



KATHERINE
TOWN COUNCIL



AGENDA

Special Council Meeting Agenda Monday, 14 November 2022

Special Meeting: 5:30 PM

Council Chambers,

Civic Centre, Stuart Highway, Katherine

The CEO of Katherine Town Council hereby provides notice of the
Special Council Meeting, in accordance with
Section 92 of the *Local Government Act 2019*

ELECTED MEMBERS

- Mayor Elisabeth Clark (Chair)
- Deputy Mayor Kym Henderson
- Councillor Maddy Bower
- Councillor Denis Coburn
- Councillor Ben Herdon
- Councillor Amanda Kingdon
- Councillor Jeremy Trembath

OFFICERS

- Ms Ingrid Stonhill – Chief Executive Officer
- Ms Rosemary Jennings – Director Community Services
- Mr Brendan Pearce – Director Infrastructure and Environment
- Mr Avtar Singh – Director of Corporate Services
- Ms Donna Warland – Governance and Executive Officer

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1 ACKNOWLEDGEMENT OF COUNTRY

We would like to acknowledge that **this meeting is being held on the traditional lands of the first nations** people of the Katherine township and surrounding council communities. We recognise the first nations culture as one of the longest surviving cultures in the world and we pay our respects to Elders both past, present and future.

2 OPENING PRAYER

Grant O God to this Council wisdom, understanding and sincerity of purpose in the Governance of this Municipality. Amen

3 MEETING DECLARED OPEN

4 ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

4.2 APOLOGIES

4.3 LEAVE OF ABSENCE

Deputy Mayor Kym Henderson

5 DECLARATION OF INTEREST OF MEMBERS AND STAFF

Members Disclosure Conflict of Interest

Council declares any conflicts of interest in line with Conflict-of-Interest Policy. A copy of this policy can be downloaded from www.katherine.nt.gov.au or obtained by emailing records@ktc.nt.gov.au

6 REPORTS OF OFFICERS

6.1 BRIEFING BY KPMG - ANNUAL FINANCIAL STATEMENTS AND ANNUAL REPORT

FOLDER ID : \COUNCIL MEETING ADMINISTRATION\SPECIAL MEETING OF COUNCIL (SMC)\SPECIAL MEETING OF COUNCIL (SMC) - AGENDA/170823

AUTHOR : AVTAR SINGH, DIRECTOR OF CORPORATE SERVICES

AUTHORISER : INGRID STONHILL, CHIEF EXECUTIVE OFFICER

ATTACHMENT/S : 1. DRAFT KTC FINANCIAL STATEMENTS - 14 NOV 2022 - UPDATED - COMMENTS.PDF
2. ANNUAL PLAN 2021-22 WITH FINANCIALS.PDF

OFFICER RECOMMENDATION

That it be recommended to Council to:

1. Receive, note, and endorse the Annual Report for 2021/2022 incorporating the Audited Financial statements for the year ended 30 June 2022.
2. Note that in accordance with Section 290 (1) of the Local Government Act 2019, the endorsed Katherine Town Council Annual Report 2021/2022 incorporating the Audited Financial statements for the year ended 30 June 2022 will be provided to the Minister for Local Government on or before 15 November 2022.
3. Note that in accordance with Section 290 (2), the endorsed Katherine Town Council Annual Report 2021/2022 incorporating the Audited Financial statements for the year ended 30 June 2022 will be published on Council's website after the report has been delivered to the Minister, with a notice available in a newspaper as soon as practicable.

PURPOSE OF REPORT

To provide a copy of the 2021/2022 Annual Report incorporating the Audited Annual Financial Statements for the year ended 30 June 2022 for Council's information and endorsement.

BACKGROUND

The Annual Report 2021/2022 (Attachment 1) aligns with the Katherine Town Council vision, mission, values, and goals. It contains a report on Council's activities throughout the year, including the audited financial statements for the year ended 30 June 2022. It provides an opportunity to inform the community of Council's achievements and financial position at the end of the financial year.

Council's Draft Audited Financial Statements for the year ended 30 June 2022 were presented at the Audit and Risk Management Committee Meeting held on 01 November 2022. The Auditors (KPMG) presented their Audit Report to the Committee and answered questions from the Committee members. It was acknowledged and discussed at the meeting that Draft Financial Statements were pending due to KPMG's review and technical assessment of the landfill restoration provision.

The committee resolved that:

1. The final version of the Audited Financial Statements (year ended 30 June 2022) post completion of KPMG's technical assessment will be presented at the Special Council meeting before 15 November 2022 for noting, endorsement and inclusion in the 2021/2022 Annual Report.



INGRID STONHILL
CHIEF EXECUTIVE OFFICER

Katherine Town Council

Annual Report - 30 June 2022

**Katherine Town Council
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30 June 2022**

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**Katherine Town Council
CEO's declaration
30 June 2022**

I, Ingrid Stonhill, Chief Executive Officer of the Katherine Town Council, certify that to the best of my knowledge, information and belief:

- the General Purpose Financial Report has been properly drawn up in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 2019, and the Local Government (General) Regulations 2021 so as to present fairly the financial position of the Council as at 30 June 2022 and the results for the year then ended; and
- the General Purpose Financial Report is in accordance with the accounting and other records of the Council.

Ingrid Stonhill
CHIEF EXECUTIVE OFFICER

____ November 2022

**Katherine Town Council
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022**

	Note	2022 \$	Restated 2021 \$
Revenue			
Rates	4	9,322,193	8,686,068
Statutory charges	5	52,278	57,236
User charges	6	1,510,912	1,305,973
Grants, subsidies and contributions	7	3,102,113	3,325,649
Investment income	8	84,656	145,074
Reimbursements	9	134,184	68,454
Other income	10	620,122	454,881
Total Income		14,826,458	14,043,335
Expenses			
Employee costs	11	5,046,752	4,764,487
Materials, contracts & other expenses	12	6,678,128	5,918,419
Depreciation, amortisation and impairment	13	3,480,427	3,175,607
Elected Member Allowance		227,745	200,592
Elected Member Expenses		108,023	9,246
Finance costs*	22	161,647	250,637
Total Expenses*		15,702,722	14,724,748
Operating deficit*		(876,264)	(275,653)
Asset disposal & fair value adjustments	14	11,904	17,124
Amounts received specially for new or upgraded assets	15	4,046,172	9,710,835
Operating surplus for the year*	25	3,181,812	9,452,306
Other comprehensive income for the year		-	-
Total comprehensive income for the year*		3,181,812	9,452,306

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Katherine Town Council
Statement of financial position
As at 30 June 2022**

	Note	2022 \$	Restated 2021 \$	Restated 2020 \$
Assets				
Current assets				
Cash and cash equivalents	16	17,910,941	20,789,515	28,338,778
Trade and other receivables	17	1,403,297	1,624,064	1,347,154
Inventories	18	10,181	15,220	13,822
Total current assets		<u>19,324,419</u>	<u>22,428,799</u>	<u>29,699,754</u>
Non-current assets				
Infrastructure, property, plant and equipment (IPP&E)	20	89,920,483	85,941,398	79,619,506
Other non-current assets	19	9,608,154	10,096,331	6,713,829
Total non-current assets		<u>99,528,637</u>	<u>96,037,729</u>	<u>86,333,335</u>
Total assets		<u>118,853,056</u>	<u>118,466,528</u>	<u>116,033,089</u>
Liabilities				
Current liabilities				
Trade and other payables	21	2,494,475	5,404,514	12,752,115
Provisions	22	618,719	639,412	650,581
Total current liabilities		<u>3,113,194</u>	<u>6,043,926</u>	<u>13,402,696</u>
Non-current liabilities				
Provisions*	22	7,249,721	7,114,273	6,774,370
Total non-current liabilities*		<u>7,249,721</u>	<u>7,114,273</u>	<u>6,774,370</u>
Total liabilities*		<u>10,362,915</u>	<u>13,158,199</u>	<u>20,177,066</u>
Net assets*		<u>108,490,141</u>	<u>105,308,329</u>	<u>95,856,023</u>
Equity				
Asset Revaluation Reserves	23	75,549,402	75,549,402	75,549,402
Other Reserves*	24	6,688,162	7,388,162	7,388,162
Accumulated surpluses*	25	26,252,577	22,370,765	12,918,459
Total equity		<u>108,490,141</u>	<u>105,308,329</u>	<u>95,856,023</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

**Katherine Town Council
Statement of changes in equity
For the year ended 30 June 2022**

	Asset Revaluation Reserve \$	Other Reserves \$	Accumulated Surpluses \$	Total equity \$
Balance at 1 July 2020*	75,549,402	13,851,024	13,229,967	102,630,393
Adjustment for correction of error (note 3)*	-	(6,462,862)	(311,508)	(6,774,370)
Balance at 1 July 2020 – restated*	75,549,402	7,388,162	12,918,459	95,856,023
Operating surplus for the year*	-	-	9,452,306	9,452,306
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year*	-	-	9,452,306	9,452,306
Balance at 30 June 2021*	<u>75,549,402</u>	<u>7,388,162</u>	<u>22,370,765</u>	<u>105,308,329</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

	Asset Revaluation Reserves \$	Other Reserves* \$	Accumulated surpluses* \$	Total equity* \$
Balance at 1 July 2021*	75,549,402	7,388,162	22,370,765	105,308,329
Operating surplus for the year	-	-	3,181,812	3,181,812
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,181,812	3,181,812
Transfer	-	(700,000)	700,000	-
Balance at 30 June 2022	<u>75,549,402</u>	<u>6,688,162</u>	<u>26,252,577</u>	<u>108,490,141</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Katherine Town Council
Statement of cash flows
For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Rates – general and other		9,325,795	8,521,567
Receipts from Fees and other charges		1,774,015	1,578,349
Receipts from Investment		104,301	159,836
Grants utilised for operating purposes		3,102,113	3,325,649
Other revenue		856,772	179,627
Payments to employees		(5,192,655)	(4,665,026)
Payments for Material, contracts & other expenses		(7,276,636)	(5,654,670)
Net cash from operating activities	27	2,693,705	3,445,332
Cash flows from investing activities			
Payments for property, plant and equipment	20	(6,965,025)	(12,901,474)
Amounts specially received for new or upgraded assets		1,375,187	1,868,282
Proceeds from disposal of property, plant and equipment		17,559	38,597
Net cash used in investing activities		(5,572,279)	(10,994,595)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(2,878,574)	(7,549,263)
Cash and cash equivalents at the beginning of the financial year		20,789,515	28,338,778
Cash and cash equivalents at the end of the financial year	16	17,910,941	20,789,515

The above statement of cash flows should be read in conjunction with the accompanying notes

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations, the requirements of the Local Government Act 2019, the Local Government (Accounting) Regulations and other relevant Northern Territory legislation.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Local Government Reporting Entity

Katherine Town Council is incorporated under the NT Local Government Act 2008 and has its principal place of business at Lot 1865 Stuart Hwy, Katherine NT 0850. These financial statements include the Council's direct operations and all entities through which 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 activity areas have been eliminated.

Functional currency and presentation currency

The financial statements are presented in Australian dollars, which is Katherine Town Council's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

Income is measured at the fair value of the consideration received or receivable. 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 and services. Performance obligations may be completed at a point in time or over time.

Grants

The Council recognises grant revenues under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)**

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Rates Revenue

Rates revenue is recognised at the commencement of the rating period.

Statutory and User Charges

Statutory and User Charges are recognised upon unconditional entitlement to the funds. Generally, this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Sales Revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Essential services

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claim entitlement are classified as work in progress in inventory. When it is probable that total costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash, cash equivalents and other Financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)****Trade and other receivables**

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 2019. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 27.

Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

Investments and other financial assets*Impairment of financial assets*

The Council recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Council's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Infrastructure, Property, plant and equipment***Land under roads***

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 1 July 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

Capitalisation thresholds used by Council for a representative range of assets are shown below:

**Katherine Town Council
Notes to the financial statements
30 June 2022**

Note 1. Significant accounting policies (continued)

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Buildings – new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$5,000
Road construction & reconstruction	\$10,000
Paving, Footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Artworks	\$5,000

Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the assets.

Council adopts the Fair Value rate of assets every three-five years in line with Asset Revaluation, or as revaluation occurs.

No revaluation done in 2021-22. The last revaluation was done on 30 June 2019.

Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Major depreciation periods for each class of asset are listed below:

Improvements	5-75 years
Buildings	10-75 years
Infrastructures	20-75 years
Plant & Equipment	5-20 years
Furniture, fixture & equipment	5-25 years

Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of an asset's fair value less costs to sell and its value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)**

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables***Goods & Services***

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 28 days after the month of invoice, but Council has extended its support to local businesses by continuing to pay earlier than 28 days. No interest is payable on these amounts.

Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Provisions

Provisions are recognised when the Council has a present (legal or constructive) obligation as a result of a past event, it is probable the Council will be required to settle the obligation, and a 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 the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Landfill rehabilitation provision

Landfill rehabilitation provision includes close down and restoration costs including capping and aftercare costs associated with remediation and rehabilitation of disturbed areas. Where these can be reliably estimated, closedown and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs. Rehabilitation and closure costs have been recognised for the Katherine Waste Management Landfill site. The provision will be reviewed annually, and adjustments disclosed in Note 22. The site is estimated to be closed to further waste disposal in 2038. The net present value of the estimated future costs includes post closure and monitoring costs in accordance with NTEPA Landfill Guidelines for up to 30 years beyond 2038.

Employee benefits***Salaries, Wages & Compensated Absences***

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Under the Katherine Town Council Enterprise Agreement 2016, an employee who, at the date of this agreement, may on termination, be paid 50% of their accrued sick leave (maximum entitlement of 59 days)

Superannuation

The Council makes employer superannuation contributions in respect of its employees to the employees nominated superannuation scheme.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 1. Significant accounting policies (continued)
Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The following new/amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2022. They have not been adopted in preparing the financial statements for the year ended 30 June 2022 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

AASB reference	Title and Affected Standard(s):	Application date:
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2023
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023
AASB 2022-3	Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15	1 January 2022

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The Council is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Landfill rehabilitation provision

As discussed in Note 22, where close down and rehabilitation costs can be reliably estimated close down and rehabilitation costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Note 3. Restatement of comparatives

During the year ended 30 June 2022, material errors were identified in the accounting treatment of the following matter during the previous year ended 30 June 2021.

Landfill rehabilitation provision

The council has not previously recognised a provision for future rehabilitation of the waste management landfill site which it operates. The Council is obligated to rehabilitate the waste management site post closure of the landfill site. Management has assessed the errors and the impact on the 30 June 2022 financial statements, 2021 comparative figures have been restated under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 3. Restatement of comparatives (continued)
Statement of profit or loss and other comprehensive income

Extract	2021 \$ As Reported	\$ Adjustment	2021 \$ Restated
Expenses			
Finance costs	-	(250,637)	(250,637)
Operating surplus for the year	9,702,943	(250,637)	9,452,306
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>9,702,943</u>	<u>(250,637)</u>	<u>9,452,306</u>

Statement of financial position at the beginning of the earliest comparative period

Extract	1 July 2020 \$ As Reported	\$ Adjustment	1 July 2020 \$ Restated
Assets			
Non-current assets			
Infrastructure, property, plant and equipment (IPP&E)	82,604,893	(2,985,387)	79,619,506
Total non-current assets	<u>89,318,722</u>	<u>(2,985,387)</u>	<u>86,333,335</u>
Liabilities			
Non-current liabilities			
Provisions	-	6,774,370	6,774,370
Total non-current liabilities	<u>-</u>	<u>6,774,370</u>	<u>6,774,370</u>
Total liabilities	<u>13,402,696</u>	<u>6,774,370</u>	<u>20,177,066</u>
Net assets	<u>105,615,780</u>	<u>(9,503,681)</u>	<u>96,112,099</u>
Equity			
Other Reserves	13,851,024	(6,462,862)	7,388,162
Accumulated surpluses	<u>13,229,967</u>	<u>(311,508)</u>	<u>12,918,459</u>
Total equity	<u>102,630,393</u>	<u>(6,774,370)</u>	<u>95,856,023</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	30 June 2021 \$ As Reported	\$ Adjustment	30 June 2021 \$ Restated*
Extract			
Liabilities			
Non-current liabilities			
Provisions	89,265	7,025,008	7,114,273
Total non-current liabilities	89,265	7,025,008	7,114,273
Total liabilities	6,133,191	7,025,008	13,158,199
Net assets	112,333,337	(7,025,008)	105,308,329
Equity			
Other Reserves	13,851,024	(6,462,862)	7,388,162
Accumulated surpluses	22,932,911	(562,146)	22,370,765
Total equity	112,333,337	(7,025,008)	105,308,329

Note 4. Rates

	2022 \$	2021 \$
General Rates	8,376,379	7,385,635
Other charges	945,814	1,300,433
	<u>9,322,193</u>	<u>8,686,068</u>
	2022 \$	2021 \$
<u>General Rates</u>		
Residential	<u>8,376,379</u>	<u>7,789,185</u>
	2022	2021
<u>Other Charges</u>		
Waste Management Service	944,680	895,696
Other	1,134	1,188
	<u>945,814</u>	<u>896,884</u>

Note 5. Statutory charges

	2022 \$	2021 \$
Animal registration fees & fines	47,483	52,144
Parking fines / expiation fees	4,795	5,092
	<u>52,278</u>	<u>57,236</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 6. User charges

	2022	2021
	\$	\$
Cemetery fees	72,710	106,402
Airport fees	340,274	328,982
Commission	202,722	198,056
Facility & equipment hire	5,557	4,210
Weighbridge fees	889,649	668,323
	<u>1,510,912</u>	<u>1,305,973</u>

Note 7. Grants, subsidies and contributions

	2022	2021
	\$	\$
Amounts received specially for new and upgraded assets	4,046,172	9,710,835
Other grants, subsidies and contributions	3,102,113	3,325,649
	<u>7,148,285</u>	<u>13,036,484</u>

The functions to which these grants relate are shown in Note 28

	2022	2021
Sources of grants		
Commonwealth government	3,651,747	3,180,237
Territory government	3,444,190	8,162,419
Other grants	52,348	1,693,828
	<u>7,148,285</u>	<u>13,036,484</u>

Note 8. Investment income

	2022	2021
	\$	\$
Interest on Bank and other investments	<u>84,656</u>	<u>145,074</u>

Note 9. Reimbursements

	2022	2021
	\$	\$
Other	<u>134,184</u>	<u>68,454</u>

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 10. Other income

	2022	2021
	\$	\$
Insurance refunds	227,244	13,446
Management fees	5,000	47,426
Sales - general	79,294	58,178
Rental income	281,412	307,738
Sundry	27,172	28,093
	<u>620,122</u>	<u>454,881</u>

Note 11. Employee costs

	2022	2021
	\$	\$
Salaries and Wages	3,597,908	3,308,084
Employee leave expense	538,901	674,807
Superannuation	468,877	439,242
Other	441,066	342,354
	<u>5,046,752</u>	<u>4,764,487</u>

	2022	2021
	\$	\$
Total Number of Employees		
<i>(Full time equivalent at end of reporting period)</i>	<u>50</u>	<u>57</u>

Employee Costs in 2022 were higher due to multiple factors including: 3% salary increase (EBA), additional termination payments, additional superannuation etc.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 12. Materials, contracts & other expenses

	2022	2021
	\$	\$
Auditor's Remuneration	58,735	80,136
Bad and Doubtful Debts	1,091	1,078
Capital expenditure	-	27,530
Contractors	3,467,115	2,581,052
Electricity, water and sewerage	506,042	523,804
Insurance	497,237	393,247
Fuel and registration	181,704	147,649
Telephone	113,762	107,667
Legal expenses	71,333	185,897
Parts, accessories and consumables	689,605	464,667
Printing and stationery	39,295	26,811
Professional services	355,847	205,574
Advertising	140,831	135,637
Postage	39,960	32,715
Bank charges	23,393	24,569
Community grants	297,884	814,867
Subscriptions & registrations	172,196	144,145
Sundry	22,098	21,374
	<u>6,678,128</u>	<u>5,918,419</u>

Note 13. Depreciation, amortisation and impairment

	2022	2021
	\$	\$
Improvements	473,554	273,631
Buildings & other structures	791,304	796,888
Infrastructure	1,806,697	1,701,680
Plant & equipment	304,494	302,854
Furniture, fixture & equipment	44,655	42,805
Other infrastructure	59,723	57,749
	<u>3,480,427</u>	<u>3,175,607</u>

Note 14. Asset disposal & fair value adjustments

	2022	2021
	\$	\$
Asset disposal & fair value adjustments	<u>11,904</u>	<u>17,124</u>
	2022	2021
	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	17,559	38,597
Less: Carrying amount of assets sold	(5,655)	(21,473)
Gain (Loss) on disposal	<u>11,904</u>	<u>17,124</u>

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 15. Amounts received specially for new or upgraded assets

	2022 \$	2021 \$
Amounts received specially for new or upgraded assets	<u>4,046,172</u>	<u>9,710,835</u>

Note 16. Cash and cash equivalents

	2022 \$	2021 \$
<i>Current assets</i>		
Cash on hand and at bank	7,138,997	1,209,086
Deposits at call	<u>10,771,944</u>	<u>19,580,429</u>
	<u>17,910,941</u>	<u>20,789,515</u>

Note 17. Trade and other receivables

	2022 \$	2021 \$
<i>Current assets</i>		
Rates - General & Other	1,149,258	1,152,860
Accrued Revenues	52,239	71,884
Debtors - general	187,740	398,565
Sundry	47,120	43,523
Less: Allowance for doubtful debts	<u>(33,060)</u>	<u>(42,768)</u>
	<u>1,403,297</u>	<u>1,624,064</u>

Note 18. Inventories

	2022 \$	2021 \$
<i>Current assets</i>		
Trading stock	<u>10,181</u>	<u>15,220</u>

Note 19. Other non-current assets

	2022 \$	2021 \$
<i>Non-current assets</i>		
Capital Works-in-Progress	<u>9,608,154</u>	<u>10,096,331</u>
	<u>2022 \$</u>	<u>2021 \$</u>
Opening balance	10,096,331	6,713,829
Current year Capital Expenditure	5,126,980	12,270,699
Less Capital Works-in-Progress Completed	<u>(5,615,157)</u>	<u>(8,888,197)</u>
	<u>9,608,154</u>	<u>10,096,331</u>

Katherine Town Council
Notes to the financial statements
30 June 2022

Note 20. Infrastructure, property, plant and equipment (IPP&E)

	2022 \$	2021 \$
<i>Non-current assets</i>		
Land	6,999,200	6,999,200
Improvements - at Fair value	4,060,235	4,060,235
Improvements - at Cost	9,619,524	8,522,394
Less: Accumulated depreciation	(976,290)	(509,547)
	<u>12,703,469</u>	<u>12,073,082</u>
Building & other structures - at Fair value	13,674,572	13,674,572
Building & other structures - at Cost	920,974	678,259
Less: Accumulated depreciation	(2,373,862)	(1,583,081)
	<u>12,221,684</u>	<u>12,769,750</u>
Infrastructure - at Fair value	54,437,233	54,437,233
Infrastructure - at Cost	5,912,664	7,682
Less: Accumulated depreciation	(5,138,464)	(3,331,770)
	<u>55,211,433</u>	<u>51,113,145</u>
Plant and equipment - at Fair value	1,833,646	1,833,646
Plant and equipment - at Cost	215,928	241,427
Less: Accumulated depreciation	(845,535)	(565,243)
	<u>1,204,039</u>	<u>1,509,830</u>
Furniture, fixture and equipment - at Fair value	220,850	220,850
Furniture, fixture and equipment - at Cost	25,575	-
Less: Accumulated depreciation	(129,399)	(84,744)
	<u>117,026</u>	<u>136,106</u>
Other infrastructure - at Fair value	1,417,221	1,417,221
Other infrastructure - at Cost	220,009	37,210
Less: Accumulated depreciation	(173,598)	(114,146)
	<u>1,463,632</u>	<u>1,340,285</u>
	<u><u>89,920,483</u></u>	<u><u>85,941,398</u></u>

Katherine Town Council
Notes to the financial statements
30 June 2022

	Land 2	Improvements 3	Building & other structures 2	Infrastructure 3	Plant & equipment 2	Furniture, fixture & equipment 3	Other infrastructure 3	Total
<i>Fair value level</i>								
2022								
Carrying amounts	6,999,200	12,073,082	12,769,750	51,113,145	1,509,830	136,106	1,340,284	85,941,397
Additions	-	1,097,130	242,715	5,904,982	-	25,575	182,800	7,453,202
Disposals	-	-	-	-	(5,655)	-	-	(5,655)
Depreciation	-	(466,743)	(790,781)	(1,806,694)	(312,102)	(44,655)	(59,452)	(3,480,427)
Adjustment	-	-	-	-	11,966	-	-	11,966
Carrying amount	6,999,200	12,703,469	12,221,684	55,211,433	1,204,039	117,026	1,463,632	89,920,483
2021								
Carrying amounts	6,999,200	3,824,319	12,888,379	52,807,143	1,560,730	178,911	1,360,824	79,619,506
Additions	-	8,522,394	678,259	7,682	273,427	-	37,210	9,518,972
Disposals	-	-	-	-	(21,473)	-	-	(21,473)
Depreciation	-	(273,631)	(796,888)	(1,701,680)	(302,854)	(42,805)	(57,749)	(3,175,607)
Carrying amount	6,999,200	12,073,082	12,769,750	51,113,145	1,509,830	136,106	1,340,285	85,941,398

Assets were independently valued by OPTEON on 30th June 2019.

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2019 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The sole CEO do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 21. Trade and other payables

	2022 \$	2021 \$
<i>Current liabilities</i>		
Goods & Services Payable	305,910	473,419
Payments received in advance	1,217,776	3,888,761
Accrued expenses - wages	56,202	47,190
Accrued expenses - other	648,421	582,375
Deposits, Retentions & Bonds	266,166	412,769
	<u>2,494,475</u>	<u>5,404,514</u>

Note 22. Provisions

	2022 \$	2021 \$
<i>Current liabilities</i>		
Employee entitlements (including on costs)	618,719	639,412
<i>Non-current liabilities</i>		
Employee entitlements (including on costs)	63,066	89,265
Landfill rehabilitation provision	7,186,655	7,025,008
	<u>7,249,721</u>	<u>7,114,273</u>
	<u>7,868,440</u>	<u>7,753,685</u>

Landfill Rehabilitation Provision

Council has measured and recognised remediation provisions for Katherine Waste Management Landfill site post closure and cell capping liabilities. The provision is in accordance with AASB 137 - Provisions, Contingent Liabilities and Contingent Assets. The provision has been calculated by determining a best estimate of the current cost to rehabilitate the landfill site that can be reliably measured. Initial recognition includes post closure site rehabilitation estimates and cell capping estimates.

The estimates are indexed by the 4-year average of the all group Darwin CPI index (1.53%) issued by the Australian Bureau of Statistics and discounted based on the Australian Government treasury (19 year) yield curve for the respective year to arrive at the Net Present Value (NPV) of the liability.

	Restated* \$
Carrying amount at 1 July 2020*	6,774,370
Add: Unwinding of present value discount*	236,736
Carrying amount at 30 June 2021*	7,011,106
Add: Unwinding of present value discount*	175,550
Carrying amount at 30 June 2022*	<u>7,185,656</u>

*Refer to Note 3 for detailed information on Restatement of Comparatives.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 23. Asset Revaluation Reserves

	2022 \$	2021 \$
Land	6,999,200	6,999,200
Improvements	2,772,257	2,772,257
Buildings & other structures	13,323,750	13,323,750
Infrastructure - Roads, bridges, footpaths	51,527,645	51,527,645
Plant and equipment	615,066	615,066
Furniture, fittings and equipment	311,484	311,484
	<u>75,549,402</u>	<u>75,549,402</u>

PURPOSES OF RESERVES

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Note 24. Other Reserves

	2022 \$	2021 \$
Capital depreciation renewal	4,987,647	4,987,647
Contingency reserve	1,000,000	1,000,000
Municipal election reserve	100,000	100,000
Emungalan road bridge reserve	-	700,000
Council motion reserve	600,515	600,515
	<u>6,688,162</u>	<u>7,388,162</u>

PURPOSES OF RESERVES

Other reserve are used to fund capital renewals. Council's strategic plan for the future includes taking into account the economic useful life of the current waste transfer station and the cost required to cover the rehabilitation of the facility when it eventually closes for public service which is estimated at this stage to be in around seven years from now.

Note 25. Accumulated surpluses

	2022 \$	2021 \$
Accumulated surpluses at the beginning of the financial year	22,370,765	12,918,459
Operating surplus for the year	3,181,812	9,452,306
Transfer from other reserves	700,000	-
Accumulated surpluses at the end of the financial year	<u>26,252,577</u>	<u>22,370,765</u>

Note 26. Assets subject to restrictions

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 26. Assets subject to restrictions (continued)

	2022 \$	2021 \$
CASH & FINANCIAL ASSETS		
Unexpended grants from:		
Non-reciprocal agreement	<u>1,217,776</u>	<u>3,888,761</u>

The following liabilities, included in Note 22, may be discharged from restricted assets in the first instance.

	2022	2021
Provisions	<u>681,785</u>	<u>728,677</u>
Provision for landfill restoration	<u>7,186,655</u>	<u>7,025,008</u>

Non - reciprocal agreements of \$1.22M (2021: \$3.89M) are restricted with the Northern Territory Government.

Provisions are comprised of employee long service leave, annual leave and sick leave entitlements.

Note 27. Reconciliation of operating surplus to net cash from operating activities
(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2022 \$	2021 \$
Total cash & equivalent assets	17,910,941	20,789,515
Balances per Cash Flow Statement	<u>17,910,941</u>	<u>20,789,515</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 27. Reconciliation of operating surplus to net cash from operating activities (continued)
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

	2022 \$	2021 \$
Operating surplus for the year	3,181,812	9,452,306
Adjustments for:		
Depreciation, amortisation & impairment	3,480,427	3,175,607
Net (decrease)/ increase in unpaid employee benefits	(46,892)	78,096
Net increase in Landfill Rehabilitation Provision	161,647	250,638
Grants for capital acquisitions treated as Investing Activity	(1,375,187)	(1,868,282)
Net (Gain) on Disposals	(11,904)	(17,124)
Change in operating assets and liabilities:		
Net decrease/ (increase) in receivables	220,767	(276,910)
Net decrease/ (increase) in inventories	5,039	(1,398)
Net (decrease) in trade & other payables	(2,922,004)	(7,347,601)
Net cash from operating activities	<u>2,693,705</u>	<u>3,445,332</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

	2022 \$	2021 \$
Bank Overdrafts	100,000	100,000
Corporate Credit Cards	10,750	10,750
	<u>110,750</u>	<u>110,750</u>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Note 28. Income, expenses and assets have been directly attributed to the following functions & activities

	INCOME	EXPENSES	OPERATING SURPLUS (DEFICIT)	GRANTS INCLUDED IN INCOME	TOTAL ASSETS HELD (CURRENT & NON- CURRENT)
2022					
General Public Services	10,040,544	3,710,476	6,330,068	517,454	6,998,766
Public Order & Safety	55,070	296,918	(241,849)	-	57,097
Health	25,494	69,062	(43,568)	20,426	-
Housing & Community Services	249,898	426,641	(176,743)	157,994	1,268,070
Recreation & Culture	216,119	337,825	(121,706)	214,636	41,512
Sport & Recreation	265,434	3,513,246	(3,247,812)	2,531,611	32,312,957
Economic Affairs	2,709,087	4,941,766	(2,232,679)	3,399,751	68,709,592
Other Purposes (Environmental Protection)	906,265	2,402,637	(1,496,371)	-	9,663,131
Community Centre & Halls	36,868	50,934	(14,066)	-	2,020
Community Services	333,584	470,200	(136,616)	306,412	59,822
TOTAL	<u>14,838,363</u>	<u>16,219,705</u>	<u>(1,381,342)</u>	<u>7,148,284</u>	<u>119,112,967</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**

Note 28. Income, expenses and assets have been directly attributed to the following functions & activities (continued)

	INCOME	EXPENSES	OPERATING SURPLUS (DEFICIT)	GRANTS INCLUDED IN INCOME	TOTAL ASSETS HELD (CURRENT & NON- CURRENT)
2021					
General public services	8,903,811	3,203,474	5,700,337	318,823	21,956,251
Public order & safety	62,711	199,964	(137,253)	-	1,197,292
Health	20,426	23,812	(3,386)	20,426	-
Housing & community services	287,661	432,986	(145,325)	139,100	1,267,063
Recreation & culture	2,347,902	918,438	1,429,464	2,403,626	8,255
Sports & recreation	118,167	2,996,437	(2,878,270)	6,552,371	27,483,154
Economic affairs	1,140,331	4,201,328	(3,060,997)	3,166,575	65,179,422
Other purposes (environmental protection)	678,017	1,571,173	(893,156)	129,692	1,344,852
Community centre & halls	41,457	53,937	(12,480)	-	22,580
Community services	442,853	466,802	(23,949)	305,871	7,659
TOTAL	14,043,336	14,068,351	(25,015)	13,036,484	118,466,528

Note 29. Financial instruments
Financial risk management objectives

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments
**Bank, Deposits at
Call, Short Term
Deposits**

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned.

Terms & conditions: Deposits are returning fixed interest rates between 0.20% and 0.50% (2021: 0.20% and 0.50%). Short term deposits have an average maturity of 129 days and an average interest rates of 0.39% (2021: 129 days, 0.39%).

Carrying amount: approximates fair value due to the short term to maturity.

**Receivables - Rates
& Associated**

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & conditions: Secured over the subject land, arrears attract interest of 9% (2021: 9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying amount: approximates fair value (after deduction of any allowance).

**Katherine Town Council
Notes to the financial statements
30 June 2022**

Note 29. Financial instruments (continued)

Receivables - Fees & other charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised at amortised cost for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

	Due < 1 year	Due > 1 year < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2022					
<u>Financial Assets</u>					
Cash & Equivalents	17,910,941	-	-	17,910,941	17,910,941
Receivables	1,403,297	-	-	1,403,297	1,403,297
Total	19,314,238	-	-	19,314,238	19,314,238
<u>Financial Liabilities</u>					
Payables	1,789,852	-	-	1,789,852	1,789,852
Total	1,789,852	-	-	1,789,852	1,789,852

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 29. Financial instruments (continued)

2021	Due < 1 year	Due > 1 year < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	20,789,515	-	-	20,789,515	20,789,515
Receivables	1,624,064	-	-	1,624,064	1,624,064
Total	22,413,579	-	-	22,413,579	22,413,579
Financial Liabilities					
Payables	4,774,949	-	-	4,774,949	4,774,949
Total	4,774,949	-	-	4,774,949	4,774,949

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. Except as detailed in Notes 17 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 30. Commitments for Expenditure

	2022 \$	2021 \$
<i>Capital commitments</i>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Capital expenditure	-	-

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 31. Financial Indicators

	2022	2021
Current Ratio		
<u>Current Assets - Externally Restricted Assets</u>		
Current Liabilities	6.31	3.07
Rate Coverage Percentage		
<u>Rate Revenues</u>		
Total Revenues	62.87%	61.85%
	-	-
Rates & Annual Charges Outstanding Percentage		
<u>Rates & Annual Charges Outstanding</u>		
Rates & Annual Charges Collectible	8.80%	9.90%

Note 32. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme).

Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10% in 2021/22, 9.50% in 2020/21). Council contributes an additional 4% for those employees who make voluntary superannuation contributions. No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 33. Operating leases
Council as a Lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 8.

Investment Property:

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2022 \$	2021 \$
Not later than one year	55,345	16,757
Later than one year and not later than 5 years	-	158,511
Later than 5 years	-	-
	<u>55,345</u>	<u>175,268</u>

Lease payment commitments of Council

Council has not entered into non-cancellable operating leases for various items of computer and other plant and equipment.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 34. Contingent liabilities

There are no contingent liabilities.

Bank guarantees

Council has no guaranteed loans and other banking facilities advanced to others.

Note 35. Key management personnel disclosures
Key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under the Local Government (General) Regulations 2021. In all, 12 persons were paid the following total compensation:

	2022 \$	2021 \$
Salaries, allowances & other short term benefits	1,107,497	938,158
Post-employment benefits	101,213	-
Long term benefits	18,644	-
Termination benefits	62,448	-
Total	1,289,802	938,158

CEO

Disclosure of total Remuneration provided to two CEO as required by General Instruction 2 of the Local Government (General) Regulations 2021:

	CEO Current I. Stonhill	CEO Acting CEO B. Pearce	CEO Resigned I. Bodill
Short-term benefits	84,615	164,034	127,982
Post-employment benefits	11,000	20,018	16,638
Termination benefits	-	-	25,326
	95,615	184,052	169,946
Total remuneration	95,615	184,052	169,946

Parties related to key management personnel

One close family member of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with the Local Government (General) Regulations 2021.

Two key management personnels have close family members who are employed by suppliers to Katherine Town Council. However, they are excluded from procurement process with the relevant suppliers.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has 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.

Katherine Town Council
Independent auditor's report to the members of Katherine Town Council

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Katherine Town Council
Independent auditor's report to the members of Katherine Town Council

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KATHERINE TOWN COUNCIL 2021 | Annual 2022 | Report





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ABOUT THIS ANNUAL REPORT

This annual report reflects on our performance over the last financial year, from July 1, 2021 to June 30, 2022. It responds to objectives outlined in our Municipal Plan 2021-22 and includes financial records of our revenue and expenditure and a review of our assets and liabilities.

In September 2022 we released our five-year strategic plan *Katherine 2027* which will guide future municipal plans. This will ensure prudent decision making for our long-term success.

This report has been produced in accordance with the *Northern Territory Local Government Act 2019*.



STRATEGIC PLAN

MUNICIPAL PLAN

ANNUAL REPORT

MESSAGE FROM THE MAYOR - Elisabeth Clark

Council has achieved a number of milestones over the last financial year. From infrastructure developments to extending our event programming to encourage vibrancy.

Staff have worked hard. We've faced a staff shortage, yet staff have filled in the gaps and bring up our service response time



from a low last year due to Covid-19.

We carried out community consultation for our Strategic Plan and this document now outlines our work forward with a focus on long-term thinking.

Katherine is on the cusp of some major developments in defence, resource, and agriculture industries. This means we will need to upgrade our facilities to deal with the volume of people coming to town. I think this annual report is a testament

to how much work Council does to keep Katherine ticking.

Council exists to provide a service to our ratepayers including maintaining roads, parks and facilities. We also work to encourage a vibrant community and support initiatives. We want a safe, educated, and positive community. A place that people are proud of.

We are expanding and getting better. In the next year we will look at our strategic plan and apply for grant funding to make our priority projects a reality.

MESSAGE FROM THE CEO - Ingrid Stonhill

Councillors and the CEO are responsible for the governance and financial viability of Council, on behalf of its ratepayers. They need to ensure it has in place an appropriate governance framework, receives accurate, relevant, and timely reporting and is compliant with all applicable legislation.

The commencement of my role as CEO in February 2022, coincided with the implementation of the new *Local Government Legislation Act (2019)* and the significant work it required to bring all councils into compliance.

In conducting my due diligence as the newly appointed CEO, I expressed concerns around several aspects of Council's governance, specifically the financial management and internal control framework, and the limited nature and reliability of its budgeting and financial reporting.

At the most basic level, a financial management system provides the foundations for compliance and informed decision making. It should



provide structure and internal controls to limit the opportunities for material error and fraud and provide the tools to enable such issues to be readily detected, through effective reconciliation, independent review, and effective control by management through appropriate reporting.

If there are insufficient structured authorities and controls and effective reporting, accountability will be lacking. A significant review of our financial management systems, processes and procedures has now been completed and our audit report shows that Katherine Town Council is compliant with current accounting standards, policies and procedures and new legislation.

Council shows an operating deficit in 2021-22 financial year. I provide the following explanation, outlining unexpected costs which contributed to the \$727K Operating Deficit.

- Additional employee costs of around \$280K – due to annual Enterprise Bargaining Agreement salary increases, superannuation increase, higher workers' compensation, and executive management termination costs.

- Increase in materials, contracts and other expenses – including additional works on infrastructure and additional consultancy costs, including:
 - » \$102K paid for the Waste Management Facility (WMF) closure plan, environmental consulting, and financial modelling.
 - » \$84K paid for investigations and audit of subsurface fires at the Katherine landfill (WMF)
 - » \$54K paid for 2020-21 Financial Statements etc.
 - » \$14K paid for environmental auditing
 - » \$13K paid for tree assessments of Council facilities
 - » \$16K paid for workplace health and safety consultant work
 - » Increase in depreciation expenditure in 2021-22
 - » Additional expenditure relating to elections costs in 2021-22

Moving forward Council continues to work through its organisational change process, to strive towards greater accountability to its ratepayers, whilst also acknowledging the difficulties of the external economic environment.



Ingrid Stonhill

OUR YEAR 2021-2022

JULY 2021

NAIDOC week was postponed (Covid-19) but staff wore their shirts.



AUGUST 2021

Council held a Senior's Morning Tea for Senior's Month.



SEPTEMBER 2021

Katherine's 12th Council were elected and inaugurated. This Council will be known as Councillors and not Aldermen.



OCTOBER 2021

Council chose consultants for its strategic plan at the October Ordinary Meeting of Council.



NOVEMBER 2021

Council held an event for Remembrance Day.



DECEMBER 2021

Due to Covid-19 concerns, Council's Carols by Candlelight event was cancelled. The tree was still put up at Town Square.



JANUARY 2021

Council held its Australia Day awards and citizenship ceremony with Trent de With named Citizen of the Year.



FEBRUARY 2021

Postponed from December, Council held its International Day of People with Disability awards and morning tea.



MAY 2021

The Territory's new Chief Minister Natasha Fyles visited Council.



MARCH 2021

Council participated in the 80th Anniversary of the Bombing of Katherine event at the Katherine Museum.



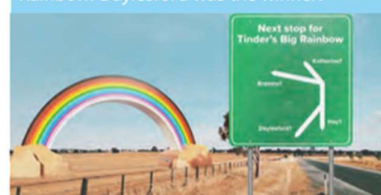
APRIL 2021

Council held its second Youth Concert at the redeveloped Town Square.









JUNE 2021

Katherine was nominated as one of four Australian regional towns to have the Big Rainbow. Daylesford was the winner.



ORGANISATIONAL STRUCTURE



 <p>OUR VISION Katherine is a place of opportunities. We celebrate diversity as we live, work, learn and grow together.</p>	<p>KRIOL TRANSLATION Wanim wi sabi? Olkain gudwan ting gin hepin la Katherrain. Wi laigim olkainbala pipul en wi wek mijamet, lib mijamet, len mijamet en gro mijamet.</p>		<p>LITERAL TRANSLATION What do we know? All sorts of good things can happen in Katherine We like all kinds of people and we work together, live together, learn together and grow together.</p>
 <p>OUR MISSION Together, we will work effectively today to shape our exceptional future tomorrows.</p>	<p>KRIOL TRANSLATION Wanim wi wandim? Mijamet, wi garra wek gudwei tudei bla meiksho bla wi fyutja im brabli gudwan.</p>		<p>LITERAL TRANSLATION What do we want? Together, we will work well today to make sure our future is really good.</p>
 <p>OUR VALUES Accepting of diversity Sense of community Respect for people, environment and culture</p>	<p>KRIOL TRANSLATION Wanim imporden la wi? Wi laigim olkainbala pipul Wi garram strongwan komunidi Wi shoum rispek la pipul, kantri en koltja.</p>		<p>LITERAL TRANSLATION What's important to us? We like all kinds of people We have a strong community We show respect to people, country and culture.</p>

ABOUT COUNCIL

Katherine Town Council provides services that are integral to its residents' lives, such as bin collection, safe footpaths and roads. It provides spaces where residents can create memories such as green, shady parks where residents can enjoy family picnics.

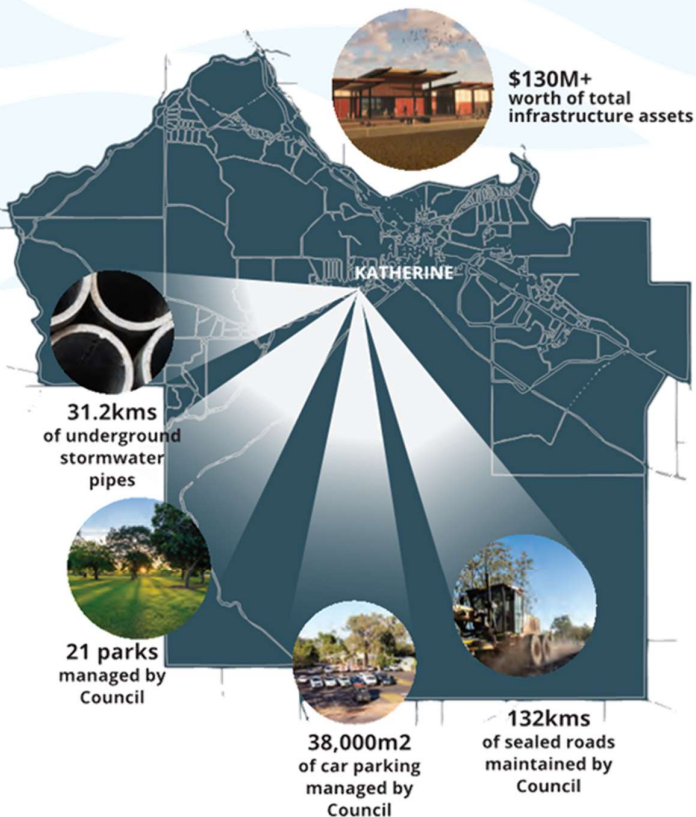
It develops and maintains areas such as the Hot Springs to benefit both locals and visitors with its easy and safe access. It provides infrastructure for local entertainment at the Town Square, or where the community gathers for markets at the Lindsay Street Complex, or where the Katherine show and agricultural displays can be held at the showgrounds.

Council advocates for the progress of the municipality. It works in partnership with the Territory and Federal Government to develop projects and solutions for the town and the Big Rivers Region.



60+
Council staff

3800+
Rateable properties



ABOUT KATHERINE

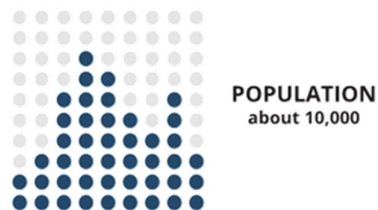
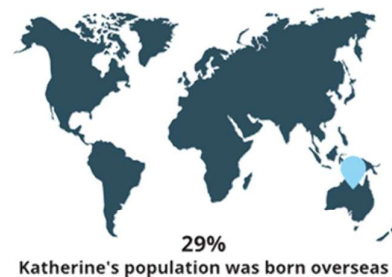
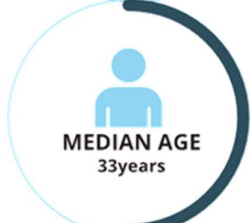
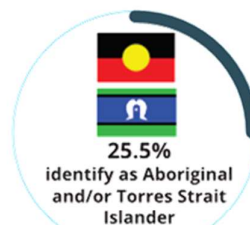
Katherine is a beautiful town in the Northern Territory (NT), often promoted as where the outback meets the tropics. It has a sub-tropical climate where from about April to October is the dry season, and from about November to March is the wet season.

It is the fourth largest town in the NT and is the service centre for residents in the surrounding Big Rivers Region. It is also commonly referred to as the crossroads of the north, as traffic heading in any direction, generally must go through Katherine.

Katherine is home to the Nitmiluk National Park, a beautiful natural wonder with 13 gorges and the pristine Katherine River.

Around 10,000 people live in Katherine, with about 6.6 per cent of the population working in defence at the nearby RAAF Tindal base.

Fishing, camping and anything outdoors is the drawcard for many Katherine residents. There are opportunities in business and work and a balance with lifestyle. Many people stay for the tight-knit community and the choice of events and cultural activities.





Elected members

Katherine's 12th Council were elected in September 2021 for a term of four years. They represent the citizens of Katherine and engage with the public frequently. They attend the Ordinary Meeting of Council (OCM) once a month and use their legally appointed powers to vote on matters.



VISION

Katherine is a place of opportunities. We celebrate diversity as we live, work, learn and grow together.



MISSION

Together we will work effectively today, to shape our exceptional future tomorrows.



VALUES

Accepting of diversity
Sense of community
Respect for people, our environment and our culture.



MAYOR
ELISABETH CLARK

✓ OCM: 12/12
ENGAGEMENTS: 402

Elisabeth, known as Lis, has lived in Katherine for over 50 years. With her husband Ian, a Katherine local, they raised their two children in Katherine and now have five grandchildren.

Lis's previous life was in horticulture where she owned a plant nursery with Ian for 30 years as well as a landscaping business for 25 years. She often sees areas in Katherine that she has worked on.

Lis was first a Councillor in 2008. She represented the voice of rural residents as she understood the issues of rural living, herself living 28 kilometres out of town on a dirt road.

Lis stepped into the role of Mayor in December 2020, and was elected as Mayor in 2021.

Lis loves the Katherine community, its many events, the unspoilt surrounding country and the progressive initiatives welcomed here.



DEPUTY MAYOR
KYM HENDERSON

✓ OCM: 12/12
ENGAGEMENTS: 210

Kym moved to Katherine in 1996 when her father, who worked for the RAAF, was posted to Tindal.

She did her schooling at Katherine's St Joseph's Catholic College before heading to boarding school, for her senior years, in Hamilton in regional Victoria.

Kym was a Councillor in Katherine for eight months before being elected in 2021. She has diplomas in business administration, human resources and payroll, and management and leadership. She has experience in local and state government, not-for-profit and volunteer organisations.

Kym is a passionate horsewoman and dog trainer. She participates in local organisations and she and her husband Lee welcomed their first child, a son, this year. Kym is an advocate for youth and the LGBTQIA+ community.



COUNCILLOR
BEN HERDON

✓ OCM: 10/12
ENGAGEMENTS: 114

Ben worked in Katherine before moving to town permanently in mid-2019.

He has worked for the Commonwealth Bank for over two decades and manages the Katherine branch. He has a vast experience in regulatory compliance, risk management, leadership, community engagement and financial acumen.

Ben loves Katherine because of its tight-knit community and natural environment.

He has previously lived in Darwin, Adelaide, rural Tasmania and the Blue Mountains and spent a year volunteering in the Philippines.

For nearly 20 years Ben volunteered in community youth work as a pastor for churches in New South Wales and South Australia. Since leaving the church he has campaigned for the LGBTQIA+ community. He dedicates his time to the Top-End pride movement and has the nickname, Pastor of Pride.



COUNCILLOR
AMANDA KINGDON

✓ OCM: 10/12
ENGAGEMENTS: 78

Amanda has lived in Katherine for over 22 years. She initially worked in local tourism before taking on remedial massage business as a sole trader. She also assisted her husband with a furniture business while they established a home here. Amanda has been involved in several community groups through volunteering and committee roles. She is a passionate member of the Katherine Christian Outreach Centre. Amanda is experienced in office and project administration. Along with her experience in small business she has also worked in non-profit and government organisations. Amanda enjoys representing the community and works in a busy hotel reception. Amanda is an advocate for a greener and safer Katherine. She supports protecting our natural resources and wants Katherine to become a better place to work, live and play.



COUNCILLOR
DENIS COBURN

✓ OCM: 10/12
ENGAGEMENTS: 66

Denis moved to Katherine just after the flood in 1998. He managed a backpackers' hostel for Travel North for about six years. He later worked as a tour guide and ran the local footy program for AFL. Denis met his wife Michelle and they have two kids. He is passionate about Katherine, loves the weather and sees potential. He wants to see a heavy vehicle alternate route to increase pedestrian vibrancy in the town's core. He also encourages an environmental agenda and wants to increase greenery in Katherine and is keen to develop a community garden. Denis has sat on a number of local boards including the Godinymayin Yijard Rivers Arts & Culture Centre. Denis helps coach the men's senior Kalano Bombers AFL team and is part of the Katherine Men's Shed.



COUNCILLOR
MADDY BOWER

✓ OCM: 10/12
ENGAGEMENTS: 87

Maddy comes from a local family. She believes learning and sharing cultural interests is important to improve the health of our First Nations people and having a more culturally responsive Council. Maddy is currently studying a Masters in Indigenous Remote Health Practice while also working at an education institute. This foundation of education and research is key to her direction of creating positive change. Maddy sees governance as an opportunity to guide Katherine in a direction that caters to all members of the community. Her firsthand experience helps guide what is needed for Katherine's First Nations people. Maddy believes that having a First Nations Terms of Reference would contribute to the betterment of the Katherine community. She wants to find solutions and acknowledge historical context to move through issues in a positive way.



COUNCILLOR
JEREMY TREMBATH

✓ OCM: 12/12
ENGAGEMENTS: 33

Jeremy was a Councillor for three months before being elected in 2021. He was born in Zimbabwe and his family moved to Katherine when he was one. He grew up in Katherine until his family went back to Zimbabwe when he was 10. They returned to Katherine when he was 15. Jeremy understands small business, having been self-employed since he finished his carpentry apprenticeship. Jeremy has run his family farm for the last six years and he and his wife Amy welcomed their first-born son earlier this year. Jeremy is an advocate for local business, industry and produce. He wants to see more greening of Katherine and a community focus on projects that utilise and regenerate the land. He also wants to see Katherine more conscious of its waste and focus on reusing and recycling.

PERFORMANCE 2021-2022

This plan has 74 KPI (Key Performance Indicators) over four departments. As of 30 June 2022, 49 actions were marked as completed/on track, 13 were in progress and 11 did not start.

This is the last annual report responding to these KPIs with the 2022-23 Municipal Plan focusing on measures of success.

OUR ANNUAL REPORT LEGEND

Measures of Performance

Completed/On Track 

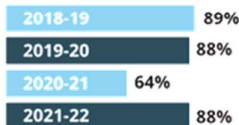
Monitor 

Not Started/Deferred 



SERVICE RESPONSE

Council brought up its service response time following a downturn during the Covid-19 pandemic period.

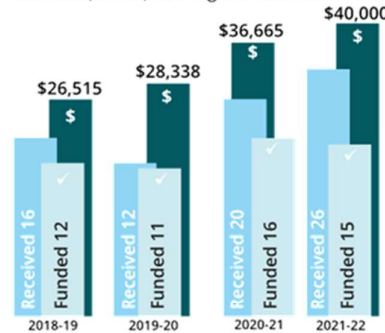


\$5,934
in-kind support

Council waived hire fees at its facilities for initiatives that benefited the community. It waived \$2,667 for Rod 'n' Rifle's Christmas lighting display at the Lindsay Street Complex. Council also provided in-kind facility hire for events at Council facilities in the School Holiday periods.

COMMUNITY GRANTS

Every year Council offers grants to the community. In 2021-22 Council provided \$40,000 in grants. They allowed the second Katherine Pride Festival to happen in July, the Kalano NAIDOC Family Fun Day and Katherine Women's Information and Legal Service's (KWILS) Starting Conversations series.



\$5000
Katherine Pride Festival

SNAP SEND SOLVE (SSS)

This app helps the community report issues in town and helps Council reduce response times to service requests. Customers upload a detailed snap about the issue which is sent to the responsible authority for a speedy solve. Customer feedback has been that this software is easy to use, engaging, and the keeps the user updated.

395
Snap Send Solve requests received

TOP THREE REQUESTS

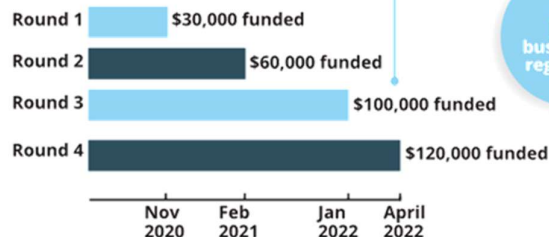


MYKATHERINE VOUCHER PROGRAM

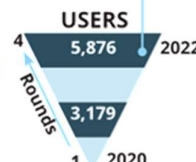
This initiative supported local businesses and stimulated the economy to help reduce the impacts of the Covid-19 pandemic. Council provided funding and promoted the program on its platforms.



my KATHERINE
Shop Local . Support Local . Love Local



47
local businesses registered



Users grew from 1,613 in Round 1 to 5,876 users in Round 4.

\$2.5M
total sales!

from \$310,000 in vouchers
NTG funded \$250,000,
KTC funded \$ 60,000

81% NTG **19%**

COUNCIL OPERATIONS

REMNANTS OF COVID-19

In the last half of 2021, Covid-19 was still an issue and caused 72-hour lockdowns in August and November.

Covid-19 cancelled activities in the June/July 2021 school holidays. Territory Day was postponed to the Katherine Show weekend and NAIDOC week activities were postponed to October. Toyota's AFL Live Site event at Katherine Town Square was postponed to 2022.

During lockdowns, Council closed all its facilities. It kept residents up to date via social media and provided information on local testing sites, public exposure sites, government disaster payments and waste management issues.

Council shared local businesses on social media who were offering services during lockdowns. The library provided a ten-minute kids' storytime via Facebook Live.

Due to uncertainty in November, Council cancelled its Carols by Candlelight event but the Christmas Lights competition went ahead and the Christmas tree was put up at Town Square.



COUNCIL'S NEW CEO

Ingrid Stonhill joined us in early February.

She has a background in local government and not-for-profit organisations. She previously was CEO of the Bawinanga Aboriginal Corporation in Maningrida, the largest remote community in the NT.

Since being at Council, Ingrid has implemented important changes to Council. She has led:

- Upgraded financial management system and processes
- Introduction of a Risk Management Framework
- Ensuring Council is compliant with legislation, including updating policies
- Workplace health and safety checks
- Updated Council's vision, mission and values to align with Council's direction
- Advised on Council's strategic planning
- Updated the process and design of Council's publications, reports and social media presence and engagement.

20/21 EVENT PROGRAM

Council held, took part in, and assisted with many events:

- CBD Activation Program
- Doggy Day – dog registration education event
- Katherine Show stall
- Seniors' Morning Tea
- Four annual citizenship ceremonies including Australia Day
- Great Northern Clean Up
- Remembrance Day
- International Day of People with Disability morning tea and awards
- Australian of the Year awards
- Clean Up Australia Day
- Come and Try Sports Expo
- Bombing of Katherine
- Veteran's Day
- Youth Concert at Town Square
- Anzac Day
- School Holiday program for the four annual holiday periods
- Festivals of the Dry - dry season event program promotion



CONSULTATION AND ENGAGEMENT

Local government elections were held in September 2021 and Council held information and meet the candidate sessions. The newly elected Council held a meet and greet at the Hot Springs park in October 2021.

There was a Local Buy information session at the start of November 2021. The Annual Plan 2021-22 was available for public feedback in mid-November.

Consultants Deloitte held two public community consultations for the strategic plan in early May, plus a number of one-on-one consultations and a public online survey.

The draft municipal plan was released at the end of May for public consultation.

Elected members attend frequent community engagement opportunities throughout the year including Council's stalls at the Katherine Show, the Come and Try Expo, the local dog park and the markets etc. The Mayor and CEO meet frequently with business and community stakeholder groups

COMMITTEES

Council runs these committees:

- Administrative Review Committee
- Audit and Risk Management Committee
- Community Benefit Grants Committee
- Katherine Sportsgrounds Advisory Committee
- Katherine Showgrounds Advisory Committee
- Katherine Youth Advisory Committee (on hold)
- Work Health Safety Committee

Council maintains membership on the following committees:

- NT Grants Commission
- Australian Local Government Women's Association NT
- Big Rivers Economic Development Committee
- Development Consent Authority
- Godinmayin Yijards Rivers Arts & Cultural Centre (GYRACC) Board of Management
- Joint Insurance Scheme Discretionary Trust Advisory Committee
- Katherine Chamber of Commerce
- Katherine Community PFAS Committee
- Katherine Emergency Committee
- The Historical Society of Katherine Committee
- Local Government Association of the Northern Territory – Executive Committee
- Nitmiluk National Park Board
- Tourism Top End – Katherine Region Group

such as the RAAF, Northern Territory Police, regional councils, Chamber of Commerce, seniors, business owners and government departments.

Council continued to run advisory committees to engage with the user groups of Council facilities.



ELECTION PROMISE

Katherine received a promise from both major parties in the lead up to the Federal Election in May 2022 to provide \$10 million to redevelop our aquatic centre.

The pool celebrated its 40th birthday in October 2021. It needs an upgrade to cater to Katherine's growing population.

KATHERINE PUBLIC LIBRARY

Katherine Public Library is a resource hub, providing equal access to all community members. It is a safe, educational space that encourages connection.

The library is a positive and engaging presence in the community, offering a range of events and programs for all ages. Total number of visitations in 2021/22 were 23,886, down from 25,552 in 2020/21. The library had a few closures due to Covid-19, closing for two weeks in November 2021 and one week in January 2022.

Community visits and activities

- Boof the Barra (Water Safety Week)
- Queensland Ballet
- Young Territory Author Awards submissions
- Artwork from Gwenda Robb
- Local authors Book Fair
- Assisting Katherine Show submissions
- Green Snaps Photography Competition
- Pride Storytime
- Mobile Petting Zoo
- Redress Process - Relationships Australia
- Support and promotion of Katherine Region of Writers
- Facilitated Katherine Book Interest Group

Looking out for seniors

- The library offers one-hour senior IT support session to help with general IT queries for tablets, laptops, smartphones and navigating government websites.
- Staff started a senior's newsletter to provide community updates for those who don't use technology.
- For Senior's Month in August 2021, the library held a morning tea and a Leading Lines photography exhibition with 29 senior portraits. 50 guests attended.

2021/22 EVENT PROGRAM

The library continued regular age-specific children's programs:

- Wriggle and Rhyme
- Toddlers' Rhyme Time
- Children's Storytime and Craft.

Other events:

- Book Warriors: popular schoolbook program with 31 registered members. Includes quarterly newsletters and events that encourage reading and interaction.
- Dungeons and Dragons youth program
- School holiday activities including 3D printing workshops, craft sessions, NAIDOC Storytime, resin jewellery making, and giant outdoor game competitions at Town Square.



Won the Regional & Remote Libraries Merit Award at the ALIA NT Recognition Awards 2021

Photo, Library Services Manager Colleen operates the bubble machine at the Toddlers' Rhyme Time.

KATHERINE VISITOR INFORMATION CENTRE (KVIC)

Katherine Town Council is one of only a few councils in Australia that operates a visitor information centre. Our centre consistently receives great feedback. It's a retreat for visitors with free wi-fi, a spacious air-conditioned space to work out plans, and public facilities. Staff have a wealth of local knowledge to guide visitors in their travels.

TERRITORY TOURISM VOUCHERS

To encourage locals to explore their own backyard, Tourism NT launched the Territory Tourism Voucher Program in July 2020. This campaign saw four rounds, with three in the previous 2020-21 financial year. The fourth round, from October 2021 to January 2022, encouraged travel during the low season.

Territorians received a 50% discount on their booking (up to \$200). This generated \$35.6 million for an industry impacted by the pandemic. KVIC secured 5.3% of these bookings and Katherine region businesses saw \$2.77 million in sales.

MEDIA

EVENT BROCHURES

Council continued to support NTG's School Holiday Program with marketing. NTG provided grants to organisations to hold events. They provided the schedule to Council who organised the design, printing and distribution of the program brochure and promoted it online.

The brochure is a schedule of free events for youth and is distributed before each of the four annual school holidays.

Similarly, Council and NTG also produce the Festivals of the Dry brochure. This events program is released in April and informs residents and tourists of what is on over the prime visitor period from May to September.

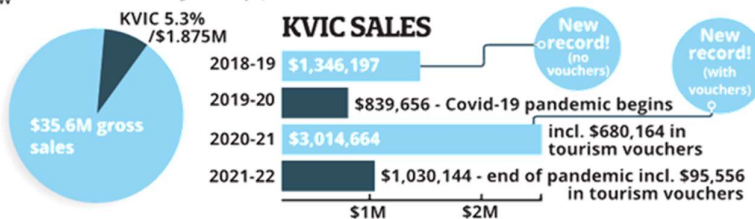
CBD ACTIVATION

In the dry season 2021/22, Council ran a CBD Activation Program, which was a series of posts on social media that promoted free events in Katherine. This was to stimulate vibrancy in town after the impacts of Covid-19.

In 2022, Council ran an Activate Katherine group meeting, with participants from community groups as well as NTG. This group brainstormed ideas to activate Katherine's event and culture offerings and to make use of unused spaces in town.



Photo, tourists Bridget and Rhys plan their adventures at the Katherine Visitor Information Centre.



Photo, School Holiday Program brochures from 2021-22 and the 2022 Festivals of the Dry brochure.

The Katherine Food Van Collective event was proposed and after funding was secured, it was organised for the months of July and August 2022.

Council also prepared in June 2022 to hold a Movers and Shakers networking event on Katherine's historic railway bridge, which was postponed to July due to bad weather.



Photo, Allison Forbes with her new best bud Zelda. Inset, Zelda when she first arrived at the pound.

POUND DOG FINDS LOVING HOME

In May 2022, Council shared a photo on Facebook of a dog at the pound. The post was widely viewed with many comments angry at the dog's sad condition with cuts and patchy fur.

After weeks convalescing in Council's care, the dog was adopted in June 2022. With the new name of Zelda, Council shared images from owner Allison Forbes of Zelda as a happy dog.

The story was reported on in a number of media outlets, including print and radio. It saw a lot of positive attention on social media, such as comments, reactions and shares.

INFRASTRUCTURE TIMELINE



BUILDING BEGINS

After delays to the \$5.45M Katherine and Big Rivers Community, Sports and Recreation Venue due to supply chain issues relating to Covid-19, structural work began.



AQUATIC CENTRE MANAGEMENT

Belgravia Leisure took on a three-year management agreement.



WAYFINDING SIGNAGE

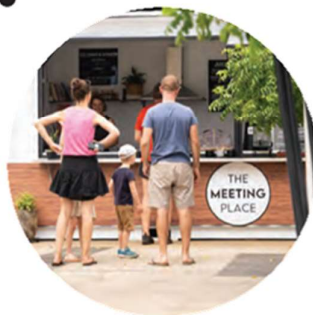
Katherine receives over 200,000 visitors each year and wayfinding signage is designed to provide guidance in the central business area. It was designed so that it can be expanded further out from the town in the future. This signage was possible through NTG grant funding.

AUGUST 2021

JULY 2021

KIOSK OPENS

The Meeting Place cafe, in Council's redeveloped Town Square, opened on August 30, 2021.



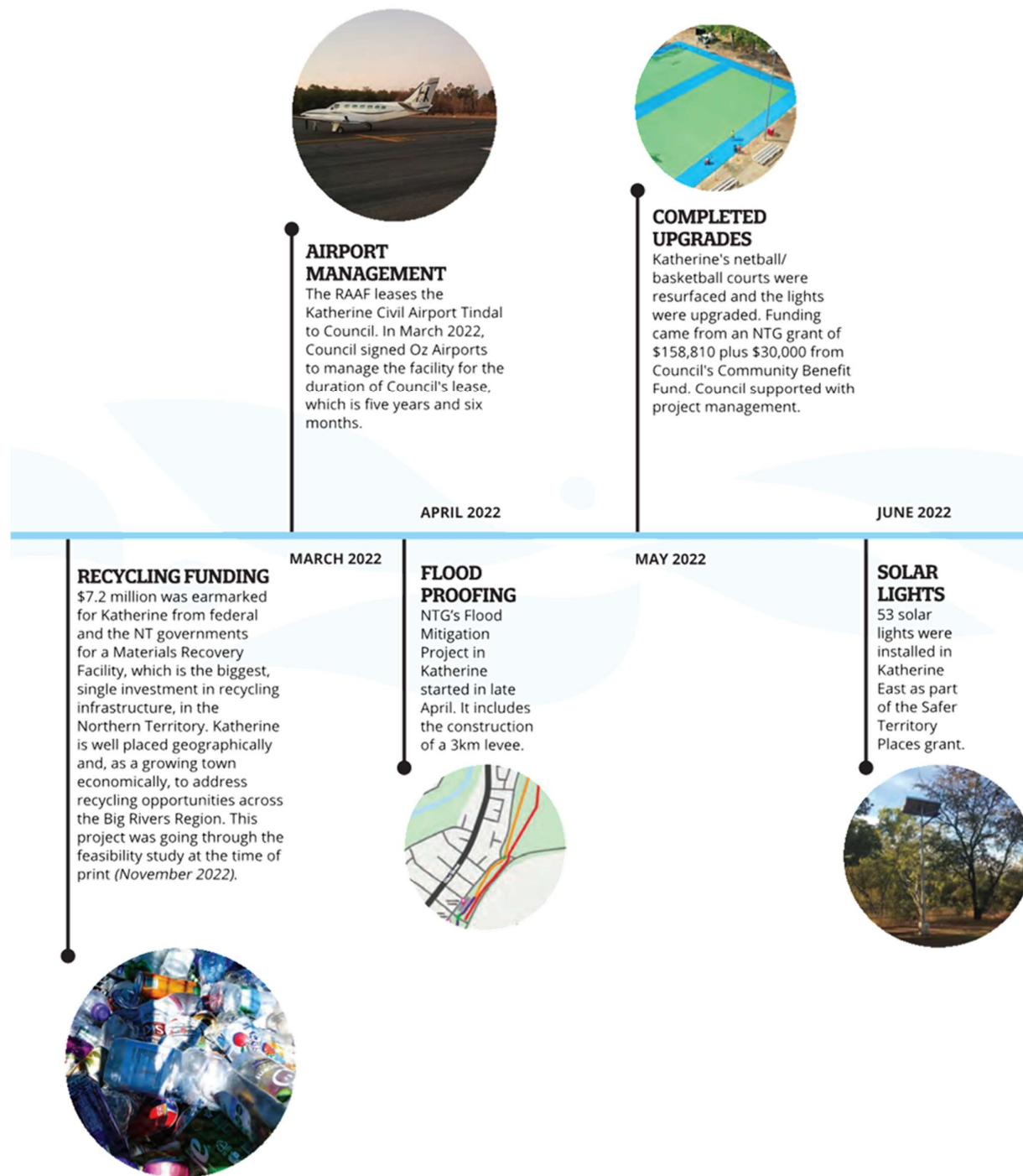
DECEMBER 2021

FEBRUARY 2022

BRIDGE OPENS

The \$3.7M Leight Creek bridge on Emungalan Road opened to traffic. It can withstand flood levels up to 13.1 metres.





CORPORATE SERVICES

The administration department fosters a well-connected network of services within Council to support its rapid growth and service delivery. Our team handles:

- customer service
- after-hour calls
- public enquiries
- facility bookings
- payments
- staff admin support
- sending service requests
- records management
- information technology and communications
- Council's insurance
- leasing of Council assets

FINANCIAL OVERHAUL

Council streamlined its accounting system on financial platform Xero in preparation for the 2022/23 financial year.

STAFFING DOWNTURN

Staff in the administration team took on additional duties to support and relieve other Council departments due to staffing issues, felt across Australia since the Covid-19 pandemic.

This provided professional development for staff as cross-skilling can mitigate risks and fill in the gaps in operations and service delivery. Council managed to raise its service response back up after it fell in 2020-21 to 64.85%, despite still responding to the ongoing impacts of the Covid-19 pandemic.

RATES AND POLICY REVIEW

The Local Government Act 2019 was enforced from July 1, 2021. Council policies were required to be reviewed to reflect this updated legislation including rates and rateability, and adopted a rates concession policy.

Council utilised the majority of funds from a PFAS compensation settlement to offset a rates increase as per Council's long-term financial plan. The rates increase was set at above 7.2% for the 21/22 budget however, in receipt of these funds, rates were reduced to 4.9%.



Photo, Customer Service Officer Kim serves a customer at Council's front desk.



Provide responsible financial services to ensure informed decision making for the allocation of Council resources in the short term and to ensure Council meets all its statutory and regulatory obligations.

Corporate Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Adherence to internal financial procedures	%	100	100	✓
Legislative Compliance as of July 1, 2022	#	100	100	✓



Improve the long-term financial sustainability of Katherine Town Council

Long Term Financial Management

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Long Term Financial Plan	=	Completed	Completed	✓
Improve financial KPI's in accordance with LTFFP	=	Achieved	Achieved	✓



Provide timely and quality service to both the community and stakeholders whilst maintaining Council's information technology and electronic record management system services.

Administration Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Service requests actioned within 10 business days*	%	90	88.8%	✓

*331 service requests received. 299 were actioned within 10 days, with 40 completed after this period.



COMMUNITY SERVICES

This department oversees Council's community programs such as events, bylaw education and enforcement, tourism services, and the public library. It focuses on the community and collaboration.

TOURISM

Council's tourism numbers have been impacted by the Covid-19 pandemic. While government funding helped during the pandemic, tourism was slower than pre-pandemic levels. Staff still maintained a high quality of customer service.

REGULATORY SERVICES

Staff continued to manage wandering animals in Katherine and educated the public on dog registration. It issued warrants for unkept land that caused hazards and monitored illegal parking during the busy tourism season.

EVENTS

Council continued its extensive events program (see page 11) and added some new ones such as a one-off networking event on the railway bridge and collaborated with NTG and other organisations to organise the trial dry season food van event.



Photo, Customer Service Officer Taylor assists a customer at the Visitor Information Centre desk.

Manage Council's recreational and cultural community program, including Council's major events programs for the benefit and satisfaction of the community.

Community Events & Collaboration

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Increase participation by community at Council events	%	>10	18 events*	✓
Increase Council's event program through community collaborations	#	2	8	✓
Increase community grant program (applications)	#	>5	received 26 submissions ¹	✓

*See page 11. ¹ See page 10

Manage Visitor Information Centre services and secure a future for the region through encouraging investment and employment to enhance our visitor economy.

Visitor Information Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Increase total sales	%	1	-48.96% ¹ *	⚠
Increase KVIC visitor numbers*	%	1	-4.07%	⚠
Increase sales value per booking	%	1	-49.36%	⚠

¹Affected by tourism vouchers. *Covid-19 affected travel to Katherine.

Support the sustainable and strategic development of the Katherine Museum.

Katherine Museum

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Adherence to partnership agreement	=	Ongoing	Met	✓
Completion of agreed yearly asset maintenance	%	100	Met	✓

Provide for the social, recreational and cultural needs of the community, ensuring accessibility and promoting life-long learning.

Library Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Increase patron engagement	%	1	Achieved	✓
Increase number of members	%	1	Increased by 323	✓

Provide effective management of public order and safety within the municipality compatible with a congenial living environment.

Regulatory Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Service requests are actioned within 10 business days	%	90	63.85%	⚠
Carry out Doggy Day education activities	#	1	6*	✓
Complete annual controlled parking audit	%	100	Met	✓
Undertake dog registration audits	%	Increase	75% (last year 65%)	✓
Prepare recommended determinations for KTC Bylaws	%	100	85% (Complete by Feb 2023)	⚠

*Doggy Day, Kalano, Rockhole, and Binjari (x3).

Support the ongoing development of GYRACC

Godinymayin Yijards River Arts & Culture Centre

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Adherence to partnership agreement	=	Achieve	Achieved	✓

Collect data for the Department of Health.

Mosquito Monitoring

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Supply fortnightly samples and data	%	100	Completed*	✓

*Council no longer receive funding to facilitate this program

INFRASTRUCTURE & ENVIRONMENT

This department maintains Council's assets and ensures all its public facilities are safe and fit-for-purpose. This department looks after:

- Civic Centre
- Depot
- Library
- Visitor Centre
- Cemetery
- Cenotaph
- Town Square
- Public facilities
- Sports facilities (ovals, pavilion showgrounds)
- Hot Springs
- Waste facility
- Waste collection
- Litter control
- Playgrounds
- Council roads
- Bike paths
- Footpaths
- Weeds
- Mowing roadside verges
- Signage
- Street lighting
- Service requests
- Project management
- Tenders

ROADS

Council continued its rolling reseal maintenance program. \$1.2 million was allocated for the 2021/22 financial year. Funding for road resealing was utilised for the sportsground car parks.

Morris Road was widened and resealed and the road on Gillard Crescent was repaired. Both of these areas see a high amount of truck traffic.

FIRE CONTROL

As dry season has a higher risk of bush fire, Council continued to maintain its firebreaks and rural verges.

ASSET MANAGEMENT

Council began using asset management and workplace health and safety software Skytrust.

KATHERINE MEMORIAL CEMETERY

Council adopted an updated policy for the cemetery and new Flower and Ornament Guidelines in July 2021 to provide consistency and clarity going forward.

SERVICE REQUESTS

Staff responded to maintenance issues around town through service requests which come via email and through the user-friendly Snap Send Solve.

This can be accessed online or through a mobile app. Service requests include road issues, streetlights and dangerous trees.

Council also responds to vandalism and damage of Council assets.

WASTE MANAGEMENT

Katherine Town Council contracts its residential waste collection to Cleanaway and works with them to respond to customer issues.

The Waste Management Facility has become more organised in its separate waste streams and meets Environment Protection Agency regulations.

In preparation for Council's proposed Materials Recycling Facility, it is working with Council's media staff to further educate residents on separating their waste and understanding their environmental impact.

Council continues to be part of the Big Rivers Region Waste Management Working Group, which collaboratively develops solutions and implements best practice procedures. The group comprises of:

- Katherine Town Council
- Roper Gulf Regional Council
- Victoria Daly Regional Council
- West Daly Regional Council
- Coomalie Community Government Council
- Department of Health
- NT Environment Protection Authority
- Department of Chief Minister and Cabinet.



Photo, Municipal Worker Jodie blows leaves off Council's Town Square.



Manage contract with external service provider to manage Katherine Civil Airport Tindal.

Katherine Airport

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Compliance with the Civil Aviation Safety Authority (CASA) Safety regulations and the Manual of Standards (MOS)	%	100	Oz Airports developing new Aerodrome Manual	🟡
Legislative Compliance	Trend	Increasing	Compliant	🟢



To provide and maintain a network of road and pathway infrastructure to safely and efficiently move vehicles, pedestrians and goods throughout the municipality.

Roads, Footpath, Nature Strips and Cycleways

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Deliver capital works program for road resealing and pavement rehabilitation	%	100	100%	🟢
Maintenance grading to rural roads to stabilise and shape shoulders and table drains	%	20	20%	🟢
Potholes are made safe and repaired as observed by the community or KTC staff within acceptable time frame	Days	1 to make safe and 21 to repair	Achieved	🟢
Identify faded and damaged signage and carry out signage renewal program	%	15	Achieved	🟢
Identify faded line marking and carry out line marking renewal program	%	20	Partially achieved	🟡
Trip hazards are made safe and repaired as observed by the community or KTC staff within acceptable time frame	Days	1 to make safe and 21 to repair	Achieved	🟢



To provide stormwater drainage to urban areas in Katherine through a network of kerbs, gutters, pits and 31km of underground pipes as well as maintaining all-weather access to sealed rural roads in flood prone areas and at non-permanent creek crossings through culverts and open channels.

Stormwater Management

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Undertake assessments and collate asset data to develop staged renewal program for kerbs and gutters	%	50	Not commenced	🔴
Carry out scheduled CCTV inspections and cleaning of underground pipe	km	2	Achieved	🟢
Carry out scheduled CCTV inspections and cleaning of under road culverts	#	15	Partially achieved	🟡
Side Entry Pit (SEP) lids and grates are made safe and repaired as observed by community or KTC staff within acceptable timeframe	Days	1 to make safe and 21 to repair	95% Ongoing	🟢
Scheduled capital renewals completed as per Asset Management Plan	%	100	Asset Management Plan needs to be updated to reflect current assests	🔴



Provide and maintain streetlighting throughout Katherine to ensure public safety.

Streetlighting

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Annual Streetlighting program expenditure within approved budget	%	100	148% Overbudget due to rectifying backlog of repairs	🟢
Urgent service requests actioned within 10 business days	%	90	95%	🟢
Non-urgent service requests actioned when a minimum of 5 requests have been received	%	90	95%	🟢



Develop and implement a Weed Management Program for the control of noxious weeds on Council owned land within the municipality, ensuring compliance with legislative requirements.

Weed Management

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Completion of weed surveys in identified areas	Frequency	Quarterly	Not achieved. Now using weedmate app to track weed infestations	⊗
Overall weed density	Trend	Decreasing	Not enough data captured to develop trend line.	⚡
Distribute information on social media to raise community awareness of weed issues in the Katherine area	Frequency	Quarterly	Not yet commenced	⊗
Non-urgent service requests actioned when a minimum of 5 requests have been received	%	90	Achieved	✓



Sustainably manage the Katherine Waste Management Facility (KWMF) to comply with regulations and industry standards and deliver services to meet current and future needs of the municipality.

Waste Management

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Conduct environmental monitoring and reporting as required by NT EPA and NPI regulations	%	100	Achieved	✓
Regular kerbside collection service in accordance with agreed service levels	%	95% of kerb side collections delivered 90% of issues actioned within 10 business days	Achieved	✓
Promote Council's Waste Management Strategy on website and at events and information sessions	#	WMS available on website, 4 events and/or information sessions attended	Not achieved	⊗
Participate in 'Clean Up Australia' Day and 'Tidy Towns/Sustainable Cities' programs	#	2	Did in Clean Up Australia Day and Great Northern Clean Up	✓
New Landfill Infrastructure	Progress the development of a new landfill	Conduct public consultation. Complete site selection. Progress work to design the new facility.	Deferred until the feasibility study of MRF is completed	⊗
Old Landfill Management	Progress work to close the existing landfill	Progress work to design a suitable capping arrangement	Closure and capping planning underway. Includes assessment of remaining space, lifespan and cap costs.	✓
Actively participate in Big Rivers Regional Waste Management Group meetings and Waste Industry Forums	#	6	Achieved	✓
Engage consultant to prepare master plan and design for current KWMF	Final plan and design	Completed	Achieved	✓
Engage consultant to conduct feasibility study and recommend site for new landfill.	Report presented to Council	Completed	Not yet commenced	⊗



Provide services to the Binjari community in line with NTG's Department of Chief Minister and Cabinet operational funding arrangements.

Binjari Municipal Services

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Operational funding expended in accordance with the relevant legislation	%	100	100%	✓
Carry out Binjari Doggy Day activities	#	3	3	✓



Operate the Katherine Memorial Cemetery to meet legislative requirements whilst providing safe and appropriate interment options.

Cemetery

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Compliance with legislative requirements	%	100	100%	✓
Number of complaints received	<	6	Achieved	✓
Completion of annual plinth installation program	#	2	Achieved	✓



Manage Council's open spaces including playgrounds, parks, gardens and reserves to meet current and future community needs.

Playgrounds, Parks, Gardens and Reserves

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Service requests actioned within 10 business days	%	85	100%	✓
Complete playground equipment inspections	=	Monthly	0. Lack of trained staff. Will focus on Adventure Park Playground and progressively remove playgrounds from smaller local parks	✗
Carry out playground safety audit	=	Annually	Completed	✓
Complete scheduled grounds maintenance	%	100	100%	✓



To manage and maintain Council owned multi-use facilities (i.e. Sportsgrounds and Showgrounds) so that a range of recreational and leisure opportunities are made available to residents and visitors.

Recreation and Leisure Facilities

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Engage consultants to develop Katherine Recreation Strategy and Facility Management Plan 2022-2032	%	Completed	Not yet commenced	✗
Conduct audit and condition assessment of Council owned and/or managed community facilities and spaces	%	100	Not yet commenced	✗
Establish community communication and consultation strategy and Terms of Reference for stakeholder group meetings	=	Completed	Not yet commenced	✗
Conduct stakeholder meetings	#	6	Achieved	✓
Service requests actioned within 10 business days	%	85	100%	✓



Develop and implement a long-term plan for Katherine Town Council's infrastructure to ensure responsive management of assets, sustainable delivery of services, and compliance with regulatory requirements.

Long Term Asset Management Plan

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Update Asset Register, Asset Management Plan and Long-Term Financial Plan	%	100	Partially achieved	⚡
Carry out asset renewal and replacement program	%	100	Achieved	✓
Conduct annual asset audit and condition assessments	%	100	Partially achieved	⚡

GOVERNANCE

The Chief Executive Officer is the conduit between Council's elected members, the directors of Council departments and Council staff. The CEO is the head of the Governance department and oversees the long-term direction of Council and guides the organisation forward to meet its goals.

Since joining Council in February 2022, CEO Ingrid Stonhill has led an organisational change to lift standards, productivity and customer service.

GOVERNANCE

The Governance department is responsible for compiling Council agendas, minutes, reviewing policies, by-laws and ensuring Council is compliant with legislation.

HUMAN RESOURCES

Human resources is responsible for recruitment, training and development, workforce planning and workplace health and safety. Worldwide staffing shortages, lack of local housing options and overall mental fitness have been issues in establishing Council as an employer of choice.

Council has a partnership with local schools to employ student administrators. They fulfil important duties while experiencing an office environment and building their professional skills.

New systems, processes and structures are continuing to be implemented. Council began using recruitment platform Happy HR and safety platform Safety Hub.

MEDIA AND COMMUNITY ENGAGEMENT

Council's communications team is responsible for liaising with media and responding to requests for comment. It communicates with the local community via social media and Council's website, newsletter and media releases. It increases the community's understanding of Council functions while promoting Katherine as a desirable place to live.

Over 2021-22, Council was mentioned at least 45 times in local print/online media in a positive manner. Council shared photography from events with the media and community. The Mayor provided a bi-weekly column to the local newspaper Katherine Times and regularly spoke on radio. Council's monthly newsletter recommenced in April 2022 and was a platform for the CEO to engage with the public through her opinion piece.

Council began upgrading its professional appearance. Council acquired a new marquee, that promoted its profile and branding, to use for events like the Katherine Show. It also designed Katherine specific t-shirts to sell at its Visitor Information Centre.



Contributed at least 45
times to local print and
online media stories



Photo, Katherine Town Council CEO Ingrid Stonhill
at her desk.



Develop Council's facilitation role in the community and ensure participation in Council's decision making processes, planning and service delivery.

Community Engagement

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Increase number of community engagement activities undertaken annually	#	>5	7*	✓
Increase number of community groups engaged with Council	#	>1	Achieved	✓

*Refers to public activities. The Mayor, Elected Members and CEO attend activities to engage with the community throughout the year.



Manage Council's communication program, including media management and marketing.

Marketing & Communications

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Increase in number of followers on Facebook per annum	%	>10	561 more	✓
Increase in number of website visits per annum	%	>20	down 36,929	⚠
Number of media releases with positive media coverage	#	30	17*	⚠
Review annual Communications Plan	=	Ongoing	Ongoing	✓

*Position was vacant for seven months.



Manage Council's Governance Training

Mandatory training for Elected Members

Key Performance Indicator	Unit	Target	2021/22 Result	Status
Local Government Induction – Key Information	1	100%	100%	✓
Module 1	3	100%	100%	✓
<ul style="list-style-type: none"> Roles and Responsibilities of Council Members Introduction to the Code of Conduct Understanding Conflict of Interest 				
Module 2	3	100%	100%	✓
<ul style="list-style-type: none"> Understanding Local Government Introduction to Council Finances Council meeting procedures and decision making 				
Integrity Training – Ethical Decision Making	1	100%	100%	✓



Katherine Town Council

Annual Report - 30 June 2022

**Katherine Town Council
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30 June 2022**

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**Katherine Town Council
CEO's declaration
30 June 2022**

I, Ingrid Stonhill, Chief Executive Officer of the Katherine Town Council, certify that to the best of my knowledge, information and belief:

- the General Purpose Financial Report has been properly drawn up in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 2019, and the Local Government (General) Regulations 2021 so as to present fairly the financial position of the Council as at 30 June 2022 and the results for the year then ended; and
- the General Purpose Financial Report is in accordance with the accounting and other records of the Council.

Ingrid Stonhill
CHIEF EXECUTIVE OFFICER

____ November 2022

**Katherine Town Council
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022**

	Note	2022 \$	Restated 2021 \$
Revenue			
Rates	4	9,322,193	8,686,068
Statutory charges	5	52,278	57,236
User charges	6	1,510,912	1,305,973
Grants, subsidies and contributions	7	3,102,113	3,325,649
Investment income	8	84,656	145,074
Reimbursements	9	134,184	68,454
Other income	10	620,122	454,881
Total Income		14,826,458	14,043,335
Expenses			
Employee costs	11	5,046,752	4,764,487
Materials, contracts & other expenses	12	6,678,128	5,918,419
Depreciation, amortisation and impairment	13	3,480,427	3,175,607
Elected Member Allowance		227,745	200,592
Elected Member Expenses		108,023	9,246
Finance costs*	22	161,647	250,637
Total Expenses*		15,702,722	14,724,748
Operating deficit*		(876,264)	(275,653)
Asset disposal & fair value adjustments	14	11,904	17,124
Amounts received specially for new or upgraded assets	15	4,046,172	9,710,835
Operating surplus for the year*	25	3,181,812	9,452,306
Other comprehensive income for the year		-	-
Total comprehensive income for the year*		3,181,812	9,452,306

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**Katherine Town Council
Statement of financial position
As at 30 June 2022**

	Note	2022 \$	Restated 2021 \$	Restated 2020 \$
Assets				
Current assets				
Cash and cash equivalents	16	17,910,941	20,789,515	28,338,778
Trade and other receivables	17	1,403,297	1,624,064	1,347,154
Inventories	18	10,181	15,220	13,822
Total current assets		<u>19,324,419</u>	<u>22,428,799</u>	<u>29,699,754</u>
Non-current assets				
Infrastructure, property, plant and equipment (IPP&E)	20	89,920,483	85,941,398	79,619,506
Other non-current assets	19	9,608,154	10,096,331	6,713,829
Total non-current assets		<u>99,528,637</u>	<u>96,037,729</u>	<u>86,333,335</u>
Total assets		<u>118,853,056</u>	<u>118,466,528</u>	<u>116,033,089</u>
Liabilities				
Current liabilities				
Trade and other payables	21	2,494,475	5,404,514	12,752,115
Provisions	22	618,719	639,412	650,581
Total current liabilities		<u>3,113,194</u>	<u>6,043,926</u>	<u>13,402,696</u>
Non-current liabilities				
Provisions*	22	7,249,721	7,114,273	6,774,370
Total non-current liabilities*		<u>7,249,721</u>	<u>7,114,273</u>	<u>6,774,370</u>
Total liabilities*		<u>10,362,915</u>	<u>13,158,199</u>	<u>20,177,066</u>
Net assets*		<u>108,490,141</u>	<u>105,308,329</u>	<u>95,856,023</u>
Equity				
Asset Revaluation Reserves	23	75,549,402	75,549,402	75,549,402
Other Reserves*	24	6,688,162	7,388,162	7,388,162
Accumulated surpluses*	25	26,252,577	22,370,765	12,918,459
Total equity		<u>108,490,141</u>	<u>105,308,329</u>	<u>95,856,023</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

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**Katherine Town Council
Statement of changes in equity
For the year ended 30 June 2022**

	Asset Revaluation Reserve \$	Other Reserves \$	Accumulated Surpluses \$	Total equity \$
Balance at 1 July 2020*	75,549,402	13,851,024	13,229,967	102,630,393
Adjustment for correction of error (note 3)*	-	(6,462,862)	(311,508)	(6,774,370)
Balance at 1 July 2020 – restated*	75,549,402	7,388,162	12,918,459	95,856,023
Operating surplus for the year*	-	-	9,452,306	9,452,306
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year*	-	-	9,452,306	9,452,306
Balance at 30 June 2021*	<u>75,549,402</u>	<u>7,388,162</u>	<u>22,370,765</u>	<u>105,308,329</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

	Asset Revaluation Reserves \$	Other Reserves* \$	Accumulated surpluses* \$	Total equity* \$
Balance at 1 July 2021*	75,549,402	7,388,162	22,370,765	105,308,329
Operating surplus for the year	-	-	3,181,812	3,181,812
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,181,812	3,181,812
Transfer	-	(700,000)	700,000	-
Balance at 30 June 2022	<u>75,549,402</u>	<u>6,688,162</u>	<u>26,252,577</u>	<u>108,490,141</u>

*Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of changes in equity should be read in conjunction with the accompanying notes

**Katherine Town Council
Statement of cash flows
For the year ended 30 June 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Rates – general and other		9,325,795	8,521,567
Receipts from Fees and other charges		1,774,015	1,578,349
Receipts from Investment		104,301	159,836
Grants utilised for operating purposes		3,102,113	3,325,649
Other revenue		856,772	179,627
Payments to employees		(5,192,655)	(4,665,026)
Payments for Material, contracts & other expenses		(7,276,636)	(5,654,670)
Net cash from operating activities	27	2,693,705	3,445,332
Cash flows from investing activities			
Payments for property, plant and equipment	20	(6,965,025)	(12,901,474)
Amounts specially received for new or upgraded assets		1,375,187	1,868,282
Proceeds from disposal of property, plant and equipment		17,559	38,597
Net cash used in investing activities		(5,572,279)	(10,994,595)
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(2,878,574)	(7,549,263)
Cash and cash equivalents at the beginning of the financial year		20,789,515	28,338,778
Cash and cash equivalents at the end of the financial year	16	<u>17,910,941</u>	<u>20,789,515</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Council has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations, the requirements of the Local Government Act 2019, the Local Government (Accounting) Regulations and other relevant Northern Territory legislation.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income and certain classes of property, plant and equipment.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Local Government Reporting Entity

Katherine Town Council is incorporated under the NT Local Government Act 2008 and has its principal place of business at Lot 1865 Stuart Hwy, Katherine NT 0850. These financial statements include the Council's direct operations and all entities through which 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 activity areas have been eliminated.

Functional currency and presentation currency

The financial statements are presented in Australian dollars, which is Katherine Town Council's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

Income is measured at the fair value of the consideration received or receivable. 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 and services. Performance obligations may be completed at a point in time or over time.

Grants

The Council recognises grant revenues under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)**

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Rates Revenue

Rates revenue is recognised at the commencement of the rating period.

Statutory and User Charges

Statutory and User Charges are recognised upon unconditional entitlement to the funds. Generally, this is upon lodgement of the relevant applications or documents, issuing of the infringement notice or when the service is provided.

Sales Revenue

Sale of goods is recognised when the significant risks and rewards of ownership are transferred to the buyer, generally when the customer has taken undisputed delivery of the goods.

Essential services

For works undertaken on a fixed price contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of a future claim entitlement are classified as work in progress in inventory. When it is probable that total costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Council's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash, cash equivalents and other Financial instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)****Trade and other receivables**

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 2019. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 27.

Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

Investments and other financial assets*Impairment of financial assets*

The Council recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Council's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Infrastructure, Property, plant and equipment***Land under roads***

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 1 July 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

Capitalisation thresholds used by Council for a representative range of assets are shown below:

**Katherine Town Council
Notes to the financial statements
30 June 2022**

Note 1. Significant accounting policies (continued)

Office Furniture & Equipment	\$5,000
Other Plant & Equipment	\$5,000
Buildings – new construction/extensions	\$10,000
Park & Playground Furniture & Equipment	\$5,000
Road construction & reconstruction	\$10,000
Paving, Footpaths, Kerb & Gutter	\$5,000
Drains & Culverts	\$5,000
Reticulation extensions	\$5,000
Artworks	\$5,000

Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the assets.

Council adopts the Fair Value rate of assets every three-five years in line with Asset Revaluation, or as revaluation occurs.

No revaluation done in 2021-22. The last revaluation was done on 30 June 2019.

Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Major depreciation periods for each class of asset are listed below:

Improvements	5-75 years
Buildings	10-75 years
Infrastructures	20-75 years
Plant & Equipment	5-20 years
Furniture, fixture & equipment	5-25 years

Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of an asset's fair value less costs to sell and its value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 1. Significant accounting policies (continued)**

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables***Goods & Services***

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 28 days after the month of invoice, but Council has extended its support to local businesses by continuing to pay earlier than 28 days. No interest is payable on these amounts.

Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Provisions

Provisions are recognised when the Council has a present (legal or constructive) obligation as a result of a past event, it is probable the Council will be required to settle the obligation, and a 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 the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Landfill rehabilitation provision

Landfill rehabilitation provision includes close down and restoration costs including capping and aftercare costs associated with remediation and rehabilitation of disturbed areas. Where these can be reliably estimated, closedown and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs. Rehabilitation and closure costs have been recognised for the Katherine Waste Management Landfill site. The provision will be reviewed annually, and adjustments disclosed in Note 22. The site is estimated to be closed to further waste disposal in 2038. The net present value of the estimated future costs includes post closure and monitoring costs in accordance with NTEPA Landfill Guidelines for up to 30 years beyond 2038.

Employee benefits***Salaries, Wages & Compensated Absences***

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Under the Katherine Town Council Enterprise Agreement 2016, an employee who, at the date of this agreement, may on termination, be paid 50% of their accrued sick leave (maximum entitlement of 59 days)

Superannuation

The Council makes employer superannuation contributions in respect of its employees to the employees nominated superannuation scheme.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 1. Significant accounting policies (continued)
Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

The following new/amended accounting standards and interpretations have been issued but are not mandatory for financial years ended 30 June 2022. They have not been adopted in preparing the financial statements for the year ended 30 June 2022 and are expected to impact the entity in the period of initial application. In all cases the entity intends to apply these standards from application date as indicated in the table below.

AASB reference	Title and Affected Standard(s):	Application date:
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2023
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023
AASB 2021-5	Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
AASB 2021-6	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards	1 January 2023
AASB 2022-3	Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15	1 January 2022

**Katherine Town Council
Notes to the financial statements
30 June 2022****Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The Council is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Council determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Landfill rehabilitation provision

As discussed in Note 22, where close down and rehabilitation costs can be reliably estimated close down and rehabilitation costs are provided for in the accounting period when the obligation arising from the related disturbance occurs and are carried at the net present value of estimated future costs.

Note 3. Restatement of comparatives

During the year ended 30 June 2022, material errors were identified in the accounting treatment of the following matter during the previous year ended 30 June 2021.

Landfill rehabilitation provision

The council has not previously recognised a provision for future rehabilitation of the waste management landfill site which it operates. The Council is obligated to rehabilitate the waste management site post closure of the landfill site. Management has assessed the errors and the impact on the 30 June 2022 financial statements, 2021 comparative figures have been restated under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 3. Restatement of comparatives (continued)
Statement of profit or loss and other comprehensive income

Extract	2021 \$ As Reported	\$ Adjustment	2021 \$ Restated
Expenses			
Finance costs	-	(250,637)	(250,637)
Operating surplus for the year	9,702,943	(250,637)	9,452,306
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	<u>9,702,943</u>	<u>(250,637)</u>	<u>9,452,306</u>

Statement of financial position at the beginning of the earliest comparative period

Extract	1 July 2020 \$ As Reported	\$ Adjustment	1 July 2020 \$ Restated
Assets			
Non-current assets			
Infrastructure, property, plant and equipment (IPP&E)	82,604,893	(2,985,387)	79,619,506
Total non-current assets	<u>89,318,722</u>	<u>(2,985,387)</u>	<u>86,333,335</u>
Liabilities			
Non-current liabilities			
Provisions	-	6,774,370	6,774,370
Total non-current liabilities	<u>-</u>	<u>6,774,370</u>	<u>6,774,370</u>
Total liabilities	<u>13,402,696</u>	<u>6,774,370</u>	<u>20,177,066</u>
Net assets	<u>105,615,780</u>	<u>(9,503,681)</u>	<u>96,112,099</u>
Equity			
Other Reserves	13,851,024	(6,462,862)	7,388,162
Accumulated surpluses	<u>13,229,967</u>	<u>(311,508)</u>	<u>12,918,459</u>
Total equity	<u>102,630,393</u>	<u>(6,774,370)</u>	<u>95,856,023</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 3. Restatement of comparatives (continued)
Statement of financial position at the end of the earliest comparative period

	30 June 2021 \$ As Reported	\$ Adjustment	30 June 2021 \$ Restated*
Extract			
Liabilities			
Non-current liabilities			
Provisions	89,265	7,025,008	7,114,273
Total non-current liabilities	89,265	7,025,008	7,114,273
Total liabilities	6,133,191	7,025,008	13,158,199
Net assets	112,333,337	(7,025,008)	105,308,329
Equity			
Other Reserves	13,851,024	(6,462,862)	7,388,162
Accumulated surpluses	22,932,911	(562,146)	22,370,765
Total equity	112,333,337	(7,025,008)	105,308,329

Note 4. Rates

	2022 \$	2021 \$
General Rates	8,376,379	7,385,635
Other charges	945,814	1,300,433
	<u>9,322,193</u>	<u>8,686,068</u>
	2022 \$	2021 \$
<u>General Rates</u>		
Residential	<u>8,376,379</u>	<u>7,789,185</u>
	2022	2021
<u>Other Charges</u>		
Waste Management Service	944,680	895,696
Other	1,134	1,188
	<u>945,814</u>	<u>896,884</u>

Note 5. Statutory charges

	2022 \$	2021 \$
Animal registration fees & fines	47,483	52,144
Parking fines / expiation fees	4,795	5,092
	<u>52,278</u>	<u>57,236</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 6. User charges

	2022	2021
	\$	\$
Cemetery fees	72,710	106,402
Airport fees	340,274	328,982
Commission	202,722	198,056
Facility & equipment hire	5,557	4,210
Weighbridge fees	889,649	668,323
	<u>1,510,912</u>	<u>1,305,973</u>

Note 7. Grants, subsidies and contributions

	2022	2021
	\$	\$
Amounts received specially for new and upgraded assets	4,046,172	9,710,835
Other grants, subsidies and contributions	3,102,113	3,325,649
	<u>7,148,285</u>	<u>13,036,484</u>

The functions to which these grants relate are shown in Note 28

	2022	2021
Sources of grants		
Commonwealth government	3,651,747	3,180,237
Territory government	3,444,190	8,162,419
Other grants	52,348	1,693,828
	<u>7,148,285</u>	<u>13,036,484</u>

Note 8. Investment income

	2022	2021
	\$	\$
Interest on Bank and other investments	<u>84,656</u>	<u>145,074</u>

Note 9. Reimbursements

	2022	2021
	\$	\$
Other	<u>134,184</u>	<u>68,454</u>

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 10. Other income

	2022	2021
	\$	\$
Insurance refunds	227,244	13,446
Management fees	5,000	47,426
Sales - general	79,294	58,178
Rental income	281,412	307,738
Sundry	27,172	28,093
	<u>620,122</u>	<u>454,881</u>

Note 11. Employee costs

	2022	2021
	\$	\$
Salaries and Wages	3,597,908	3,308,084
Employee leave expense	538,901	674,807
Superannuation	468,877	439,242
Other	441,066	342,354
	<u>5,046,752</u>	<u>4,764,487</u>

	2022	2021
	\$	\$
Total Number of Employees		
<i>(Full time equivalent at end of reporting period)</i>	<u>50</u>	<u>57</u>

Employee Costs in 2022 were higher due to multiple factors including: 3% salary increase (EBA), additional termination payments, additional superannuation etc.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 12. Materials, contracts & other expenses

	2022	2021
	\$	\$
Auditor's Remuneration	58,735	80,136
Bad and Doubtful Debts	1,091	1,078
Capital expenditure	-	27,530
Contractors	3,467,115	2,581,052
Electricity, water and sewerage	506,042	523,804
Insurance	497,237	393,247
Fuel and registration	181,704	147,649
Telephone	113,762	107,667
Legal expenses	71,333	185,897
Parts, accessories and consumables	689,605	464,667
Printing and stationery	39,295	26,811
Professional services	355,847	205,574
Advertising	140,831	135,637
Postage	39,960	32,715
Bank charges	23,393	24,569
Community grants	297,884	814,867
Subscriptions & registrations	172,196	144,145
Sundry	22,098	21,374
	<u>6,678,128</u>	<u>5,918,419</u>

Note 13. Depreciation, amortisation and impairment

	2022	2021
	\$	\$
Improvements	473,554	273,631
Buildings & other structures	791,304	796,888
Infrastructure	1,806,697	1,701,680
Plant & equipment	304,494	302,854
Furniture, fixture & equipment	44,655	42,805
Other infrastructure	59,723	57,749
	<u>3,480,427</u>	<u>3,175,607</u>

Note 14. Asset disposal & fair value adjustments

	2022	2021
	\$	\$
Asset disposal & fair value adjustments	<u>11,904</u>	<u>17,124</u>
	2022	2021
	\$	\$
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	17,559	38,597
Less: Carrying amount of assets sold	(5,655)	(21,473)
Gain (Loss) on disposal	<u>11,904</u>	<u>17,124</u>

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 15. Amounts received specially for new or upgraded assets

	2022 \$	2021 \$
Amounts received specially for new or upgraded assets	<u>4,046,172</u>	<u>9,710,835</u>

Note 16. Cash and cash equivalents

	2022 \$	2021 \$
<i>Current assets</i>		
Cash on hand and at bank	7,138,997	1,209,086
Deposits at call	<u>10,771,944</u>	<u>19,580,429</u>
	<u>17,910,941</u>	<u>20,789,515</u>

Note 17. Trade and other receivables

	2022 \$	2021 \$
<i>Current assets</i>		
Rates - General & Other	1,149,258	1,152,860
Accrued Revenues	52,239	71,884
Debtors - general	187,740	398,565
Sundry	47,120	43,523
Less: Allowance for doubtful debts	<u>(33,060)</u>	<u>(42,768)</u>
	<u>1,403,297</u>	<u>1,624,064</u>

Note 18. Inventories

	2022 \$	2021 \$
<i>Current assets</i>		
Trading stock	<u>10,181</u>	<u>15,220</u>

Note 19. Other non-current assets

	2022 \$	2021 \$
<i>Non-current assets</i>		
Capital Works-in-Progress	<u>9,608,154</u>	<u>10,096,331</u>
	<u>2022 \$</u>	<u>2021 \$</u>
Opening balance	10,096,331	6,713,829
Current year Capital Expenditure	5,126,980	12,270,699
Less Capital Works-in-Progress Completed	<u>(5,615,157)</u>	<u>(8,888,197)</u>
	<u>9,608,154</u>	<u>10,096,331</u>

Katherine Town Council
Notes to the financial statements
30 June 2022

Note 20. Infrastructure, property, plant and equipment (IPP&E)

	2022 \$	2021 \$
<i>Non-current assets</i>		
Land	6,999,200	6,999,200
Improvements - at Fair value	4,060,235	4,060,235
Improvements - at Cost	9,619,524	8,522,394
Less: Accumulated depreciation	(976,290)	(509,547)
	<u>12,703,469</u>	<u>12,073,082</u>
Building & other structures - at Fair value	13,674,572	13,674,572
Building & other structures - at Cost	920,974	678,259
Less: Accumulated depreciation	(2,373,862)	(1,583,081)
	<u>12,221,684</u>	<u>12,769,750</u>
Infrastructure - at Fair value	54,437,233	54,437,233
Infrastructure - at Cost	5,912,664	7,682
Less: Accumulated depreciation	(5,138,464)	(3,331,770)
	<u>55,211,433</u>	<u>51,113,145</u>
Plant and equipment - at Fair value	1,833,646	1,833,646
Plant and equipment - at Cost	215,928	241,427
Less: Accumulated depreciation	(845,535)	(565,243)
	<u>1,204,039</u>	<u>1,509,830</u>
Furniture, fixture and equipment - at Fair value	220,850	220,850
Furniture, fixture and equipment - at Cost	25,575	-
Less: Accumulated depreciation	(129,399)	(84,744)
	<u>117,026</u>	<u>136,106</u>
Other infrastructure - at Fair value	1,417,221	1,417,221
Other infrastructure - at Cost	220,009	37,210
Less: Accumulated depreciation	(173,598)	(114,146)
	<u>1,463,632</u>	<u>1,340,285</u>
	<u><u>89,920,483</u></u>	<u><u>85,941,398</u></u>

Katherine Town Council
Notes to the financial statements
30 June 2022

	Land 2	Improvements 3	Building & other structures 2	Infrastructure 3	Plant & equipment 2	Furniture, fixture & equipment 3	Other infrastructure 3	Total
<i>Fair value level</i>								
2022								
Carrying amounts	6,999,200	12,073,082	12,769,750	51,113,145	1,509,830	136,106	1,340,284	85,941,397
Additions	-	1,097,130	242,715	5,904,982	-	25,575	182,800	7,453,202
Disposals	-	-	-	-	(5,655)	-	-	(5,655)
Depreciation	-	(466,743)	(790,781)	(1,806,694)	(312,102)	(44,655)	(59,452)	(3,480,427)
Adjustment	-	-	-	-	11,966	-	-	11,966
Carrying amount	6,999,200	12,703,469	12,221,684	55,211,433	1,204,039	117,026	1,463,632	89,920,483
2021								
Carrying amounts	6,999,200	3,824,319	12,888,379	52,807,143	1,560,730	178,911	1,360,824	79,619,506
Additions	-	8,522,394	678,259	7,682	273,427	-	37,210	9,518,972
Disposals	-	-	-	-	(21,473)	-	-	(21,473)
Depreciation	-	(273,631)	(796,888)	(1,701,680)	(302,854)	(42,805)	(57,749)	(3,175,607)
Carrying amount	6,999,200	12,073,082	12,769,750	51,113,145	1,509,830	136,106	1,340,285	85,941,398

Assets were independently valued by OPTEON on 30th June 2019.

Valuations of land and buildings

The basis of the valuation of land and buildings is fair value. The land and buildings were last revalued on 30 June 2019 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being valued. The sole CEO do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 21. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Goods & Services Payable	305,910	473,419
Payments received in advance	1,217,776	3,888,761
Accrued expenses - wages	56,202	47,190
Accrued expenses - other	648,421	582,375
Deposits, Retentions & Bonds	266,166	412,769
	<u>2,494,475</u>	<u>5,404,514</u>

Note 22. Provisions

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Employee entitlements (including on costs)	618,719	639,412
<i>Non-current liabilities</i>		
Employee entitlements (including on costs)	63,066	89,265
Landfill rehabilitation provision	7,186,655	7,025,008
	<u>7,249,721</u>	<u>7,114,273</u>
	<u>7,868,440</u>	<u>7,753,685</u>

Landfill Rehabilitation Provision

Council has measured and recognised remediation provisions for Katherine Waste Management Landfill site post closure and cell capping liabilities. The provision is in accordance with AASB 137 - Provisions, Contingent Liabilities and Contingent Assets. The provision has been calculated by determining a best estimate of the current cost to rehabilitate the landfill site that can be reliably measured. Initial recognition includes post closure site rehabilitation estimates and cell capping estimates.

The estimates are indexed by the 4-year average of the all group Darwin CPI index (1.53%) issued by the Australian Bureau of Statistics and discounted based on the Australian Government treasury (19 year) yield curve for the respective year to arrive at the Net Present Value (NPV) of the liability.

	Restated*
	\$
Carrying amount at 1 July 2020*	6,774,370
Add: Unwinding of present value discount*	236,736
Carrying amount at 30 June 2021*	7,011,106
Add: Unwinding of present value discount*	175,550
Carrying amount at 30 June 2022*	<u>7,185,656</u>

*Refer to Note 3 for detailed information on Restatement of Comparatives.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 23. Asset Revaluation Reserves

	2022 \$	2021 \$
Land	6,999,200	6,999,200
Improvements	2,772,257	2,772,257
Buildings & other structures	13,323,750	13,323,750
Infrastructure - Roads, bridges, footpaths	51,527,645	51,527,645
Plant and equipment	615,066	615,066
Furniture, fittings and equipment	311,484	311,484
	<u>75,549,402</u>	<u>75,549,402</u>

PURPOSES OF RESERVES

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets (less any subsequent impairment losses, where applicable).

Note 24. Other Reserves

	2022 \$	2021 \$
Capital depreciation renewal	4,987,647	4,987,647
Contingency reserve	1,000,000	1,000,000
Municipal election reserve	100,000	100,000
Emungalan road bridge reserve	-	700,000
Council motion reserve	600,515	600,515
	<u>6,688,162</u>	<u>7,388,162</u>

PURPOSES OF RESERVES

Other reserve are used to fund capital renewals. Council's strategic plan for the future includes taking into account the economic useful life of the current waste transfer station and the cost required to cover the rehabilitation of the facility when it eventually closes for public service which is estimated at this stage to be in around seven years from now.

Note 25. Accumulated surpluses

	2022 \$	2021 \$
Accumulated surpluses at the beginning of the financial year	22,370,765	12,918,459
Operating surplus for the year	3,181,812	9,452,306
Transfer from other reserves	700,000	-
Accumulated surpluses at the end of the financial year	<u>26,252,577</u>	<u>22,370,765</u>

Note 26. Assets subject to restrictions

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

Katherine Town Council
Notes to the financial statements
30 June 2022
Note 26. Assets subject to restrictions (continued)

	2022 \$	2021 \$
CASH & FINANCIAL ASSETS		
Unexpended grants from:		
Non-reciprocal agreement	<u>1,217,776</u>	<u>3,888,761</u>

The following liabilities, included in Note 22, may be discharged from restricted assets in the first instance.

	2022	2021
Provisions	<u>681,785</u>	<u>728,677</u>
Provision for landfill restoration	<u>7,186,655</u>	<u>7,025,008</u>

Non - reciprocal agreements of \$1.22M (2021: \$3.89M) are restricted with the Northern Territory Government.

Provisions are comprised of employee long service leave, annual leave and sick leave entitlements.

Note 27. Reconciliation of operating surplus to net cash from operating activities
(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2022 \$	2021 \$
Total cash & equivalent assets	17,910,941	20,789,515
Balances per Cash Flow Statement	<u>17,910,941</u>	<u>20,789,515</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 27. Reconciliation of operating surplus to net cash from operating activities (continued)
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

	2022 \$	2021 \$
Operating surplus for the year	3,181,812	9,452,306
Adjustments for:		
Depreciation, amortisation & impairment	3,480,427	3,175,607
Net (decrease)/ increase in unpaid employee benefits	(46,892)	78,096
Net increase in Landfill Rehabilitation Provision	161,647	250,638
Grants for capital acquisitions treated as Investing Activity	(1,375,187)	(1,868,282)
Net (Gain) on Disposals	(11,904)	(17,124)
Change in operating assets and liabilities:		
Net decrease/ (increase) in receivables	220,767	(276,910)
Net decrease/ (increase) in inventories	5,039	(1,398)
Net (decrease) in trade & other payables	(2,922,004)	(7,347,601)
Net cash from operating activities	<u>2,693,705</u>	<u>3,445,332</u>

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

	2022 \$	2021 \$
Bank Overdrafts	100,000	100,000
Corporate Credit Cards	10,750	10,750
	<u>110,750</u>	<u>110,750</u>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

Note 28. Income, expenses and assets have been directly attributed to the following functions & activities

	INCOME	EXPENSES	OPERATING SURPLUS (DEFICIT)	GRANTS INCLUDED IN INCOME	TOTAL ASSETS HELD (CURRENT & NON- CURRENT)
2022					
General Public Services	10,040,544	3,710,476	6,330,068	517,454	6,998,766
Public Order & Safety	55,070	296,918	(241,849)	-	57,097
Health	25,494	69,062	(43,568)	20,426	-
Housing & Community Services	249,898	426,641	(176,743)	157,994	1,268,070
Recreation & Culture	216,119	337,825	(121,706)	214,636	41,512
Sport & Recreation	265,434	3,513,246	(3,247,812)	2,531,611	32,312,957
Economic Affairs	2,709,087	4,941,766	(2,232,679)	3,399,751	68,709,592
Other Purposes (Environmental Protection)	906,265	2,402,637	(1,496,371)	-	9,663,131
Community Centre & Halls	36,868	50,934	(14,066)	-	2,020
Community Services	333,584	470,200	(136,616)	306,412	59,822
TOTAL	<u>14,838,363</u>	<u>16,219,705</u>	<u>(1,381,342)</u>	<u>7,148,284</u>	<u>119,112,967</u>

**Katherine Town Council
Notes to the financial statements
30 June 2022**

Note 28. Income, expenses and assets have been directly attributed to the following functions & activities (continued)

	INCOME	EXPENSES	OPERATING SURPLUS (DEFICIT)	GRANTS INCLUDED IN INCOME	TOTAL ASSETS HELD (CURRENT & NON- CURRENT)
2021					
General public services	8,903,811	3,203,474	5,700,337	318,823	21,956,251
Public order & safety	62,711	199,964	(137,253)	-	1,197,292
Health	20,426	23,812	(3,386)	20,426	-
Housing & community services	287,661	432,986	(145,325)	139,100	1,267,063
Recreation & culture	2,347,902	918,438	1,429,464	2,403,626	8,255
Sports & recreation	118,167	2,996,437	(2,878,270)	6,552,371	27,483,154
Economic affairs	1,140,331	4,201,328	(3,060,997)	3,166,575	65,179,422
Other purposes (environmental protection)	678,017	1,571,173	(893,156)	129,692	1,344,852
Community centre & halls	41,457	53,937	(12,480)	-	22,580
Community services	442,853	466,802	(23,949)	305,871	7,659
TOTAL	14,043,336	14,068,351	(25,015)	13,036,484	118,466,528

Note 29. Financial instruments
Financial risk management objectives

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments
**Bank, Deposits at
Call, Short Term
Deposits**

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned.

Terms & conditions: Deposits are returning fixed interest rates between 0.20% and 0.50% (2021: 0.20% and 0.50%). Short term deposits have an average maturity of 129 days and an average interest rates of 0.39% (2021: 129 days, 0.39%).

Carrying amount: approximates fair value due to the short term to maturity.

**Receivables - Rates
& Associated**

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & conditions: Secured over the subject land, arrears attract interest of 9% (2021: 9%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying amount: approximates fair value (after deduction of any allowance).

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 29. Financial instruments (continued)

Receivables - Fees & other charges	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Receivables - other levels of government	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.</p> <p>Carrying amount: approximates fair value.</p>
Receivables - Retirement Home	<p>Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective legislation.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised at amortised cost for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>

Liquidity Analysis

	Due < 1 year	Due > 1 year < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
2022					
<u>Financial Assets</u>					
Cash & Equivalents	17,910,941	-	-	17,910,941	17,910,941
Receivables	1,403,297	-	-	1,403,297	1,403,297
Total	19,314,238	-	-	19,314,238	19,314,238
<u>Financial Liabilities</u>					
Payables	1,789,852	-	-	1,789,852	1,789,852
Total	1,789,852	-	-	1,789,852	1,789,852

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 29. Financial instruments (continued)

2021	Due < 1 year	Due > 1 year < 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets					
Cash & Equivalents	20,789,515	-	-	20,789,515	20,789,515
Receivables	1,624,064	-	-	1,624,064	1,624,064
Total	22,413,579	-	-	22,413,579	22,413,579
Financial Liabilities					
Payables	4,774,949	-	-	4,774,949	4,774,949
Total	4,774,949	-	-	4,774,949	4,774,949

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any allowance for doubtful debts. Except as detailed in Notes 17 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Note 30. Commitments for Expenditure

	2022 \$	2021 \$
<i>Capital commitments</i>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Capital expenditure	-	-

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 31. Financial Indicators

	2022	2021
Current Ratio		
<u>Current Assets - Externally Restricted Assets</u>		
Current Liabilities	6.31	3.07
Rate Coverage Percentage		
<u>Rate Revenues</u>		
Total Revenues	62.87%	61.85%
	-	-
Rates & Annual Charges Outstanding Percentage		
<u>Rates & Annual Charges Outstanding</u>		
Rates & Annual Charges Collectible	8.80%	9.90%

Note 32. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme).

Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10% in 2021/22, 9.50% in 2020/21). Council contributes an additional 4% for those employees who make voluntary superannuation contributions. No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 33. Operating leases
Council as a Lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 8.

Investment Property:

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2022 \$	2021 \$
Not later than one year	55,345	16,757
Later than one year and not later than 5 years	-	158,511
Later than 5 years	-	-
	<u>55,345</u>	<u>175,268</u>

Lease payment commitments of Council

Council has not entered into non-cancellable operating leases for various items of computer and other plant and equipment.

**Katherine Town Council
Notes to the financial statements
30 June 2022**
Note 34. Contingent liabilities

There are no contingent liabilities.

Bank guarantees

Council has no guaranteed loans and other banking facilities advanced to others.

Note 35. Key management personnel disclosures
Key management personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under the Local Government (General) Regulations 2021. In all, 12 persons were paid the following total compensation:

	2022 \$	2021 \$
Salaries, allowances & other short term benefits	1,107,497	938,158
Post-employment benefits	101,213	-
Long term benefits	18,644	-
Termination benefits	62,448	-
Total	1,289,802	938,158

CEO

Disclosure of total Remuneration provided to two CEO as required by General Instruction 2 of the Local Government (General) Regulations 2021:

	CEO Current I. Stonhill	CEO Acting CEO B. Pearce	CEO Resigned I. Bodill
Short-term benefits	84,615	164,034	127,982
Post-employment benefits	11,000	20,018	16,638
Termination benefits	-	-	25,326
	95,615	184,052	169,946
Total remuneration	95,615	184,052	169,946

Parties related to key management personnel

One close family member of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with the Local Government (General) Regulations 2021.

Two key management personnels have close family members who are employed by suppliers to Katherine Town Council. However, they are excluded from procurement process with the relevant suppliers.

Note 36. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has 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.

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Independent auditor's report to the members of Katherine Town Council

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7 CLOSURE OF MEETING