



# **Roper Gulf Regional Council**

## **Budget 2021/22**

### **June 2021**

#### *Our Mission*

Working as one towards a better future through effective use of all resources

#### *Our Vision*

Roper Gulf Regional Council, sustainable, viable, vibrant

#### *Our Values*

**Honesty – Equality – Accountability – Respect – Trust**

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### 1. Introduction

An Annual Budget must be prepared by the Council in accordance with section 127 of the *Local Government Act (2008)*. The budget outlines the financial expectations for the Council in delivering its services to the communities.

The budget process involves meeting with managers delivering the services and those providing support services to establish a baseline cost of delivery. The expenditure estimate includes salaries and wages and direct and indirect staff, materials, contracts to external parties and overheads required at the community and support centre level. Funding to deliver the services is established through rate income, user charges, contract and grant income and miscellaneous revenues. Capital needs are also considered to provide the assets and infrastructure required to support the services delivery.

### 2. Goals & Objectives

The Roper Gulf Regional Council has adopted the following strategic goals:

- **Goal One:** Strong Leadership through Good Governance, Strong Financial Management, Corporate Planning and Operational Support
- **Goal Two:** To Protect and Care for our Physical Environment
- **Goal Three:** Safe, Strong and Vibrant Communities
- **Goal Four:** Support Employment, Training and Economic Development

The preparation is required by legislation but also meets the values of Goal 1 by providing an element to good governance, strong financial management and corporate planning. The finance department, which manages the development and monitoring of the budget also provides operational support to all the various councils departments delivering services to the community.

### **3. Income & Expenditure Budget 2021/22**

The revised budget for 2021/2022 has been completed on a consultative basis and aims to address the needs of residents and the programs under the Roper Gulf Regional Council's direction.

During the 2021/2022 Financial Year, Roper Gulf Regional Council is expected to receive operational revenue of \$ 40.6 million. Of this revenue, 58% is expected to be sourced from grants, 30% from government contracts and agency services, 7% from rates and remaining 5% from other sources.

In operating expenditure terms, it is expected that \$ 43.8 million will be spent with the five largest service delivery program areas for the Council are: Community Development Program (CDP), Night Patrol, Territory Housing Repairs and Maintenance Contract, Municipal Services, and Council Services General. The largest component of operating expenditure is on wages and salaries, for a total of \$ 21.1 million or 48.1%.

Additionally, the council has budgeted \$9.8 million for capital expenditure. This budget will be used for renewal of ageing plant, machinery and vehicles but there are also major road works and new infrastructure construction projects planned. The council is expecting to receive \$ 1.4 million in grants to cover a portion of the capital expenditure and will be looking to use the reserves of \$ 5.6 million for funding capital expenditure and some operational expenses relating to local authority projects.

#### **BUDGET ASSUMPTIONS AND FACTS**

- All current services will continue to be provided by the Regional council.
- Use of Reserves are used for covering capital Expenditure.
- In the absence of a significant rates base, the Commonwealth and Territory Government will continue to fund services
- The budget has been set with the assumption that there will be minimal CPI increase in government funding.
- No direct control on Grants and agency income for future years
- There are no additional major initiatives planned over the next five years, outside the Council Plan. This is largely due to any major initiatives being wholly dependent on additional funding and there is currently no indication of significant increases that would enable major increases to be considered.

# Budget 2021/22

	<b>BUDGET 2021/2022</b>	<b>BUDGET 2022/2023</b>	<b>BUDGET 2023/2024</b>	<b>BUDGET 2024/2025</b>
<b>Income Rates</b>	-2,739,996.75	-2,767,396.72	-2,795,070.68	-2,823,021.39
<b>Income Council Fees and Charges</b>	-1,123,872.28	-1,135,111.00	-1,146,462.11	-1,157,926.73
<b>Income Operating Grants Subsidies</b>	-23,439,402.40	-23,673,796.42	-23,910,534.39	-24,149,639.73
<b>Income Investments</b>	-180,000.00	-181,800.00	-183,618.00	-185,454.18
<b>Income Reimbursements</b>	-10,000.00	-10,100.00	-10,201.00	-10,303.01
<b>Income Agency and Commercial Services</b>	-12,849,263.03	-12,977,755.66	-13,107,533.22	-13,238,608.55
<b>Other Income</b>	-518,000.00	-523,180.00	-528,411.80	-533,695.92
<b>Operating Income</b>	-40,860,534.46	-41,269,139.80	-41,681,831.20	-42,098,649.51
<b>Employee Expenses</b>	21,067,875.72	21,278,554.48	21,491,340.02	21,706,253.42
<b>Contract and Material Expenses</b>	11,995,434.28	12,115,388.62	12,236,542.51	12,358,907.93
<b>Fleet, Plant &amp; Equipment Depreciation, Amortisation &amp; Impairment</b>	1,050,381.64	1,060,885.46	1,071,494.31	1,082,209.25
<b>Other Operating Expenses</b>	5,356,000.00	5,409,560.00	5,463,655.60	5,518,292.16
<b>Finance Expenses</b>	4,432,761.90	4,477,089.52	4,521,860.41	4,567,079.02
	12,145.00	12,266.45	12,389.11	12,513.01
<b>Operating Expenses</b>	43,914,598.54	44,353,744.53	44,797,281.97	45,245,254.79
<b>Budgeted Operating Surplus/Deficit</b>	3,054,064.08	3,084,604.72	3,115,450.77	3,146,605.28
<b>Income Capital Grants</b>	-1,826,276.47	0.00	0.00	0.00

<b>Budgeted Surplus/Deficit</b>	1,227,787.61	3,084,604.72	3,115,450.77	3,146,605.28
<b>WIP Assets</b>	9,805,778.82	10,422,650.00	6,318,000.00	1,641,000.00
<b>Depreciation, Amortisation &amp; Impairment</b>	5,356,000.00	5,409,560.00	5,463,655.60	5,518,292.16
<b>Net Budget Surplus/(Deficit)</b>	5,677,566.43	8,097,694.72	3,969,795.17	-730,686.88
<b>Allocated from Reserves</b>	-5,677,566.43	-8,097,694.72	-3,969,795.17	
<b>Net budgeted operating position</b>	0.00	0.00	0.00	-730,686.88

#### 4. Infrastructure Maintenance Budget

Building & Infrastructure	\$ 753,317
Major Works	
• Borroloola Street Lights	\$ 55,000
Fleet, Plant & Equipment (External Costs)	\$ 25,000

## 5. Rates Summary 2021-2022

The following rates proposal has been prepared as per section 158 of the Local Government Act. Adjustments have been made to incorporate the Minister for Local Government's approved conditional rating levies for mining and pastoral leases. The Council has resolved not to increase Rates and Charges from 2020-21.

The rates declaration for 2021-22 will levy approx. \$1,431,054 in rates revenue. The Waste Collection charges would be approx. \$ 1,231,917.75 in 2021-22. The special rates to cover for the Animal Health Management in various communities are \$ 76,125.

Please note that revenue estimates for pastoral and mining leases are based on accepted rates proposal by the Minister for Local Government and Community Services.

The proposed Rates and User Charges for 2021-22 are:

<b>Zone/Class</b>	<b>2020-21</b>	<b>2021-22</b>
Residential Rate 1 – Aboriginal Land	\$ 1,235.21	\$ 1,235.21
Residential Rate 2 – Borroloola, Mataranka, Larrimah & Daly Waters	\$ 1,171.48	\$ 1,171.48
Residential Rate 3 – Vacant on Aboriginal Land	\$ 1,171.48	\$ 1,171.48
Commercial Rate 1 – Aboriginal Land	\$ 1,417.13	\$ 1,417.13
Commercial Rate 2 – Borroloola, Mataranka, Larrimah & Daly Waters	\$ 1,379.31	\$ 1,379.31
Commercial Rate – Tourist Commercial/Caravan Parks	7.1289% UCV	7.2189% UCV
Rural Rate 1 – Under 200 hectares	\$ 1,180.48	\$ 1,180.48
Rural Rate 2 – Over 200 hectares	\$ 1,211.34	\$ 1,211.34
Conditional Rate 1 – Pastoral Leases valued < \$ 1,230,000	\$ 376.45	\$ 376.45
Conditional Rate 2 – Pastoral Leases valued < \$ 1,230,000	0.0306% UCV	0.0306% UCV
Conditional Rate 3 – Mining Leases valued < \$ 255,100	\$ 890.96	\$ 890.96
Conditional Rate 4 – Mining Leases valued > \$ 255,100	0.3475% UCV	0.3475% UCV
Other – All other properties	\$ 1,235.21	\$ 1,235.21
Special Rate – Animal Control	\$ 125.00	\$ 125.00
Waste Management Charge – per standard rubbish bin multiplied by the number of collections per week	\$ 426.58	\$ 426.58

## **6. Assessment of the Social and Economic Effects of the Rating Policy and Declaration**

The Council has considered the ongoing effect of the COVID-19 crisis on the regions social and economic factors and whilst always mindful and prepared to initiate measures to protect the communities from the associated economic impacts, the Council is largely guided by the Commonwealth and Northern Territory Government' decisions.

Rates to be levied on property owners by Roper Gulf Regional Council in 2021-22 remain affordable and at very low levels compared to other local government jurisdictions in Australia. Furthermore, rates levied on Territory Housing dwellings are paid in the first instance by Territory Housing, so have no direct financial impact on public housing tenants. As such, the Council does not anticipate any detrimental socio-economic impact from levying rates in 2021-22.

Additionally, rates revenue remains a small proportion of the Council's total budget, at less than 7 per cent of the total operating revenue. This underlies the fact that the Council is effective in securing significant non-rate revenue for all of its communities, including government grants and contracts. This allows for services and employment opportunities to be delivered to Council residents far above what the rates revenue would alone enable, resulting in a net positive socio-economic impact for residents.

Despite having mining and pastoral properties in the council's area, the rate capping imposed by the Territory Government for this category, restricts council's ability to generate increased revenue. This adversely affects council to provide increased services to the communities.

## 7. Elected Member Allowances

### Table of Maximum Council Member Allowances for 2021-22

A council must resolve to fix member allowances for the financial year when it adopts the budget for the financial year. A council must adopt its 2021-22 budget on or before 31 July 2021.

The amounts in these tables indicate the maximum level at which allowances may be set. A council needs to consider allowances in the overall context of its budget and a council can resolve to pay less than the maximum levels. Once the budget has been approved, a council may adopt an amendment to its budget but the amendment cannot have the effect of increasing the amount of allowances for the financial year for the council members.

	Approved Amount \$	Budget Amount \$
Councillor – base (1)	13,509.96	148,609.56
Electoral (2)	4,943.73	59,324.76
Deputy Mayor – base (1)	27,776.12	27,776.12
Electoral (2)	4,943.73	4,943.73
Mayor – base (2)	75,116.61	75,116.61
Electoral (2)	19,771.29	19,771.29
<b>Total Base + Electoral Allowance</b>		<b>335,542.07</b>

#### Professional Development Allowance (3)

Including: Course Fees, Travel, Meals and Accommodation

\$3,753.17 max per elected member 48,791.21

#### Extra Meeting Allowance (4)

**\$125 per meeting maximum claimable \$9,006.64 per Councillor**

As per CL006 Councillor Allowances Policy

\$ 125.00 per meeting per Councillor 12,000.00

#### Acting Principal Member (5)

**\$260.04 per day maximum claimable 90 days \$23,403.60**

\$ 261.34 per day 23,520.60

##### 1. Base Allowance Claims

The base allowance is automatically paid to council members each month or at such frequency as resolved by council, in arrears.

##### 2. Electoral Allowance Claims

The electoral allowance is automatically paid to council members each month or at such frequency as resolved by council, in arrears.

##### 3. Professional Development Allowance Claims

(i) The allowance is available to all council members.

(ii) The professional development allowance may be claimed multiple times each year, but the total value of those claims must not exceed the maximum specified in the table (see clause 8).

(iii) The professional development allowance is to be used to cover the cost of travel to the course or conference, course or conference fees, meals and accommodation for the duration of the course or conference.

(iv) Claims must be made using the forms approved by council. (v) Only approved courses/conferences consistent with council policy attract professional development allowance.

##### 4. Extra Meeting Allowance Claims

(i) Council members may only claim an extra meeting allowance for meetings referred to in the council policy.

(ii) An extra meeting allowance may be claimed for up to a maximum of two meetings per day. (iii) Council members must not claim for an extra meeting more than once for the same meeting.

(iv) When a council member is required to travel in order to attend an approved extra meeting, the council member may claim an extra meeting allowance for each full day of travel, unless that travel falls on the same day on which the meeting is held. In this context, a full day of travelling means at least four hours of travelling, which may include time in transit.

(v) Claims must be made using the forms approved by council.

(vi) Forms must include the date on which the meeting was held and indicate the period of time the member was present at the meeting.

(vii) The member must have attended at least 75 per cent of the duration of the meeting to claim an extra meeting allowance.



(viii) Claims for extra meeting allowance must be made by the second working day in the month following the meeting for which the claim is made, or as resolved by council. Payment of extra meeting allowance is monthly or as resolved by council.

(ix) Claims for extra meeting allowance not made in accordance with (viii) will be regarded as a late claim and paid with the next monthly payment. However, if the claim is not made within three months of the meeting for which the extra meeting allowance is claimed, the right to an extra meeting allowance for that meeting is forfeited.

(x) Claims forms must be submitted by the approved method.

**5. Acting Principal Member Claims**

(i) When the deputy principal member carries out the functions of the principal member as outlined in section 43(2)(b) and section 43(2)(c) of the *Local Government Act*, the deputy principal member is entitled to be paid an allowance as the acting principal member.

(ii) If some other council member is acting as the principal member in accordance with section 43(3) of the *Local Government Act*, the member is entitled to be paid an allowance as the acting principal member.

(iii) The acting principal member is entitled to be paid the daily rate, as outlined in the table of allowances. While a council member is acting principal member, the extra meeting and base allowances are suspended. In the case of base allowance, this is on a pro rata basis. The member is still entitled to their usual electoral allowance. The daily rate includes Saturdays, Sundays and public holidays.

(iv) The maximum number of days (including Saturdays, Sundays and public holidays) that a council member may be paid as the acting principal member is an aggregate of 90 days in a financial year. A member may continue to hold the position for a longer period if council so resolves, however, the allowance reverts to the usual rate for that member

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## Appendix A: Capital Budget

Asset management is increasingly becoming important to Roper Gulf Regional Council. With over \$ 65 million in depreciating physical assets and the need for financial sustainability and economical practices, it is prudent that asset management is a key focus for Council in the years to come and that it is to the highest standards possible. Council's asset management team focuses on delivering the following services to Council:

- Acquisitions and disposal of assets;
- Fleet and pool vehicle management;
- Financial asset management (maintenance of asset registers, ledgers, commissioning, insurance);
- Long term planning for assets (10 year plans);
- Staff housing tenancy management;
- Visitor Accommodation management; and Commercial tenancy management

The primary role of assets is to support the delivery of services that serves Council's long term objectives. As Council's assets are aging, there are increases in maintenance, refurbishment and disposal cost which increase the cost of the services that they support. The main aim of Council's asset management is to ensure that assets are managed in accordance with the National Asset Management Strategy (NAMS) - a national framework for local governments to manage their assets, and this framework outlines minimal 'core' asset management actions based around the framework. The national frameworks for asset management are:

- Framework 1: Criteria for Assessing Financial Sustainability
- Framework 2: Asset Planning and Management
- Framework 3: Financial Planning and Reporting

A gap analysis has been undertaken to gain an understanding of Council's current level of asset management and to highlight areas for improvement and best practice to further develop Council's asset management planning practices. Thus, Council's main asset management focus for the forthcoming year is implementing strategies identified from this analysis.

### Capital Expenditure Budget 2021/22

	<b>Council Budget</b>		<b>Funded by</b>
<b>2 Crawford Street</b>			
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$65,000.00	Toyota Hilux - Animal Control	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
<b>Furniture &amp; Fittings</b>	\$12,000.00	Office desks	Asset Reserve
	<b>\$207,000.00</b>		
<b>Chardon Street</b>			
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - Workshop	Fleet Reserve
	\$65,000.00	Toyota Hilux - Asset Management	Fleet Reserve
	\$75,000.00	Toyota Landcruiser - Workshop	Fleet Reserve
	\$100,000.00	Canter Truck - Homelands	Fleet Reserve
<b>Plant and Equipment</b>	\$127,000.00	Bobcat - Homelands	Fleet Reserve

<b>Buildings</b>	\$165,000.00	Outstations Shed Enclosure	Asset Reserve
	<b>\$597,000.00</b>		
<b>Barunga</b>			
<b>Plant and Equipment</b>	\$38,000.00	Front Deck Mower	Fleet Reserve
<b>Roads</b>	\$300,000.00	Bagala Road	Roads Future Fund
	<b>\$338,000.00</b>		
<b>Beswick</b>			
<b>Plant and Equipment</b>	\$50,000.00	Tractor	Fleet Reserve
<b>Vehicles</b>	\$70,000.00	Toyota Hiace Van - Creche	Fleet Reserve
	<b>\$120,000.00</b>		
<b>Borroloola</b>			
<b>Plant and Equipment</b>	\$50,000.00	Tractor 85 HP + slasher/bucket	Fleet Reserve
	\$38,000.00	Front Deck Ride on Mower	Fleet Reserve
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - Municipal Services	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$70,000.00	Toyota Hiace Van - CDP	Fleet Reserve
	\$70,000.00	Toyota Hiace Van - CDP	Fleet Reserve
	\$70,000.00	Toyota Hiace Van - CDP	Fleet Reserve
<b>Buildings</b>	\$40,000.00	Office & Toilet for waste facility - Design & Costing	Asset Reserve
	\$618,000.00	Sports Court and Cyclone Shelter	Asset Reserve
	\$270,356.45	Toilet at Airport	LA Project
<b>Infrastructure</b>	\$185,000.00	Lot 376 Tamarind park and airport car park mains electrical supply to the sites	Asset Reserve
	\$58,000.00	Pool Filtration system	Asset Reserve
<b>Roads</b>	\$533,577.00	Anyula Street - Blackspot	NT Government Grant
	<b>\$2,327,933.45</b>		

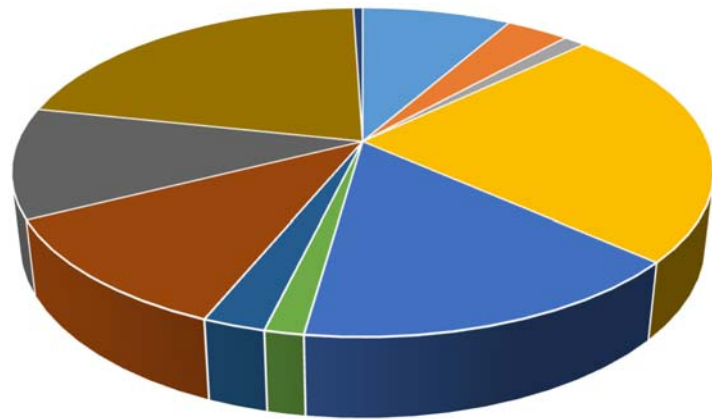
<b>Bulman</b>			
<b>Plant and Equipment</b>	\$50,000.00	Tractor	Fleet Reserve
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - Night Patrol	Australian Government Grant
	\$250,000.00	Waste Compactor	Fleet Reserve
<b>Buildings</b>	\$100,000.00	Council office extension	Asset Reserve
	\$43,000.00	Toilet at Council Office	NT Government Grant
	\$97,000.00	Toilet at Council Office	LA Project
<b>Infrastructure</b>	\$65,000.00	Waste Management Facility Fence	Asset Reserve
	\$150,000.00	Council depot - concrete wash down bay	Asset Reserve
<b>Roads</b>	\$710,600.00	Seal & Drainage Works	Roads Future Fund
	<b>\$1,530,600.00</b>		
<b>Manyallaluk</b>			
<b>Plant and Equipment</b>	\$15,000.00	Zero turn Mower	Fleet Reserve
<b>Vehicles</b>	\$70,000.00	Toyota Troopcarrier - Creche	Fleet Reserve
	\$65,000.00	Toyota Hilux - Night Patrol	Australian Government Grant
	<b>\$150,000.00</b>		
<b>Jilkmिंगgan</b>			
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - PowerWater Contract	Fleet Reserve
	\$100,000.00	10 Tonne Tipper	Fleet Reserve
<b>Buildings</b>	\$75,000.00	Shade over playground	LA Project
	<b>\$240,000.00</b>		
<b>Mataranka</b>			
<b>Plant and Equipment</b>	\$100,000.00	Backhoe	Fleet Reserve
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$70,000.00	Toyota Hiace Van - CDP	Fleet Reserve
<b>Buildings</b>	\$424,862.00	Mataranka Office Renovations	NT Government Grant
	\$450,000.00	Staff house	Asset Reserve
	<b>\$1,109,862.00</b>		

<b>Ngukurr</b>			
<b>Plant and Equipment</b>	\$150,000.00	Front end loader	Fleet Reserve
	\$127,000.00	Bobcat	Fleet Reserve
	\$15,000.00	RTV Utility	Fleet Reserve
<b>Vehicles</b>	\$65,000.00	Toyota Hilux - Night Patrol	Fleet Reserve
<b>Infrastructure</b>	\$150,000.00	Sports Courts Drainage and Landscaping	Asset reserve
	\$170,000.00	Sports Courts Drainage and Landscaping	LA Project
	\$161,772.73	Outdoor Stage	LA Project
	\$225,305.60	Basketball Court	LA Project
	<b>\$1,064,078.33</b>		
<b>Numbulwar</b>			
<b>Plant and Equipment</b>	\$50,000.00	Tractor	Fleet Reserve
	\$100,000.00	Backhoe	Fleet Reserve
<b>Vehicles</b>	\$70,000.00	Toyota Hiace Van - CDP	Fleet Reserve
	\$65,000.00	Toyota Hilux - CDP	Fleet Reserve
	\$30,000.00	6 seat RTV Utility	Fleet Reserve
<b>Buildings</b>	\$350,000.00	Lot 156 Rebuild & fencing replacement	Asset Reserve
	\$150,000.00	Lot 217 Numbulwar Vehicle Port - New workshop and fuel depot design and documentation	Asset Reserve
	\$53,000.00	Toilet near airport	NT Government Grant
	\$97,000.00	Toilet near airport	LA Project
<b>Infrastructure</b>	\$106,305.04	Playground Equipment	LA Project
<b>Roads</b>	\$1,000,000.00	Local Roads Upgrades	Australian Government Grant
	<b>\$2,071,305.04</b>		
<b>Urapunga</b>			
<b>Plant and Equipment</b>	\$50,000.00	Tractor	Fleet Reserve
	<b>\$50,000.00</b>		
	<b>\$9,805,778.82</b>		

#### Funding Sources

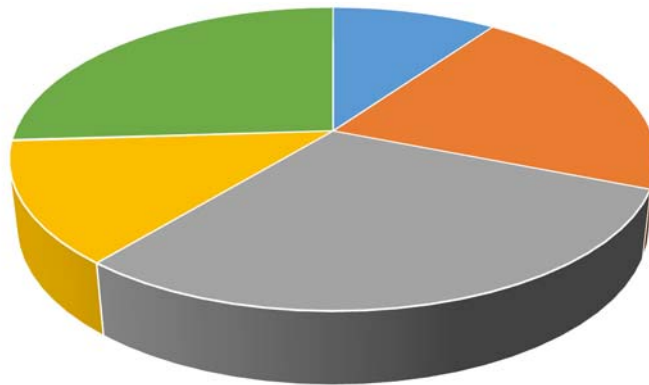
\$1,130,000.00	Australian Government Grant
\$1,054,439.00	NT Government Grant
\$2,493,000.00	Asset Reserve
\$2,915,000.00	Fleet Reserve
\$1,010,600.00	Roads Future Fund
\$1,202,739.82	Local Authority Allocation
\$9,805,778.82	

Capital Budget by Location



- Barunga    ■ Beswick    ■ Borroloola    ■ Bulman    ■ Manyallak    ■ Jilkmiggan
- Mataranka    ■ Ngukurr    ■ Numbulwar    ■ Urapunga    ■

Capital Budget by Class of Asset



- Plant & Equipment    ■ Vehicles    ■ Buildings
- Infrastructure    ■ Furniture & Fittings    ■ Roads