	1,160,271	2,465,034
	<u>3,306,563</u>	<u>3,973,790</u>
<b>Total Unrestricted</b>	1,575,962	4,679,090
<b>TOTAL CASH AVAILABLE</b>	<u>9,976,316</u>	<u>13,339,537</u>
<b>6. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates and Annual Charges	833,781	436,805
GST and Fuel Tax Credit Receivable	83,273	97,402
Other	898,094	520,905
<b>Subtotal</b>	<u>1,815,148</u>	<u>1,055,112</u>
Less: Provision for Doubtful Debts	(24,338)	(25,891)
<b>Total Trade and Other Receivables</b>	<u>1,790,810</u>	<u>1,029,221</u>
<i>Total Receivables Consist of:</i>		
Current Receivables	1,790,810	1,029,221
<b>TOTAL RECEIVABLES</b>	<u>1,790,810</u>	<u>1,029,221</u>
<b>Ageing of Trade Receivables:</b>		
Trade receivables are non-interest bearing and are generally on 30 day terms. The ageing of trade receivables is detailed below:		
Not past due	1,220,322	535,095
Past due 31-60 days	114,493	226,017
Past due 61-90 days	7,123	59,358
Past due 91+ days	473,210	234,642
<b>Total</b>	<u>1,815,148</u>	<u>1,055,112</u>
<b>Past due but not impaired receivables</b>		
As at 30 June 2022, current receivables of the company with a nominal value of \$570,488 (2021 \$494,126) were past due but not impaired. These relate to a number of customers for whom there is no history of default. The ageing of these receivable is as follows:		
Past due 31-60 days	114,493	226,017
Past due 61-90 days	7,123	59,358
Past due 91+ days	448,872	208,751
<b>Total</b>	<u>570,488</u>	<u>494,126</u>

WEST ARNHEM REGIONAL COUNCIL  
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>6. TRADE AND OTHER RECEIVABLES (CONT.)</b>		
Impaired receivables:		
As at 30 June 2022, receivables with a nominal value of \$24,338 (2021 \$25,891) were impaired.		
The ageing of these receivables is as follows:		
Not past due	-	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91+ days	24,338	25,891
<b>Total</b>	<b>24,338</b>	<b>25,891</b>
<b>Movement in the allowance for doubtful debts</b>		
Balance at the beginning of the year	25,891	48,341
Impairment losses recognised on receivables	16,347	25,891
Amounts written off during the year as	-	(1,193)
Impairment losses reversed	(17,900)	(47,148)
<b>Balance at end of the year</b>	<b>24,338</b>	<b>25,891</b>
<b>Reconciliation of Impaired Receivables</b>		
Movement in Allowance for Doubtful Debts is as follows:		
Opening Balance	25,891	48,341
Add: Doubtful expenses during the year	(1,553)	(21,257)
Less: Write-off of accounts previously provided with allowance for doubtful accounts	-	(1,193)
<b>Closing balance</b>	<b>24,338</b>	<b>25,891</b>
	2022	2021
	\$	\$
<b>7. OTHER ASSETS</b>		
<b>UNRESTRICTED OTHER ASSETS</b>		
Current		
<b>(a) Inventories:</b>		
Fuel Stock at cost	52,766	49,913
General Stock at cost	74,157	65,694
<b>Total Inventories</b>	<b>126,923</b>	<b>115,607</b>
<b>(b) Other Assets:</b>		
Prepayments	66,901	19,836
Accrued Revenue	383,139	275,337
Bonds	17,168	14,040
Other	-	-
<b>Total Other Assets:</b>	<b>467,208</b>	<b>309,213</b>
<b>Total Unrestricted Other Assets</b>	<b>594,131</b>	<b>424,820</b>

WEST ARNHAM REGIONAL COUNCIL  
ABN: 45 065 336 873  
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

	2022 \$	2021 \$
<b>8. PROPERTY PLANT AND EQUIPMENT</b>		
<b>Non Current</b>		
<b>Land - Freehold</b>		
Fair Value	688,500	688,500
Accumulated Depreciation	-	-
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>688,500</b>	<b>688,500</b>
<b>Land - s19 and Jabiru Town Right of Use Assets (Leasehold)</b>		
Fair Value	7,406,678	5,193,323
Accumulated Depreciation	(836,055)	(600,753)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>6,570,623</b>	<b>4,592,570</b>
<b>Buildings</b>		
Fair Value	33,005,092	31,291,855
Accumulated Depreciation	(12,789,640)	(10,892,471)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>20,215,452</b>	<b>20,399,384</b>
<b>Infrastructure</b>		
Fair Value	51,800,005	47,987,691
Accumulated Depreciation	(10,396,197)	(8,606,287)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>41,403,808</b>	<b>39,381,404</b>
<b>Roads</b>		
Fair Value	30,015,436	28,940,830
Accumulated Depreciation	(9,260,589)	(8,831,878)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>20,754,847</b>	<b>20,108,952</b>
<b>Plant and Machinery</b>		
At Cost	9,189,821	8,925,117
Accumulated Depreciation	(5,638,665)	(5,016,620)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>3,553,156</b>	<b>3,908,497</b>
<b>Motor Vehicles</b>		
At Cost	3,290,574	3,040,470
Accumulated Depreciation	(2,478,383)	(2,275,946)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>812,191</b>	<b>764,524</b>
<b>Furniture and Fittings</b>		
At Cost	639,151	451,687
Accumulated Depreciation	(458,167)	(432,538)
Impairment of Jabiru Assets	-	-
<b>Written Down Value</b>	<b>180,984</b>	<b>19,149</b>
<b>At Cost / Fair Value</b>	<b>136,035,257</b>	<b>126,519,473</b>
Accumulated Depreciation	(41,855,696)	(36,656,493)
Impairment of Jabiru Assets	-	-
<b>Total</b>	<b>94,179,561</b>	<b>89,862,980</b>
<b>(b) Work in Progress</b>		
Land	-	-
Buildings	-	1,153,936
Plant and Machinery	36,800	300,851
Motor Vehicles	-	47,072
Infrastructure	-	1,888,441
Furniture and Fittings	-	-
Roads	-	65,764
Intangibles	-	-
<b>Work in progress Total</b>	<b>36,800</b>	<b>3,456,064</b>
<b>TOTAL PROPERTY PLANT &amp; EQUIPMENT</b>	<b>94,216,361</b>	<b>93,319,044</b>

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**8. PROPERTY PLANT AND EQUIPMENT (CONT.)**  
 Reconciliation of Movements:  
 Movements in carrying amounts

BY ASSET TYPE	OPENING			CARRYING AMOUNT MOVEMENTS DURING YEAR					CLOSING			
	COST / FAIR VALUE 2021 \$	ACCUM. DEPRECIATION 2021 \$	CARRYING AMOUNT 2021 \$	Additions \$	Disposals		Depreciation \$	Adjustments / Transfers - At Cost \$	Adjustments / Transfers - Accum Dep \$	COST / FAIR VALUE 2022 \$	ACCUM. DEPRECIATION & IMPAIRMENT 2022 \$	CARRYING AMOUNT 2022 \$
					Cost \$	Acc Dep \$						
Land	688,500	-	688,500	-	-	-	-	-	-	688,500	-	688,500
Right of Use Assets	5,193,323	(600,753)	4,592,570	2,213,355	-	(235,303)	-	-	-	7,406,578	(835,055)	6,570,622
Buildings	31,291,855	(10,892,471)	20,399,384	1,754,070	-	(1,814,659)	(40,833)	17,500	-	33,005,092	(12,789,640)	20,215,452
Infrastructure	47,987,691	(8,606,287)	39,381,404	3,771,481	-	(1,772,410)	40,833	(17,500)	-	51,800,005	(10,396,197)	41,403,808
Roads	28,940,830	(8,831,876)	20,108,954	1,074,606	-	(428,711)	-	-	-	30,015,436	(9,260,599)	20,754,847
Plant & Machinery	8,925,117	(5,016,620)	3,908,497	933,101	(648,698)	(849,695)	(19,699)	1,697	-	9,189,821	(9,636,665)	3,553,156
Motor Vehicles	3,040,470	(2,275,946)	764,524	424,825	(174,721)	(377,158)	-	-	-	3,260,574	(2,476,383)	812,191
Furniture & Fittings	451,667	(432,536)	19,149	167,765	-	(23,932)	19,686	(1,697)	-	639,151	(458,167)	180,984
Intangibles	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>126,519,473</b>	<b>(36,656,493)</b>	<b>89,862,980</b>	<b>10,339,203</b>	<b>(823,419)</b>	<b>(5,701,868)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>136,036,257</b>	<b>(41,856,697)</b>	<b>94,179,560</b>



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	2022	2021
	\$	\$
<b>9. TRADE AND OTHER PAYABLES , PROVISIONS AND OTHER LIABILITIES</b>		
<b>(a) Trade and Other Payables</b>		
<b>Current</b>		
Goods and services	1,266,407	1,025,188
Capital items	643,900	778,802
Goods and Services Tax and Pay As You Go	-	-
Employee Related	495,183	491,652
<b>Total Trade and Other Payables</b>	<b>2,405,490</b>	<b>2,295,642</b>
<b>(b) Provisions</b>		
Annual Leave – current	1,296,046	1,366,801
Annual Leave – non current	-	-
Long Service Leave – current	571,124	614,336
Long Service Leave – non current	275,066	368,948
Other – current	216,753	194,672
<b>Total Provisions</b>	<b>2,358,989</b>	<b>2,544,757</b>
<i>Total Provisions Consist of:</i>		
(b1) Current Provisions	2,083,923	2,175,809
(b2) Non-Current Provisions	275,066	368,948
<b>Total Provisions</b>	<b>2,358,989</b>	<b>2,544,757</b>
<b>(c) Other Liabilities</b>		
<b>Current</b>		
Accrued Expense	326,819	535,372
Grants received in advance	2,146,292	1,508,756
Bonds Held	142,087	148,306
Contract Retention	-	569,846
Other	54,336	26,009
<b>Total Other Liabilities</b>	<b>2,669,534</b>	<b>2,788,289</b>
<b>(d1) Lease Liabilities</b>		
Section 19 Leases and Jabiru Town Leases- Current	93,977	65,883
Other	-	-
<b>Total Lease Liabilities - Current</b>	<b>93,977</b>	<b>65,883</b>
<b>(d2) Lease Liabilities</b>		
Section 19 Leases and Jabiru Town Leases- Current - Non Current	6,821,877	4,729,729
Other	-	-
<b>Total Lease Liabilities - Non Current</b>	<b>6,821,877</b>	<b>4,729,729</b>
<b>Total Lease Liability</b>	<b>6,915,854</b>	<b>4,795,612</b>

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**10. STATEMENT OF CASH FLOWS**

	2022 \$	2021 \$
<b>(a) Reconciliation of Cash</b>		
For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on hand and at Bank	Note 5 (a) 571,177	2,236,398
Investments Short Term Deposits	Note 5 (b) 9,405,139	11,103,139
Balance per Statement of Cash Flows	<u>9,976,316</u>	<u>13,339,537</u>
<b>(b) Reconciliation of Profit From Ordinary Activities to Net Cash Flows From Operating Activities</b>		
Deficit from operations	(3,460,571)	(2,462,578)
Add		
Depreciation and amortisation	5,701,868	5,207,258
Decrease in other current assets		-
Increase in receivables	(761,589)	(14,385)
Increase in stock	(11,316)	(47,751)
Increase in other other assets	(157,995)	(90,048)
Increase in trade and other payables	109,848	1,077,537
Increase in trade and other payables -capital items	(134,902)	(716,508)
Increase in other liabilities	(118,755)	1,818,658
Net loss/ (gain) on disposals	187,492	(147,874)
Increase/ (Decrease) in provisions	(185,768)	(53,306)
Other		
<b>Net Cash provided by Operating Activities</b>	<u>1,168,312</u>	<u>4,571,003</u>

**11. OPERATING LEASES AND CAPITAL AND LEASING COMMITMENTS**

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:

**(a) Lease Liability Commitments:**

Not later than one year	418,021	237,480
Later than one year and not later than 5 years	1,632,172	897,888
Later than five years	9,723,512	5,859,152
	<u>11,773,705</u>	<u>6,994,520</u>

**(b) Operating Lease Commitments**

Not later than one year	27,773	27,773
Later than one year and not later than 5 years	55,546	83,319
<b>Total</b>	<u>83,319</u>	<u>111,092</u>

**12. COMMITMENTS FOR EXPENDITURE**

The Council has entered into contracts for future major expenditure which are not provided in the financial statements. These commitments mainly relate to roads, constructions and purchases of plant & equipment.

Not later than one year	1,766,725	1,468,181
Later than one year and not later than 5 years	-	-
<b>Total</b>	<u>1,766,725</u>	<u>1,468,181</u>

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	2022 \$	2021 \$
<b>13. CONDITIONS OVER GRANTS AND CONTRIBUTIONS</b>		
Grants and contributions that were obtained on the condition that they be expended on specified purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
Unexpended at the close of the previous reporting period.	4,538,351	2,905,561
<b>Less:</b>		
Expended during the current reporting period from revenues recognised in previous reporting periods.	(3,068,927)	(2,074,076)
Amounts recognised as restricted cash in current reporting period due to an obligation to pay back to funding body unauthorised expenditure from previously acquitted grants	-	-
Amounts recognised as restricted assets in prior reporting period no longer required to be restricted cash	-	-
Prior year unexpended grants repaid to funding bodies.	(20,000)	(52,560)
<b>Plus:</b>		
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions.	3,502,280	3,759,426
<b>Surplus balances at the close of the current reporting period and held as restricted assets</b>	<b>4,951,704</b>	<b>4,538,351</b>
<b>Net increase (decrease) in restricted assets in the current reporting period</b>	<b>413,353</b>	<b>1,632,790</b>

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13. CONDITIONS OVER GRANTS AND CONTRIBUTIONS (CONT.)	2022 \$	2021 \$
<u>Unexpended Grants &amp; Contributions Dissection</u>		
Amounts recognised as revenues in current reporting period but not yet expended in accordance with the conditions.		
Mala'la Rd - Maningrida - DIPL \$1m	1,000,000	-
Local Authorities Community Projects	626,500	626,500
E-Tools - Commonwealth Home Support Program (CHSP)	327,530	-
Local Roads and Community Infrastructure Program	216,107	694,054
LGIP - Towards purchase of Rubbish Compactor - Warruwi	162,000	-
NT Jobs Package - Aged Care	146,083	59,423
NT Remote Sports Program	143,292	131,804
Warruwi and Minjilang Crèche	119,593	-
Women's Safe House - Gunbalanya	111,814	79,351
Jabiru Beautification Project	99,405	-
Children and Schooling - Youth, Sport and Rec. Project	84,444	133,775
WaRM - Waste and Resource Management	85,345	148,800
Preparing Australian Communities - LED Screens	82,909	-
Flexible Support Packages and COVID-19 Service Delivery Cost	79,666	-
Safety and Wellbeing - Sport and Recreation	47,444	186,654
Kurrung Sports Carnival - Sport Australia	40,000	-
Aged Care Transitional Support	32,500	32,500
Get Up Stand Up Show Up - NAIDOC Week Activity	20,747	-
ABA - Gunbalanya Children's Playground	14,445	-
Community Road Safety Education	11,000	-
BBQ Trailer - Community Benefit Fund	10,367	-
TEABBA Staff Funding - Indigenous Broadcasting Prgm (RIBS)	10,264	-
Remote Indigenous Broadcasting Service	6,361	35,000
Library Service - Jabiru	5,088	-
NT Govt - Jabiru Pool Mobility Lift	5,025	-
Safe house Paint and Furniture : Gunbalanya	3,655	-
COVID-19 Aged Care	3,360	-
Suicide Prevention Workshops	3,336	3,949
Youth Mobile Gym Program - Maningrida	2,000	-
Culture school Holiday Activities in Maningrida	2,000	-
Oval Upgrade - Maningrida	-	298,782
Upgrade Minjilang Basketball Court	-	15,411
Beautification and Place-making Initiatives Jabiru 2020-21	-	428,373
COVID Safe Australia Day LED Screen	-	301
Airport Road Drainage Construction : Warruwi	-	300,000
Outside School Hours Care (OSHC) - Warruwi	-	23,707
Domestic Family and Sexual Violence Programs	-	97,197
COVID-19 Domestic and Family Response Tranche 1	-	55,000
Aged Care Workforce Retention (ACWR)	-	1,440
Night Patrol Covid-19 Booster Program	-	372,272
Territory Day Community Grant	-	2,727
Maningrida Youth Strategy	-	30,000
Strong Women for Healthy Country Network Forum	-	2,406
	<u>3,502,280</u>	<u>3,759,426</u>

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13. CONDITIONS OVER GRANTS AND CONTRIBUTIONS (CONT.)	2022 \$	2021 \$
<u>Expended Grants and Contributions</u>		
Amounts expended or returned during the current reporting period from revenues recognised in previous reporting periods.		
Local Authorities Community Projects	744,612	1,050,335
Beautification and Place-making Initiatives Jabiru 2020-21	428,373	-
Night Patrol Covid-19 Booster Program	301,652	-
Airport Road Drainage Construction : Warruwi	300,000	-
Safety and Wellbeing - Sport and Recreation	186,654	7,426
WaRM - Waste and Resource Management	148,800	-
Children and Schooling - Youth, Sport and Rec. Project	133,775	22,666
NT Remote Sports Program	131,804	36,048
Women's Safe House - Gunbalanya	79,351	-
NT Jobs Package - Aged Care	59,423	-
Remote Indigenous Broadcasting Service	48,028	12,297
Maningrida Youth Strategy	30,000	-
Outside School Hours Care (OSHC) - Warruwi	23,707	11,878
Oval Upgrade - Maningrida	21,400	325,638
Local Roads and Community Infrastructure Program	376,172	-
Upgrade Minjilang Basketball Court	15,411	-
Aged Care Transitional Support	13,090	-
COVID-19 Domestic and Family Response Tranche 1	11,570	-
Domestic Family and Sexual Violence Programs	9,202	10,932
Women's Safe House - Upgrades	8,604	36,473
Furniture & Garden Beautification - Womens Safe House	7,868	8,132
Suicide Prevention Workshops	3,949	-
Territory Day Community Grant	2,096	-
Aged Care Workforce Retention (ACWR)	1,440	-
Strong Women for Healthy Country Network Forum	1,271	-
Worker and Wellbeing Fund	675	1,716
Special Community Assistance and Local Employment Grant	-	293,391
Night Patrol	-	88,221
Roads to Recovery	-	79,973
ABA Funding - Warruwi Children's Playground	-	70,102
Community and Home Support Program	-	39,367
Seal Parking Area in front of Landfill Sorting Bays	-	22,342
Boundless Possible Instagram Campaign	-	5,600
Warruwi and Minjilang Crèche	-	4,099
	<u>3,068,927</u>	<u>2,126,636</u>

#### 14. INTEREST IN JOINT VENTURE ENTITIES

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008 and commenced operations on 1 July 2008 providing administrative, ICT and Business Systems support services to the 8 member Councils. It is a Local Government subsidiary, created as part of the Northern Territory Local Government Reform Agenda, under the previous Local Government Act 2008 (now Local Government Act 2019) and Regulations.

Upon the incorporation of CouncilBiz, the Council made an initial funding contribution of \$50,000. Under the terms and conditions of CouncilBiz's Constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members. Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation with a similar purpose as agreed to by the members with similar rules to CouncilBiz, such as prohibiting the distribution of assets and income to its members.

As the Council will not realise any returns from its \$50,000 funding contribution to CouncilBiz, this amount was expensed when it was incurred.

The interest in the joint venture is accounted for in the financial statements using the equity method of accounting.

During 2021-22 Council expended \$311,269 (2021 - \$282,599) with Councilbiz for the provision of ICT services, and \$7,810 (2021 - Nil) for payroll support.

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## 15. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

### Contingent Liabilities

Under the terms and conditions of the Constitution of CouncilBiz, the Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2022, there are no indications that such obligations will eventuate and as such, no amounts have been recognised in the financial statements.

## 16. FINANCIAL INSTRUMENTS

### (a) Financial risk management objectives and policies

The Council's principal financial instruments comprise receivables, payables and cash and cash equivalents.

The Council manages its exposure to financial risks, in accordance with its policies. The objectives of the policies are to maximise the income to the Council whilst minimising the downside risk.

The Council's activities expose it to normal commercial financial risk. The main risks the Council is exposed to through its financial instruments are liquidity risk, credit risk, market risk and interest rate risk. Risks are considered to be low.

Primary responsibility for the identification and control of financial risks rests with the Councillors and Senior Management under the authority of the Council Councillors.

### (b) Categories of financial instruments

#### (i) Financial assets

Recognised Financial Instruments	Balance Sheet Notes	Accounting Policies	Terms and conditions
Cash and cash equivalents	5	Details are set out in note 1(b).	Interest is earned at the bank's benchmark interest rate.
Trade and Other receivables	6	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.  Loans are measured at amortised cost subsequent to initial recognition, with any adjustments to the carrying amount going through the profit and loss.	Credit sales are normally on 30 day terms or other negotiated terms.  Loans are settled on negotiated terms.
<b>(ii) Financial liabilities</b>			
Trade and other payables and Other liabilities	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.	Liabilities are normally settled on 30 day terms or other negotiated terms.

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**16. FINANCIAL INSTRUMENTS (CONT.)**

**(c) Net fair value of financial assets and liabilities**

Cash and cash equivalents: The carrying amount approximates fair value because of their short-term maturity.

Loans and receivables and trade and other payables: Their carrying amounts approximate fair value.

**(d) Liquidity Risk**

Liquidity risk arises from the financial liabilities of the Council and its subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

The Council reduces its exposure to liquidity risk by monitoring its cash flows closely through rolling future cash flows and monitoring the ageing of receivables and payables.

The maturity of financial liabilities as at 30 June 2022 is as follows:

	Within 1 year \$	Total \$
<b>2022</b> Trade and other payables	2,405,490	2,405,490
Other Liabilities (excl Grants received in advance)	523,242	523,242
<b>2021</b> Trade and other payables	2,295,642	2,295,642
Other Liabilities (excl Grants received in advance)	1,279,533	1,279,533

**(e) Credit Risk**

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, is limited to the total carrying value of financial assets, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council. The majority of the Council's debtors are government owned and funded entities and credit risk of the Council is low.

**(f) Market Risk**

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. The Council does not have any material market risk exposure.

**(g) Interest Rate Risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Council is exposed to interest rate risk primarily from its cash surpluses invested in short term interest bearing deposits. The deposits are only made with reputable financial institutions with maturity dates generally being no more than 90 days.

As at balance date the Council had the following financial instruments exposed to variable interest rate risk:

<u>Financial Assets</u>	<u>2022</u> \$	<u>2021</u> \$
Cash at Bank and on Hand	571,177	2,236,398
Short Term Deposits	9,405,139	11,103,139

At balance sheet date the Council has not entered into any loans or other financial commitments that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by the Council and balances are cleared at month end.

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#### 16. FINANCIAL INSTRUMENTS ( CONT.)

##### Sensitivity analysis

The table below details the interest rate sensitivity analysis of the Council at the reporting date holding all other variables constant. A 100 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

	Impact on Profit	Impact on Profit
	Higher/(Lower)	Higher/(Lower)
	2022	2021
	\$	\$
Interest rate + 1.00%	99,763	133,395
Interest rate - 1.00%	-99,763	-133,395

The method used to arrive at the possible risk of 100 basis points was based on both statistical and non- statistical analysis. The statistical analysis has been based on the Council's cash rate for the past years. This information is then revised and adjusted for reasonableness under the current economic circumstances.

#### 17. RESERVES

The Council at its meeting held 9 June 2021 (OCM38/2021) allocated funds of \$1,000,000 from accumulated surplus to the asset replacement reserve. These funds were allocated toward many different projects including replacement of plant, vehicles, Tyre changing machines, , and Garbage Compactor at Waruwi. At a later meeting of the Special Finance Committee held 19 January 2022 (SFC4/2022) the amount was reduced to \$542,000. This was due to funding opportunities becoming available for some of the projects, as well as a review of Council needs. During the second revision of the budget, at a Council meeting held 8 June 2022 (OCM46/2022) the reserve projects were reduced further to \$316,543.

This made the total allocation for the year \$316,543, while \$1,621,306 was expended on these and prior year projects during the 2021-22 year.

The movements of the reserve for the year ended 30 June 2022 are as follows:

OTHER RESERVES	Opening Balance	Transfer to Reserve	Transfer from Reserve	Closing Balance
	\$	\$	\$	\$
2022 Assets Replacement Reserve	2,465,034	316,543	(1,621,306)	1,160,271
2021 Assets Replacement Reserve	1,315,824	4,346,884	(3,197,674)	2,465,034

#### 18. JABIRU ASSETS

On 14 August 2019 the Commonwealth, the Northern Territory, Energy Resources Australia and Gundjeihmi Aboriginal Corporation signed a Memorandum of Understanding (MoU) that set out the shared intention and commitment of the above parties to work together to support the Jabiru township transition to a post-mining environment in the context of the scheduled closure of the Ranger Uranium Mine after the expiry of the corresponding Jabiru township head lease agreement 30 June 2021.

On 1 July 2021 the Jabiru Township leasing transferred to the Gundjeihmi Aboriginal Corporation Jabiru Town. During 2021-22 Council entered into Sub Leases for the current ten Commercial Lots and four Residential lots in Jabiru. Past 30 June 2022, six additional residential sub leases have taken place. More are expected in the coming year. Terms of the leases are 10 plus 10 years for residential and 3 plus 2, and 20 plus 20 years for commercial sub leases. Sub leases within the retail shopping are titled transitional given an expectation of moving that area over coming years. Council has comfort that it can continue to provide essential and other municipal services at similar levels to what it has done during the mining tenure within the township of Jabiru and its community post 30 June 2021. As such, it is expected that the Council will continue to have ownership and control over its assets situated in the township of Jabiru used to provide those services and consequently it has been determined that those assets are not impaired.



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#### 19. RELATED PARTY DISCLOSURES

The related parties of the Council include:

- the key responsible persons because they have authority and responsibility for planning, directing and controlling the activities of the Council directly; and
- spouses, children and dependents who are close family members of the key responsible persons; and
- any entities controlled or jointly controlled by key responsible persons' or controlled or jointly controlled by their close family members.

#### Key Responsible Persons

Key responsible persons of the Council are those persons having authority and responsibility for planning, directing and controlling the activities of Council. These include the Councillors, Chief Executive Officer and Executive Management Team as listed in the table following.

#### (a) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

##### Councillors

Councillor (Mayor) Mathew Ryan	
Councillor (Deputy Mayor) Elizabeth Williams	
Councillor David Jones	Completed term 10 September 2021
Councillor Donna Nadjamerrek	Commenced 13 September 2021
Councillor James Marrawal	
Councillor Julius Don Kernan	
Councillor Karl Srdinsek	Completed term 10 September 2021
Councillor Otto Dann	
Councillor Philip Wasaga	Completed term 10 September 2021
Councillor Ralph Blyth	
Councillor Valda Bokmakarray	Completed term 10 September 2021
Councillor Gabby Gumurdul	Commenced 13 September 2021
Councillor Henry Guwiyul	Commenced 13 September 2021
Councillor Catherine Ralph	Commenced term 13 September 2021
Councillor James Woods	Commenced term 13 September 2021

##### Chief Executive Officer

Daniel Findley

##### Executive Management

Ken Vowles	Commenced 19 July 2021, resigned 20 May 2022
Brooke Darmanin	
Chris Kelly	Resigned 15 December 2021
Kim Sutton	Commenced 21 July 2021
David Glover	
Rick Mulvey	Commenced 19 April 2022
Jesse Evans	Acting Exec role 16 December 2021 to 18 April 2022

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19. RELATED PARTY DISCLOSURES ( CONT.)

(b) Remuneration of Responsible Persons

The aggregate compensation made to responsible persons and other members of key management personnel is set out below:

WARC Executive Remuneration

	2022 \$	2021 \$
Short Term	1,259,034	1,072,946
Post Employment-Superannuation	116,026	85,566
<b>Total</b>	<b>1,375,060</b>	<b>1,158,513</b>

Amounts paid in 2022 to the CEO and Acting CEO from the above are as follows:

Remuneration	2021-22	
	Actual CEO, Daniel Findley 01/07/2021 to 30/06/2022	Acting CEO, Kim Sutton 16 March to 27 April 2022
Short-term Benefits	263,078	34,972
Non-cash benefits	8,835	1,183
Other long-term benefits	-	-
Post-employment benefits	30,638	4,372
Termination benefits	-	-
share-based payments	-	-
<b>Total Remuneration</b>	<b>302,651</b>	<b>40,537</b>

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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

**19. RELATED PARTY DISCLOSURES ( CONT.)**

**(c) Retirement Benefits**

No retirement benefits have been made by the Council to a Responsible Person.

**(d) Loans to Responsible Persons**

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the financial year ended 30 June 2022.

**(e) Other Transactions**

	2022 \$	2021 \$
Motor vehicle and housing benefits provided	74,463	49,916
<b>Total</b>	<b>74,463</b>	<b>49,916</b>

No other transactions, other than remuneration payments and the reimbursement of approved expenses, were entered into by Council with Responsible Persons during the reporting year as below:

**(f) Outstanding Amounts**

Other than those relating to accrued salaries and provision for employee entitlements, there are no outstanding receivables or payables from / to the Council's key responsible persons as at 30 June 2022.

**Other Related Parties**

A family member of a council executive provided specialised consultancy services (procurement was a competitive Request for Quotations process) during the year. These services were provided on normal commercial terms & conditions. The total amount was \$23,978 (2021: \$48,620). There are no outstanding balances at year end (2021: nil)

**20. AUDITOR'S REMUNERATION**

Amounts received or due and receivable by the auditors of West Arnhem Regional Council are as follows:

	2022 \$	2021 \$
Audit or review services	41,000	37,740
Other services	6,500	-
<b>Total</b>	<b>47,500</b>	<b>37,740</b>

**21. EVENTS SUBSEQUENT TO BALANCE DATE**

The Councillors are not aware of any significant events since the end of the reporting period that have significantly affected, or may significantly affect the Council's operations, the results of those operations, or the Council's state of affairs in future financial years.

**22. ENTITY DETAILS**

West Arnhem Regional Council ABN 45 065 336 873 is the regional council for the local government area of the West Arnhem Region, in the Northern Territory, Australia, established under the Local Government Act. Its principal activities are to deliver the usual services of a local council, as well as certain commercial activities. Its address is 13 Tasman Crescent, Jabiru NT 0886.

## FINANCIAL ANALYSIS OF REPORTS

West Arnhem Regional Council is required to prepare Financial Statements in accordance with Section 207 of the *Local Government Act 2019* (the Act), the *Local Government (General) Regulations 2021*, the Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. When completed, Section 208 of the Act requires that the Financial Statements be externally audited.

The financial report provides information about the financial performance and financial position of Council. It is one means by which the Elected Members of Council advise interested parties on how the finances of Council have performed during the year.

The Audited Financial Statements for 2021-2022 consist of four primary financial statements for the current financial period with comparative information for the previous financial period, as well as notes to the financial statements.

The four primary financial statements are:

- the Statement of Profit or Loss and Other Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows

The notes following those statements explain the accounting policies used in its preparation, and provide additional information on many of the amounts. The notes also provide financial information which is not contained in the primary financial statements.

**In previous sections of this 2021-2022 Annual Report, West Arnhem Regional Council's key achievements in striving to meet its Goals have been celebrated. Sound financial management also plays a key role in meeting Council's Goals, in particular Goal 2 – systems and processes that support the effective and efficient use of financial and human resources. For 2021-2022 Council's performance in the area of financial management is a "good news" story about:**

- **Maintaining grant income for operational purposes above \$13 million;**
- **Increasing capital grants by \$0.659 million**
- **Maintaining sufficient cash held at 30 June 2022 to meet externally restricted grant obligations totaling \$5.093 million;**
- **Additions to fixed assets totaling \$10.339 million.**

**Again in 2021-2022, Council utilised its cash-backed asset replacement reserve funds to assist in improving assets throughout the region, and Council's untied cash balance declined from 2020-2021 by \$3.103 million. The total unrestricted cash balance at 30 June 2022 is \$1.576 million. This ensures Council can meet its commitments as and when they become payable. Council has excellent collections on rates, with minimal outstanding by year end.**

## FIGURES FROM FINANCIAL STATEMENTS - WHAT DO THE FOUR PRIMARY FINANCIAL STATEMENTS SHOW?

### Analysis of the Statement of Comprehensive Income

This Statement provides a complete picture of Council's performance by reporting the total monetary measure of all major categories of income and expenditure for the year.

#### Total Income

Total income from continuing operations during the financial year was \$27.325 million, an increase of \$1.123 million (4.3%) over the prior year. Rates, annual and user charges totaled \$6.276 million. Operating Grants and Contributions were \$13.304 million. Other Operating Revenue items totaled \$7.745 million in 2021-2022.

Rates, Annual and User Charges and Fees increased 4.7% over 2020-2021, and represented 21% of total revenues. Most of the increase was due to the new Animal Control Special Rate.

Grants and contributions for operational purposes reduced \$0.402 million from the prior year. Grants represent 45% of revenue. Council received \$4.567 million from Commonwealth funding, and \$8.601 million from the Northern Territory Government. This has enabled many programs to continue, and new ones to commence; see Note 3(e) of the financial statements for a detailed breakdown of grants.

The largest Commonwealth funded programs were Night Patrol at \$0.963 million, the two Crèches (Warruwi and Minjilang) at \$0.826 million, and the NT Jobs Package for Aged Care at \$0.670 million.

Operational, untied Funding from the Northern Territory (NT) Government totaled \$6.262 million in 2021-2022. Other large grants from the NT Government included Indigenous Jobs Development at \$794k, Local Authorities Community Projects at \$627k, and the Women's Safe House in Gunbalanya for \$440k. The NT Grants Commission also provided an advance receipt of General Purpose and Roads funding for the 2022-2023 year, totaling \$2.098 million (approximately 75% of the total funding for 2022-2023).

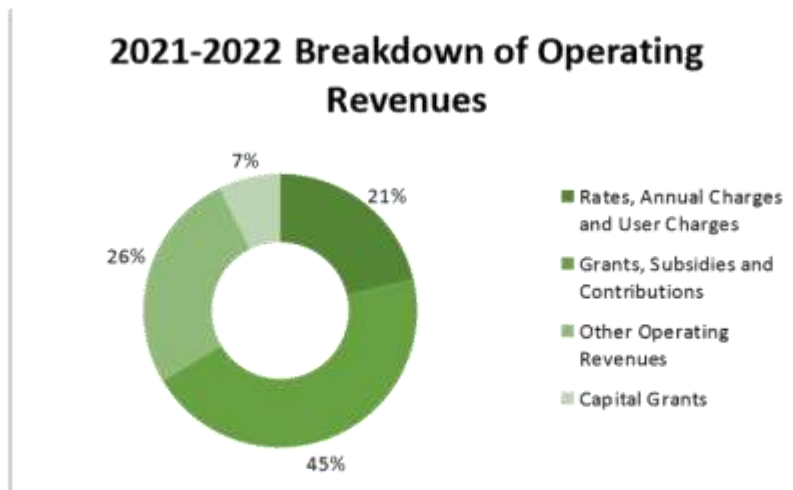
Council acknowledges and thanks the NT and Australian Governments for this ongoing support.

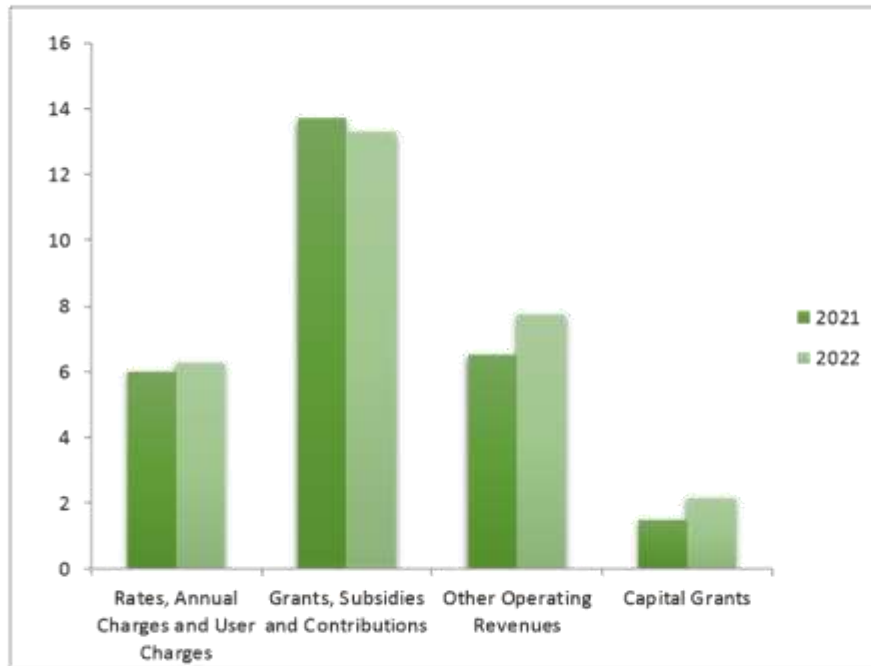
Other Operating Revenue items increased \$1.242 million over 2020-2021, through an increase in sales in the Australia Post businesses of \$152k, an increase in contract revenue from Australia Post of \$136k. New kinds of revenue included \$205k for performing rectification of certain houses in Jabiru and \$264k for erecting a water standpipe under contract in Jabiru. There was an increase of \$247k in insurance proceeds. Revenue from visitor accommodation reduced by \$259k.

Capital grants funded by Governments increased to \$2.145 million. Capital Grants were received from the Commonwealth Government for a total of \$791k, for Maningrida roadworks, for the Local Roads and Community Infrastructure Program and for the Gunbalanya Children's Playground. Capital grants from the Northern Territory Government totaled \$1.354 million and covered roadworks at Maningrida and waste management projects.

Note 2(a) of the Financial Statements provides a comparison of the actual revenue (including grant income for capital items) from continuing operations, with the budgeted revenue for 2021-2022. It is important to note that the budget for Council includes brought forward amounts from the prior year for unspent operational grants and capital grants, and also brought forward amounts for unspent allocations from the asset replacement reserve funding from the prior year, all of which total \$6.985 million. Budgeted allocations from the asset replacement reserve for 2021-2022 totaled \$0.317 million, which brings the total of these amounts to \$7.302 million. See also Note 17 Reserves.

	2022 \$'000	2021 \$'000
<b>Operating Revenues – Continuing Operations</b>		
Rates, Annual Charges and User Charges	6,276	5,993
Operating Grants & Contributions	13,304	13,706
Other Operating Revenues	7,745	6,503
	<b>27,325</b>	<b>26,202</b>
<b>Revenue – Capital Grants &amp; Contribution</b>	<b>2,145</b>	<b>1,486</b>
<b>TOTAL REVENUE</b>	<b>29,470</b>	<b>27,688</b>





**Total Operating Expenditure**

Operating expenses include employee costs, materials & contracts, interest charges and other operating expenses. Council’s total operating expenditure from continuing operations in 2021-2022 was \$27.229 million. Overall Council expenditure from continuing operations increased by \$2.286 million (9.2%) this year, lower than the previous rate of 14.2%.

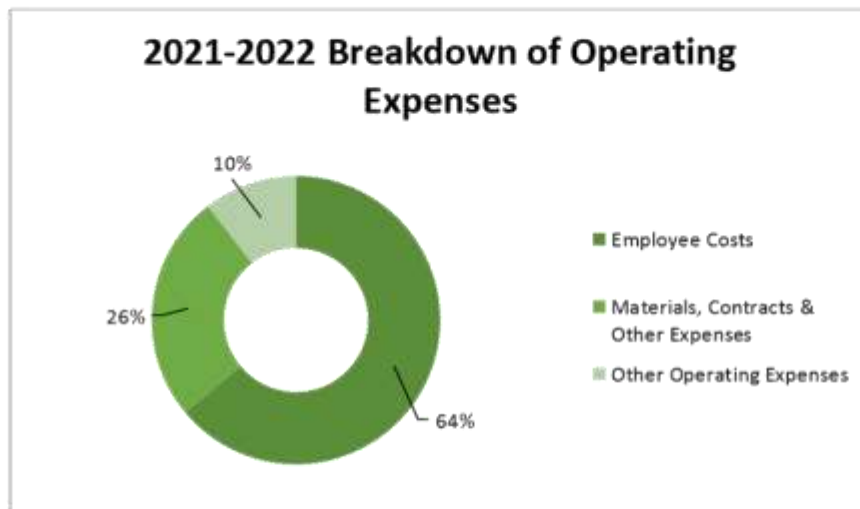
Employee costs were \$217k over budget at \$17.285 million. This represents 64% of total operating expenses (prior year 65%), and an increase of \$1.194 million (7.4%) over 2020-2021. During the year there was a 2.0% pay increase. Full time equivalent staffing as at the end of the 2021-2022 year was 182 (prior year was 189).

Materials & Contracts expenditure at \$6.683 million is below budget by \$2.815 million, and an increase of \$0.951 million on the previous year’s expenditure. Underspending on Local Authority Projects was approximately \$1.037 million and some roadworks estimated at \$1.5 million in Maningrida were still to commence; these projects have been continued into 2022-2023.

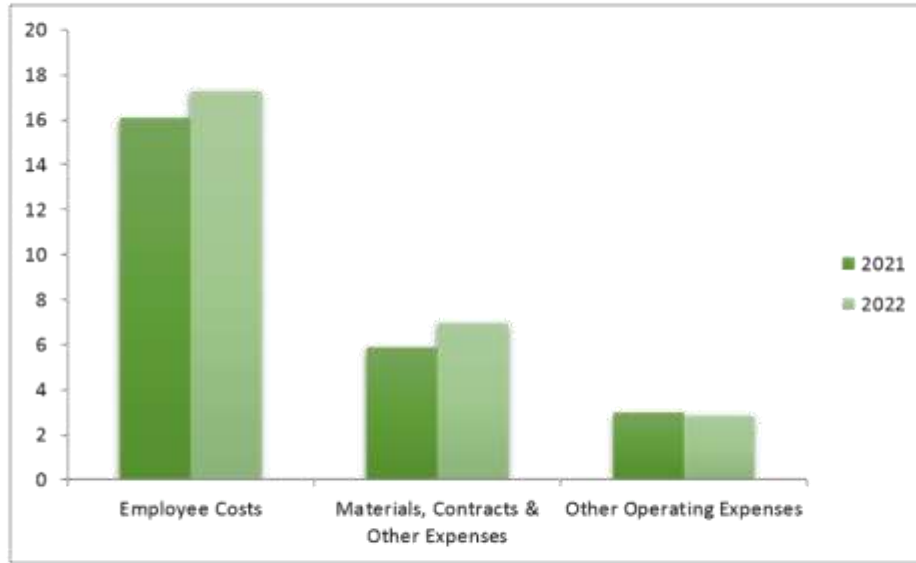
Other Operating Expenses represent 10% of expenditure, and reduced overall by \$132k (4.5%) over the prior year. This category includes travel & accommodation which reduced \$203k. Consultants/professional fees reduced \$178k whilst insurance costs increased \$179k.

Note 2(a) of the Financial Statements provides a comparison of the actual expenditure from continuing operations with the budgeted expenditure. Total expenditure was 99.7% of Operating Revenue (last year: 95%).

	2022 \$'000	2021 \$'000
<b>Operating Expenditure – Continuing Operations</b>		
Employee Costs	17,285	16,091
Materials, Contracts and Other Expenses	6,683	5,732
Interest Charges	243	158
Net loss on disposal of PP&E	188	-
Other Operating Expenses	2,830	2,962
<b>TOTAL EXPENDITURE</b>	<b>27,229</b>	<b>24,943</b>







### Depreciation

The Statement of Comprehensive Income includes Depreciation expense. Depreciation expense increased \$495k from 2020-2021 to \$5.702 million. An asset revaluation exercise was conducted by professional valuers during July 2022 in order to obtain updated valuations of the Council's assets as at 1 July 2022.

### Net Operating Result

Council has recorded a deficit of \$3.461 million for the financial year 2021-2022. The deficit result is lower by \$998k than the \$2.463 million deficit from the 2020-2021 year, as a result of the movements in revenue and expenses discussed above. There has also been an extra \$659k in capital grant income compared to the 2020-2021 year.

West Arnhem Regional Council has a reliance on grant funding to not only create opportunities to undertake significant initiatives but also to achieve economic sustainability.

	2022 \$'000	2021 \$'000
Operating results before depreciation, disposals and capital grants - Continuing Operations	283	1,110
Less:		
Depreciation & Impairment - Continuing Operations	(5,702)	(5,207)
Net Loss on Disposal of Property, Plant & Equipment	(187)	-
Plus:		
Acquisition of Assets (Capital Grants)	2,145	1,486
Net Gain on Disposal of Property, Plant & Equipment	-	148
<b>(DEFICIT)/SURPLUS</b>	<b>(3,461)</b>	<b>(2,463)</b>

Council achieved a surplus of \$0.283 million for the financial year 2021-2022 before taking depreciation and capital grants into account. After including these items Council recorded a deficit of \$3.461 million. Also see below a comparison to the 2021-2022 budget, after removing depreciation and capital items:

	Actual 2022 \$'000	Budget 2022 \$'000
(Deficit)/Surplus for the year for Continuing Operations	(3,461)	(750)
Plus:		
Depreciation & Impairment - Continuing Operations	5,702	-
Net Loss on Disposal of Property, Plant & Equipment	187	-
Less:		
Acquisition of Assets (Capital Grants)	(2,145)	(4,281)
<b>ADJUSTED (DEFICIT)/SURPLUS</b>	<b>283</b>	<b>(5,031)</b>

## Analysis of the Statement of Financial Position

The Statement of Financial Position shows the monetary measure of all the resources controlled by Council and all the obligations due by Council at one point in time, classified as current or non-current.

### Assets – Current & Non-Current

Total assets consist of current assets and non-current assets. Current assets includes cash, cash equivalents and assets that are expected to convert to cash within a year from the date of the statement of financial position.

Cash and term deposits have both been included as Cash and Cash Equivalents in the table below. Cash and Cash Equivalents reduced by \$3.363 million during the financial year. Trade and other receivables increased by \$761k. A large portion of this relates to invoices for water charges that were unpaid as at balance date. There was continued good recovery of general rates during the year.

Inventories and prepayments and other current assets increased \$169k, largely due to an accrual for insurance proceeds.

Non-current assets are the assets which are expected to be used for more than one accounting period and consist of property, plant and equipment and work in progress.

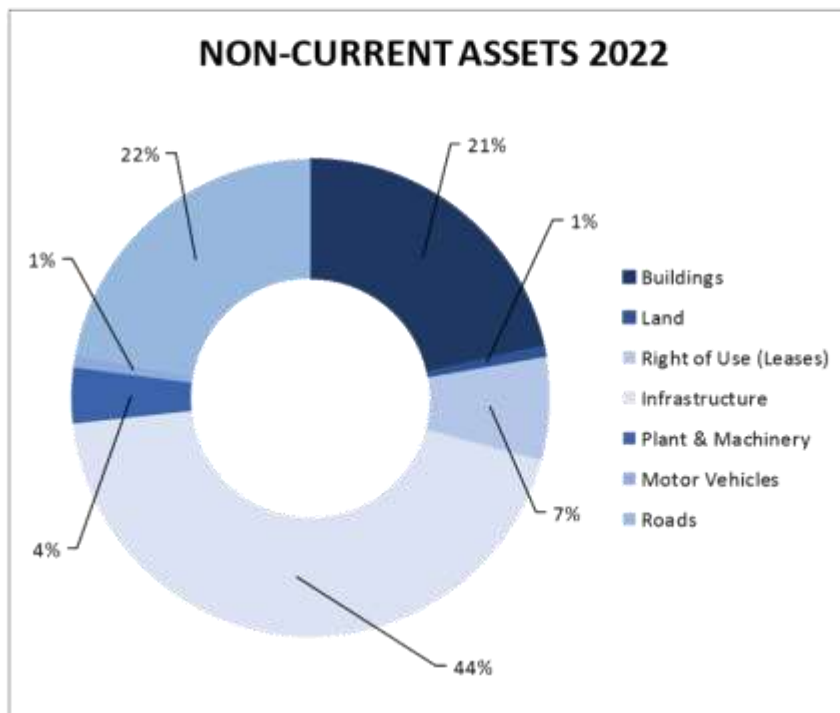
The table below shows a breakdown of Council's assets as at 30 June 2022.

	2022 \$'000	2021 \$'000
<b>Current Assets</b>		
Cash and Cash equivalents	9,976	13,339
Trade and Other Receivables	1,791	1,030
Inventories and Prepayments	594	425
<b>TOTAL CURRENT ASSETS</b>	<b>12,361</b>	<b>14,794</b>
<b>Non-current Assets</b>		
Property, Plant & Equipment	94,180	89,863
Work in Progress	37	3,456
<b>TOTAL NON-CURRENT ASSETS</b>	<b>94,217</b>	<b>93,319</b>
<b>TOTAL ASSETS</b>	<b>106,578</b>	<b>108,113</b>

The carrying value of all Property, Plant & Equipment and work-in-progress increased \$0.898 million during 2021-2022. Asset acquisitions were \$10.339 million, and included the commissioning of the \$3.456 million opening balance of work-in-progress, whilst depreciation expense was \$5.702 million for the year. The increase in Property, Plant & Equipment in 2021-2022 also includes the initial recognition of sub-leases of Council properties in Jabiru, including council buildings and residential properties, totaling \$2.213 million. Infrastructure additions totaled \$3.771 million and included the grant-funded AFL oval upgrade at Maningrida for \$1.271 million, grant-funded upgrades of the Jabiru pool complex totaling \$933k, and two basketball courts and three playgrounds in communities. Building additions and upgrades totaled \$1.754 million and included works sheds, recreation centres, community halls, aged care, staff and visitor accommodation and office space. New roads additions totaled \$1.075 million.

The nature of the acquisitions, as disclosed in Note 8 to the Financial Statements, is shown below:

ASSET TYPE	ADDITIONS	CARRYING AMOUNT
Land	-	688,500
Right of Use Assets (Leases)	2,213,355	6,570,622
Buildings	1,754,070	20,215,452
Infrastructure	3,771,481	41,403,808
Roads	1,074,606	20,754,847
Plant & Machinery	933,101	3,553,156
Motor Vehicles	424,825	812,191
Furniture & Fittings	167,765	180,984
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>10,339,203</b>	<b>94,179,560</b>



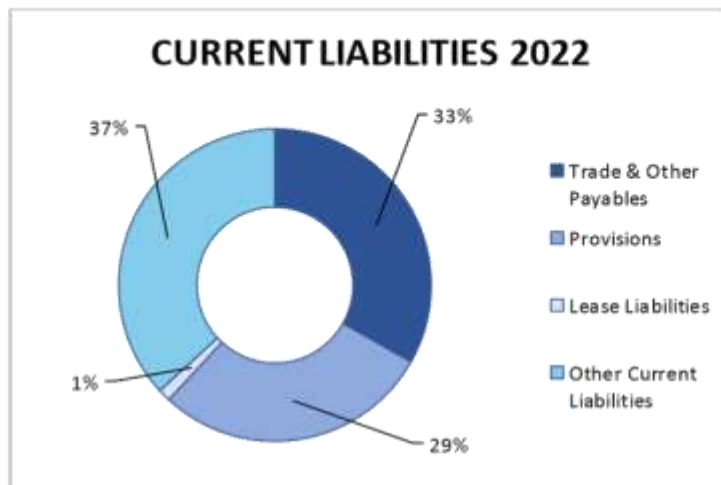
**Liabilities – Current & Non-Current**

Current Liabilities consist of Trade and other payables, Provisions, Lease liabilities and Other liabilities. Current liabilities are those liabilities that are expected to be paid or settled within one year.

Trade and Other Payables increased by \$111k (5%) compared to 2020-2021.

Likewise, current provisions and Other liabilities are similar to the balances as at 30 June in the prior year.

	2022 \$'000	2021 \$'000
<b>Current Liabilities</b>		
Trade and Other Payables	2,406	2,295
Provisions	2,083	2,176
Lease Liabilities	94	66
Other Liabilities	2,670	2,788
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,253</b>	<b>7,325</b>
<b>Non-current liabilities</b>		
Provisions	275	369
Lease Liabilities	6,822	4,730
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,097</b>	<b>5,099</b>
<b>TOTAL LIABILITIES</b>	<b>14,350</b>	<b>12,424</b>



Non-current liabilities include provisions that are expected to be paid or settled over more than twelve months. This includes the provision for employee Long Service Leave, which is calculated each year on an actuarial basis; it has reduced by 25% since the prior year.

Non-current lease liabilities increased by \$2.092 million, which reflects the initial recognition of the liability for the new sub-leases of Council buildings and residential properties in Jabiru, as referred to in Assets above.

### Analysis of the Statement of Changes in Equity

The Statement of Equity reports all changes to the book value of the Council during the financial period. Equity represents the net wealth of the Council since it began operations.

Net assets decreased by \$3.461 million over 2021-2022, which is the amount of the operational deficit for the financial year.

The asset revaluation reserve is adjusted every year by the amount of depreciation expense attributable to the original revaluation of the assets.

During the year Council allocated a total of \$0.317 million to the asset replacement reserve and expended \$1.621 million on the existing and new projects, with a resulting net transfer out of the reserve of \$1.305 million for 2021-2022.

All movements in Equity over this financial year are summarised in the table below:

	Accumulated Funds	Asset Revaluation Reserve	Other Reserves	Total
	\$	\$	\$	\$
Balance at 30 June 2021	64,473,211	28,750,081	2,465,034	95,688,326
Comprehensive Income				
Net Operating result - (Deficit)	(3,460,571)	-	-	(3,460,571)
Depreciation related to revalued assets	3,038,986	(3,038,986)	-	-
Transfers within Equity	1,304,763	-	(1,304,763)	-
Balance at 30 June 2022	65,356,389	25,711,095	1,160,271	92,227,755

### Analysis of the Statement of Cash Flows

The Statement of Cash Flows shows the cash inflows and outflows for the financial year from operating, investing and financing activities. Council prepares the financial statements using the accrual basis of accounting. This means the financial effect of a transaction is recorded in the financial statements when the transaction occurs. This may be different from when the cash relating to the transaction is received or paid which explains why the amounts in the Statement of Comprehensive Income are different from the amounts in the Statement of Cash Flows.

### Cash Flows

Cash Flows are classified as those provided by operating activities, investing activities and financing activities. Purchases of Property, Plant and Equipment are included within investing activities.

	2022 \$'000	2021 \$'000
Net Cash Flows provided by operating activities	1,168	4,571
Net Cash Flows used in investing activities	(4,439)	(5,335)
Net Cash Flows used in financing activities	(93)	(61)
<b>Net (decrease)/Increase in Cash Held</b>	<b>(3,364)</b>	<b>(824)</b>
Cash at the beginning of reporting period	13,340	14,164
<b>Cash at the end of reporting period</b>	<b>9,976</b>	<b>13,340</b>
Externally/Internally restricted cash	8,400	8,661
Unrestricted cash	1,576	4,679
<b>TOTAL</b>	<b>9,976</b>	<b>13,340</b>

Cash received for all grants is included in Cash provided by Operating Activities.

Net Cash provided by Operating Activities reduced by \$3,403 million compared to 2020-2021. Increased receipts from commercial operations (around \$1 million) were more than offset by increased payments for employee costs (\$1.350 million increase) and for materials & contracts (\$1.279 million increase). In addition, whereas the prior year had a large increase in accrued expenses and other creditors (which reduces the cashflow impact of the underlying expenses), these items were paid out in the current year.

Cash used in investing activities was 16.8% lower than in 2020-2021. Proceeds from sale of assets reduced by \$76k from the prior year. As noted above, much of the cash outflow for asset additions in 2021-2022 occurred as expenditure on work-in-progress in the prior year (about \$3.456 million), and as a non-cash transaction, being the sub-lease arrangement for properties in Jabiru (the initial non-current lease liability recognized was \$2.151 million).

Externally restricted cash totaled \$8.400 million as at 30 June 2022, a reduction of \$261k from the 30 June 2021 balance. See note 13 for more information on the balances of unexpended Grants and Contributions.

Council has Cash and cash equivalents of \$9.976 million as at 30 June 2022, a reduction of 25%, or \$3.364 million since 30 June 2021.

A breakdown of cash and cash equivalents into restricted and unrestricted balances is provided in the below table.

	2022 \$'000	2021 \$'000
<b>Cash and Cash Equivalents at the end of the financial year:</b>	<b>9,976</b>	<b>13,340</b>
Less restricted cash:		
Department of Agriculture, Water & Environment – rent held in trust	14	27
Security Deposits/Bonds	127	121
Unspent Grants - Tied	4,952	4,539
Internal Restrictions	3,307	3,974
<b>Total restricted cash</b>	<b>8,400</b>	<b>8,661</b>
<b>Untied operational cash and cash equivalents at year end:</b>	<b>1,576</b>	<b>4,679</b>

### Summary

The key financial data for West Arnhem Regional Council for 2021-2022 is represented in the following chart:

2021-2022 Results Overview - in \$'000	2022	2021	Movement	%
Total Operating Revenues	27.325	26.202	1.123	4.3%
Total Operating Expenses	27.229	24.943	2.286	9.2%
Surplus before Depreciation, Disposals and Capital Grants	0.283	1.110	(0.827)	(74.5%)
Net Deficit before Asset Revaluation (nil revaluation 2021-22)	(3.461)	(2.463)	(0.998)	40.5%
Total (Deficit)/Surplus for the Year	(3.461)	(2.463)	(0.998)	40.5%
Total Assets	106.577	108.113	(1.536)	(1.4%)
Total Liabilities	14.350	12.424	1.926	15.5%
Total Equity	92.228	95.688	(3.461)	(3.6%)
Total Untied Cash and Investments	1.576	4.679	(3.103)	(66.3%)



## Key Performance Indicators


The financial performance indicators detailed below inform all interested parties on how well Council is performing compared to industry benchmarks.

### Asset Sustainability Ratio

This ratio helps to show whether Council is replacing assets as their service potential is used up. Some assets are absolutely essential – roads, sewerage and water treatment facilities, etc. This ratio helps to identify whether Council will be able to continue services associated with these assets.

All Northern Territory councils struggle to replace assets as and when this is needed and this has been the subject of several reviews undertaken by the NT Government. Unlike many councils, WARC has adopted an approach of revaluing all of the assets for which it is responsible so that it is aware of the full financial implications of the costs of replacement. This includes Roads.

The Target Benchmark is greater than 90%.

Result 2021-2022 = 181% 

Result 2020-2021 = 63%

### Operating Surplus Ratio

This ratio shows whether Council has the ability to cover its operating costs from operating revenues. Like all businesses, Council must ensure that it has sufficient revenue to meet its operating costs. Achieving a positive result means that Council is covering its costs and is able to apply the surplus to capital expenditure.

The Target Benchmark is between 0% and 10%.

Result 2021-2022 = 0% 

Result 2020-2021 = 5%

### Current Ratio

The current ratio is a liquidity ratio that measures Council's ability to pay its short-term obligations. To gauge this ability, the current ratio considers the current total assets (both liquid and illiquid) relative to the current total liabilities. Council's current ratio of 1.70 means that it has 1.70 times more current assets than current liabilities.

The Target Benchmark is greater than 1.


Result 2021-2022 = 1.70 

Result 2020-2021 = 1.94

### Rate Coverage Ratio

This ratio measures Council's dependence on rate revenue to fund its operations. The higher the ratio the more Council's revenue is sourced from its rating base which in turn means a lower dependency on grant funding. Like many regional councils, WARC is substantially dependent on grant funding which reduces its flexibility and control when it comes to budget options. The challenge for Council is to improve this ratio in the face of ever decreasing alternative funding sources and a very limited rates base.

The Target Benchmark is greater than 40%.

Result 2021-2022 = 22% 

Result 2020-2021 = 23%

### Cash Expense Ratio

This ratio provides a guide as to Council's ability to pay its costs within the short term. Council needs to have ready access to money to meet its obligations. The result below shows that Council readily available cash has tightened since last year, as budgeted.

The Target Benchmark is greater than 3 months.

Result 2021-2022 = 0.7 months 

Result 2020-2021 = 2.3 months

### Own source Operating Revenue Ratio

Own source revenue measures the degree of reliance on external funding sources (e.g. grants and contributions). This ratio measures fiscal flexibility and robustness. Financial flexibility increases as the level of own source revenue increases. It also gives councils greater ability to manage external shocks or challenges.

Councils with higher own source revenue have greater ability to control or manage their own operating performance and financial sustainability. Most councils in the Northern Territory have limited options in terms of increasing their own source revenue, especially in regional and remote areas.

The Target Benchmark is greater than 60%.

Result 2021-2022 = 51% 

Result 2020-2021 = 47%