



AGENDA

FINANCE COMMITTEE

TUESDAY, 24 NOVEMBER 2020

Notice is given that the next Finance Committee Meeting of the Roper Gulf Regional Council will be held on:

Tuesday, 24 November 2020 at 10:30AM
The Roper Room, Roper Gulf Regional Council Support Centre,
2 Crawford Street, Katherine, NT

Your attendance at the meeting will be appreciated.

Marc GARDNER
ACTING CHIEF EXECUTIVE OFFICER

PLEDGE

“We pledge to work as one towards a better future through effective use of all resources.

We have identified these key values and principles of Honesty, Equality, Accountability, Respect and Trust as being integral in the achievement of our vision, that the Roper Gulf Regional Council is Sustainable, Viable and Vibrant.”

PRAMIS BLA WI

“Mela pramis bla wek gudbalawei bla meigim futja bla wi wanwei, en bla yusim ola gudwan ting bla helpum wi luk lida.

Mela bin luk ol dijlod rul, ebrobodi gada tok trubalawei, wi gada meik so wi gibit firgo en lisin misalp, abum rispek en trastim misalp bla jinggabat bla luk lida, Roper Galf Rijnul Kaunsul deya maindim en kipbum bla wi pramis, dum wek brabli gudbalawei, en im laibliwan.”

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	Nil.	
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	Nil.	
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	Nil.	
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	Nil.	
14	CLOSED SESSION	
	14.1 Finance Committee Meeting - 25 AUGUST 2020 <i>The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(e).</i>	

14.2 Investment Opportunity

The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(c)(i) (c)(iv).

14.3 Tender selection panel & Tender Award Delegation for Ngukurr & Numbulwar Aged Care Centres Renovation Project.

The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(c)(i) (c)(ii) (c)(iii) (d) (e).

15 CLOSE OF MEETING

CONFIRMATION OF PREVIOUS MINUTES



ITEM NUMBER 5.1
TITLE Finance Committee Meeting - 25 August
 2020 10:30AM
REFERENCE 1044544
AUTHOR Naomi HUNTER, Executive Manager

RECOMMENDATION

That the Finance Committee confirms the minutes from the meeting held on 27 May 2020 and affirms them to be a true and accurate record of that meetings decisions and proceedings.

BACKGROUND

The Finance Committee met in Katherine on Wednesday, 25 August 2020 at 10:30am, attached are the recorded minutes from that meeting for the committee to confirm.

The next Finance Committee Meeting is on 27 January 2021 at 10:30am.

ISSUES/OPTIONS/SWOT

Nil.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS

- 1 Finance Committee Meeting 2020-08-25 [1588] Minutes.DOCX



MINUTES OF THE ROPER GULF REGIONAL COUNCIL, FINANCE COMMITTEE
MEETING HELD AT THE CONFERENCE ROOM, ROPER GULF REGIONAL
COUNCIL SUPPORT CENTRE, 2 CRAWFORD STREET, KATHERINE, NT
ON TUESDAY, 25 AUGUST 2020 AT 10:30AM

1 PRESENT MEMBERS/STAFF/GUESTS

1.1 Elected Members

- Mayor Judy MacFARLANE – Chairperson;
- Deputy Mayor Helen LEE;
- Councillor Ossie DAYLIGHT;
- Councillor Samuel EVANS;
- Councillor Owen TURNER; and
- Independent Member Awais Ur REHMAN.

1.2 Staff

- Phillip LUCK, Chief Executive Officer;
- Naomi HUNTER, Executive Manager;
- Marc GARDNER, General Manager Corporate Services and Sustainability; and
- Dave HERON, Finance Manager.

1.3 Guests

Nil.

2 MEETING OPENED

The Finance Committee Meeting opened at 10:46am. The Mayor welcomed members and staff to the meeting and the Roper Gulf Regional Council Pledge was read.

3 APOLOGIES AND LEAVE OF ABSENCE

Nil.

4 DISCLOSURES OF INTEREST

There were no declarations of interest at this Finance Committee Meeting.

5 CONFIRMATION OF PREVIOUS MINUTES**5.1 FINANCE COMMITTEE MEETING - 27 MAY 2020 10:30AM**

52/2020 RESOLVED (Helen LEE/Samuel EVANS)

CARRIED

That the Finance Committee confirmed the minutes from the meeting held on 27 May 2020 and affirms them to be a true and accurate record of that meetings decisions and proceedings.

6 BUSINESS ARISING FROM PREVIOUS MINUTES**6.1 ACTION LIST**

53/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN)

CARRIED

That the Finance Committee:

- (a) Received and noted Action List; and
- (b) Approved the removal of completed items.

7 CALL FOR ITEMS OF GENERAL BUSINESS

- Lot 88, Mataranka
- Roads Committee Recommendations
- Crawford Street Update
- Mataranka Cemetery car park update

8 INCOMING CORRESPONDENCE**8.1 INCOMING CORRESPONDENCE**

56/2020 RESOLVED (Owen TURNER/Ossie DAYLIGHT)

CARRIED

That Council accepted the incoming correspondence.

9 OUTGOING CORRESPONDENCE**9.1 OUTGOING CORRESPONDENCE**

57/2020 RESOLVED (Ossie DAYLIGHT/Helen LEE)

CARRIED

That Council accepted the outgoing correspondence.

10 EXECUTIVE REPORTS**10.1 CONSTITUTIONAL REVIEW UPDATE**

58/2020 RESOLVED (Ossie DAYLIGHT/Samuel EVANS)

CARRIED

That the Finance Committee:

- (a) Received and noted the report on consultation for the constitutional review; and
- (b) Approved that no changes be made to:
 - i. The titles of Elected Members and the Principal Member;
 - ii. The number of wards;
 - iii. The number of Elected Members; and
 - iv. The name of any wards.

11 COMMUNITY SERVICES AND ENGAGEMENT DIVISIONAL REPORT

Nil.

12 CORPORATE SERVICES AND SUSTAINABILITY DIVISIONAL REPORT**12.1 COUNCIL'S FINANCIAL REPORT AS AT 31.07.2020**

59/2020 RESOLVED (Ossie DAYLIGHT/Awais Ur REHMAN) CARRIED

That the Finance Committee received and noted the financial reports as at 31 July 2020.

12.2 INVESTMENT STRATEGY

60/2020 RESOLVED (Awais Ur REHMAN/Samuel EVANS) CARRIED

That the Finance Committee noted the establishment of an Investment Working Group to consider investment opportunities.

12.3 CERTIFICATION OF RATES INFORMATION

61/2020 RESOLVED (Owen TURNER/Ossie DAYLIGHT) CARRIED

That the Finance Committee:

- (a) Noted that the Chief Executive Officer did not provide Council with a formal rates records certification prior to Council approving the 2020/21 Budget; and
- (b) Acknowledged that the Chief Executive Officer herein certifies that all available records of rateable land within the Roper Gulf Regional Council area is recorded in the assessment record and that to the best of the Chief Executive Officer's knowledge, information and belief the assessment record is and has been since 1 July 2019, a comprehensive record of rateable land in this area.

13 INFRASTRUCTURE SERVICES AND PLANNING DIVISIONAL REPORT

Nil.

14 CALL FOR ITEMS OF GENERAL BUSINESS**14.1 LOT 88, MATARANKA**

62/2020 RESOLVED (Ossie DAYLIGHT/Samuel EVANS) CARRIED

That the Finance Committee:

- a) Noted the information provided by Department of Infrastructure, Lands and Planning about the process to transfer Special Purpose Leases;
- b) Agreed that a compensation may be required to the current lease holder to achieve a transfer; and
- c) Approved that the CEO can negotiate a compensation to the current lease holders up to \$100,000.

14.2 ROADS COMMITTEE RECOMMENDATIONS

63/2020 RESOLVED (Owen TURNER/Ossie DAYLIGHT) CARRIED

That the Finance Committee:

- (a) Approved an allocation of \$30,000 for the Barunga – Local Roads Shoulder

- Repairs;
- (b) Approved an allocation of up to \$40,000 for an AAPA certificate for the Beswick - Cameron and Madigan roads intersection upgrade;
 - (c) Approved an allocation of up to \$500,000 for the Numbulwar community for better roads outcomes;
 - (d) Cancelled the CAPEX for Jilkminggan; and
 - (e) Approved an allocation of \$500,000 for Roads Future Fund.

14.3 CRAWFORD STREET UPDATE

Discussion was made about the update of the certificate process of the Crawford Street property. It was noted the CEO will wait for Victoria Regional Daly Council to make contact with RGRC.

The meeting stopped for lunch, the time being 12.10pm

Reconvened at 12:35pm.

14 CLOSED SESSION

DECISION TO MOVE TO CLOSED SESSION

64/2020 RESOLVED (Samuel EVANS/Owen TURNER)

CARRIED

Members of the press and public be excluded from the meeting of the Closed Session and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld. This action is taken in accordance with Section 65(2) of the Local Government Act, 2008 as the items lists come within the following provisions:-

14.1 Finance Committee Meeting Confidential session- 27 May 2020 - *The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(c)(iv).*

14.2 NDIS Report - *The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(e).*

14.3 Use of Common Seal - *The report will conducted in accordance with the Local Government Act 2008 s 65(2) and Local Government (Administration) Regulations 2008 reg 8(e).*

15 RESUMPTION OF MEETING

15.1 MOVE OUT OF CONFIDENTIAL

65/2020 RESOLVED (Owen TURNER/Ossie DAYLIGHT)

CARRIED

That the Finance Committee moves to return to the open session of the Finance Committee meeting and declare the resolutions made in the confidential session not be available to the public in accordance with the *Local Government Act 2008*, section 201.

Councillor Evans left the meeting, the time being 1:08pm.

Councillor Evans returned to the meeting, the time being 1:10pm.

16 CLOSE OF MEETING

The meeting terminated at 1:12pm.

This page and the proceeding pages are the Minutes of the Finance Committee held on Tuesday, 25 August 2020 and will be confirmed on Tuesday, 24 November 2020.

Mayor Judy MacFARLANE

BUSINESS ARISING FROM PREVIOUS MINUTES

ITEM NUMBER	6.1
TITLE	Action List
REFERENCE	946070
AUTHOR	Naomi HUNTER, Executive Manager

RECOMMENDATION

That the Finance Committee:

- (a) **Receives and notes Action List; and**
- (b) **Approves the removal of completed items.**

BACKGROUNDThe Action List is a summary of tasks that has requested at previous Finance Committee meetings to be undertaken by Council staff. The table also identifies the Staff member assigned to the task by the Chief Executive Officer and the current status.

Date	Meeting	Item	Description	Comment	Status	Update
29-8-18	FCM	17.4	Borroloola Sports Courts (Lot 644)	Borroloola Sports Courts – Project Update	In Progress	NTG would like RGRC to keep the Cyclone Shelter in the plan. More money is being sourced to achieve this. Stage One (Sports Courts) released for tender in November. Stage Two subject to additional funding agreement.
28-11-18	FCM	9.1	Playgrounds	The Council to construct funded playgrounds at Jilkminggan and Robinson River.	In Progress	Jilkminggan is being installed Robinson River – Mungoorbada AC progressing
30-1-19	FCM	17.3	Toilet Blocks – Mataranka Sports and Recreation	Project Update	Ongoing	Practical Completion by end Aug 2020.
27-4-19	FCM		Borroloola Office			Mode has finalised design and planning. Construction funding to be sourced.
27-4-19	FCM		Records Management Obligations	Partial rollout occurring	Ongoing	Business Classifications have been approved, training underway before migration of data.

ISSUES/OPTIONS/SWOT

Nil.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS

CORPORATE SERVICES AND SUSTAINABILITY DIVISIONAL REPORT



ITEM NUMBER	12.1
TITLE	Council's Financial Report as at 31.10.2020
REFERENCE	1044017
AUTHOR	Elvisen SOUNDRON, Management Accountant

RECOMMENDATION

That the Council receives and notes the financial reports as at 31 October 2020.

BACKGROUND

Attached are the Council's financial reports as at 31 October 2020, including:

- Balance Sheet;
- Income and expenditure report by account category; with explanation on variances
- Financial Ratio Analysis;
- Cash-at-bank Statement and 12-month graph on cash balances;
- Investment Report;
- Capital Expenditure Report;
- Accounts Receivable Age Analysis report and a summary of Rates outstanding;
- List of paid invoices over \$10,000 during the month of October; and
- Expenditure illustrations for all communities.

The balance sheet has been prepared as per prevailing accounting standards, practice and in compliance with the applicable *Local Government Act 2008*. The Income and Expenditure Report as at the end of October shows a surplus of \$3.17M.

Our bank balance as at 31 October is \$37.56M. Of this total bank balance, \$13M is invested in various interest earning term deposits. The total balance of untied cash is \$17.59M.

ISSUES/OPTIONS/SWOT

As mentioned above these reports are written to meet the minimum requirements for Council. A new reporting structure will be introduced for the EMT to provide a more in depth and critical analysis of the financial position. This will be more detailed and operational than what Council needs or should be involved with.

Financial impact of the adoption of Accounting Standard AASB 1058

As of the current financial year, we have adopted the Accounting Standard 1058 Income of Not for Profit Entities. The carried forward unspent tied grants from the previous financial year are treated as liabilities since we either have an obligation to make repayments to the relevant departments or are bound by specific performance obligations as per the Grants agreements. As such those cannot be recognized as income and as a result there has been a significant increase in the Current liabilities which lead to a decrease in our reported liquidity ratios. In reality very little has changed just the way the liabilities are reported.

An example effect of this standard is a grant for \$ 2.9 million that has been received by Council and then paid to the Department of Infrastructure and Planning to project manage and build a facility. Before the new standard came into effect the grant would be classed as spent as Council has physically paid the funds, however under the new standard the finance team must treat the grant as a liability until the facility is actually built, or reduce the liability gradually as the construction progresses. As the facility is only in the design and documentation phase the full amount of the grant is recognised as a liability. This has a significant effect on the financial statements and liquidity ratios but the actual position of Council has not changed

To demonstrate, the financial reports previously used restricted cash to calculate the liquidity ratios. Restricted cash is the total cash in the bank less the unexpended grants to report the available cash for payment of other liabilities such as Account Payable. Now the new accounting standards requires the financial reports to reflect the unexpended grants in the balance sheet as a liability. But now we can report the cash at bank without the restricted amount being deducted. The net assets of the Council have not changed but due to the mathematics of the ratio, it has changed making the situation look worse.

	Before the Change	Under the new Standard
Cash	\$ 30,000,000	\$ 32,900,000
Accounts Payable	\$ 2,000,000	\$ 2,000,000
Unexpended Grant	\$ 0	\$ 2,900,000
Current Liabilities	\$ 2,000,000	\$ 4,900,000
Net Assets	\$ 28,000,000	\$ 28,000,000
Liquidity Ratio	15:1	11:1

The intention of this standard and of the new standard AASB 16 which recognises the Section 19 leases as a liability, is for Councils to properly recognise and report on the liabilities and the ratios. A Council with a similar unexpended grant liability but less cash would look like

	Before the Change	Under the new Standard
Cash	\$ 10,000,000	\$ 12,900,000
Accounts Payable	\$ 2,000,000	\$ 2,000,000
Unexpended Grant	\$ 0	\$ 2,900,000
Current Liabilities	\$ 2,000,000	\$ 4,900,000
Net Assets	\$ 8,000,000	\$ 8,000,000
Liquidity Ratio	5:1	2.6:1

That picture would cause more concern and hence the reluctance to recognise the liabilities by some and the need of the Accounting Standards to enforce this recognition. The calculated liquidity ratio for Council as at the end of October without the adoption of AASB 1058 would be about 9:1 but this would not be an accurate reflection of the real amount of recognised liability.

Debtors Analysis:

The below summarises the amounts owing to Council for a period over 90 days after any unapplied credits.

Comments	Amount \$
Fax charges	57.50
Workshop services	1,330.52
Conference Room Hire	215.00
Freedom of Information Access Application	30.00
TOTAL	1,633.02

FINANCIAL CONSIDERATIONS

Nil

ATTACHMENTS

1 Financial Reports - October -20.pdf

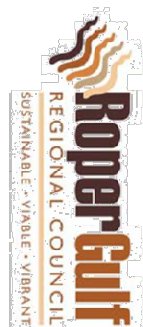


Financial Reports

at 31 October 2020



The Balance Sheet – a snapshot of the organisation’s financial status at a given point in time



\$121,581,222

What we own

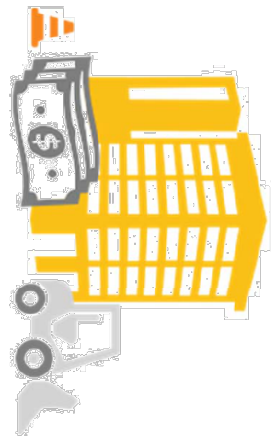
\$16,962,587

What we owe

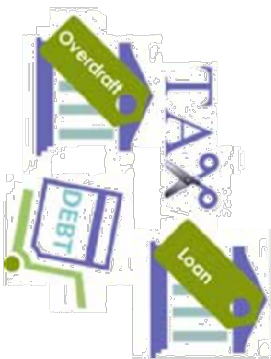
\$104,618,635

Council’s Wealth

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Assets



Liabilities



Equity