

AGENDA

Special Meeting of Council

Tuesday, 6 October 2020
6:30PM

Council Chambers, Civic Centre,
Stuart Highway, Katherine

Notice of Meeting of Council
Notice is hereby given in accordance with Section 59
of the Local Government Act

- ELECTED MEMBERS** :
- Mayor Fay Miller
 - Deputy Mayor Peter Gazey
 - Alderman Elisabeth Clark
 - Alderman Toni Tapp-Coutts
 - Alderman John Zelle
 - Alderman Jon Raynor
 - Alderman Matthew Hurley
- OFFICERS** :
- Mr Ian Bodill – Chief Executive Officer (CEO)
 - Ms Claire Johansson –Chief Operations Officer (COO)
 - Ms Rosemary Jennings – Executive Manager Community Services (XCS)
 - Mr Brendan Pearce – Executive Manager Infrastructure and Environment (XIE)
 - Mr Jherry Matahelumual – Executive Assistant (Minutes Taker)

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ORDER OF BUSINESS

1. ACKNOWLEDGMENT TO COUNTRY

I am honoured to be on the ancestral lands of Katherine's Aboriginal peoples. I acknowledge the First Australians as the traditional custodians of the continent, whose cultures are among the oldest living cultures in human history. I pay respect to the Elders of the community and extend my recognition to their descendants who are present

2. OPENING PRAYER

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

3. MEETING DECLARES OPEN

4. APOLOGIES AND LEAVE OF ABSENCE

5. CONFLICT OF INTEREST

6. CORRESPONDENCE AND DOCUMENTS TO BE TABLED

7. REPORTS FROM OFFICERS

7.1 Katherine Town Council Co-Contribution to
Disaster Recovery Funding Arrangements (DRFA) _____ 1-3

8. CLOSURE OF MEETING

KATHERINE TOWN COUNCIL**REPORT**

NO : 7.1

FOLDER : LOCAL GOVERNANCE/SPECIAL COUNCIL MEETING/REPORTS TO COUNCIL/CHIEF EXECUTIVE OFFICER

MEETING : SPECIAL COUNCIL MEETING – (06/10/2020)

REPORT TITLE : KATHERINE TOWN COUNCIL CO-CONTRIBUTION TO DISASTER RECOVERY FUNDING ARRANGEMENTS (DRFA)

AUTHOR : JHERRY MATAHELUMUAL, EXECUTIVE ASSISTANT TO THE CEO

ATTACHMENT/S : NIL

PURPOSE OF REPORT

To advise the Elected Members of the changes to the responsibility to fund disaster recovery related expenditure. It is proposed that the costs should be shared between the Commonwealth Government, Northern Territory Government and Local Government.

To seek endorsement of Model A option, as Katherine Town Council's preferred method, to contribute towards Disaster Recovery Funding Arrangements, and request consideration of a modified version of this model that recognises each municipal council's revenue and adjust the capped amount accordingly.

BACKGROUND

The Katherine Town Council has been asked by Office of the Local Government and Community Development, Department of the Chief Minister and Cabinet (DCMC) of the Northern Territory Government to co-contribute to Disaster Recovery Funding Arrangements. Since the replacement of Commonwealth's former Natural Disaster Relief and Recovery Arrangements (NDRRA) with the Disaster Recovery Funding Arrangements (DRFA) in November 2018, the change in principle is that the Commonwealth, Territory and Local Governments should share the responsibility for funding disaster related expenditure.

Further to the request from the DCMC, the Katherine Town Council Chief Executive Officer, Chief Operations Officer and Executive Manager Infrastructure and Environment attended a video-conferencing forum on Monday, 5 October 2020 with representatives from other Local Government Councils. The DCMC provided details of the following options:

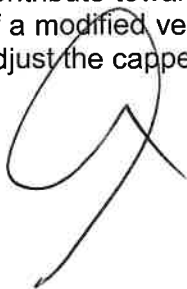
MODEL	Explanatory	Implications for councils	Implication for the NT Government
A	<ul style="list-style-type: none"> • A model where all councils contribute 25 per cent of the eligible Disaster Recovery Funding Arrangements (DRFA) expenditure up to a capped cumulative value in a financial year and the NT Government reimburses the balance of eligible DRFA expenditure. • All councils' contributions are capped per financial year at a cumulative value of \$25 000 for shire councils, \$100 000 for regional councils and \$400 000 for municipal councils respectively (council contribution levels to increase equivalent to the Consumer Price Index after three years). 	<ul style="list-style-type: none"> • This option provides councils with a maximum fixed annual contribution amount and therefore enables councils to better plan and budget for disaster related costs. This option acknowledges the varying financial strengths between shire, regional and municipal councils and their capacity to generate own source revenue and make a co-contribution towards disaster related expenditure. 	<ul style="list-style-type: none"> • This option will ensure that councils are contributing to the DRFA's "cost sharing" principle with the NT Government funding the balance of eligible expenditure. Where a council can demonstrate severe financial hardship and does not have the financial capacity to contribute in accordance to this option, the decision on what level of funding will be offered to the council will be at the discretion of the Treasurer.
B	<ul style="list-style-type: none"> • All councils contribute a proportion of their revenue base. • Municipal councils contribute five per cent of their annual rates levied and regional and shire councils contribute five per cent of their annual rates levied and five per cent of their Northern Territory Operational Subsidy (NTOS) grant based on the financial year prior to the eligible disaster event. The NT Government would contribute the remaining amount 	<ul style="list-style-type: none"> • This option requires councils to allocate a fixed percentage of its rates and NTOS revenue as its co-contribution towards disaster related costs, and therefore enables councils to calculate the quantum of funds it would be required to contribute on an annual basis. However, this option does not take into account the potential scale of the expenditure and therefore the amount of annual funding that would have to be set aside for the co-contribution would always be at the maximum level. Funds would therefore be tied for a contingent expense rather than be spent on service delivery costs. 	<ul style="list-style-type: none"> • This option will ensure that councils are contributing to the DRFA's "cost sharing" principle, with the NT Government funding the balance of eligible expenditure. Where a council can demonstrate severe financial hardship and does not have the financial capacity to contribute in accordance to this option, the decision on what level of funding will be offered to the council will be at the discretion of the Treasurer.
C	<ul style="list-style-type: none"> • All councils contribute a set proportion of the cost of their eligible DRFA claim • All councils contribute 25 per cent of eligible DRFA costs and the NT Government contributes 75 per cent. 	<ul style="list-style-type: none"> • This option provides councils with a fixed annual percentage contribution amount, so councils are aware of what portion of eligible expenses they are 	<ul style="list-style-type: none"> • This option will ensure that councils are contributing to the DRFA's "cost sharing" principle, with the NT Government funding the

		<p>responsible for. However, this option does not allow councils to plan or budget for disaster related costs. A 25 per cent contribution of the claim could have significant financial implications for a council particularly one with lower reserves and lesser financial capacity.</p>	<p>balance of eligible expenditure. Where a council can demonstrate severe financial hardship and does not have the financial capacity to contribute in accordance to this option, the decision on what level of funding will be offered to the council will be at the discretion of the Treasurer. If the NT Government contributes 75 per cent of the eligible claim, depending on the size of the claim, the NT Government's contribution could also be substantial.</p>
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OFFICER RECOMMENDATION

That it be recommended to Council to:

1. Receive and endorse the changes for the responsibility to fund disaster recovery related expenditure to share the costs between the Commonwealth Government, Northern Territory Government and Local Government.
2. Endorse the Model A option, as Katherine Town Council's preferred method, to contribute towards Disaster Recovery Funding Arrangements, and request consideration of a modified version of this model that recognises each municipal council's revenue and adjust the capped amount accordingly.



Ian Bodill
CHIEF EXECUTIVE OFFICER