



AGENDA

FINANCE COMMITTEE

TUESDAY, 25 AUGUST 2020

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

Tuesday, 25 August 2020 at 10:30AM
The Conference Room, Roper Gulf Regional Council Support Centre, 2 Crawford Street, Katherine, NT

Your attendance at the meeting will be appreciated.

Phillip LUCK
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 lisiin misalp, abum rispek en trastim misalp bla jinggabat bla luk lida, Roper Galf Rijinul Kaunsul deya maindim en kipbum bla wi pramis, dum wek brabli gudbalawei, en im laibliwan.”

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	Nil.	
14	CLOSED SESSION	
	14.1 Finance Committee Meeting Confidential session- 27 May 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(c)(iv).</i>	
	14.2 NDIS Report <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>	
	14.3 Use of Common Seal <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>	
15	CLOSE OF MEETING	

CONFIRMATION OF PREVIOUS MINUTES



ITEM NUMBER	5.1
TITLE	Finance Committee Meeting - 27 May 2020 10:30AM
REFERENCE	933983
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, 27 May 2020 at 10:30am, attached are the recorded minutes from that meeting for the committee to confirm.

The next Finance Committee Meeting is on 25 November 2020 at 10:30am.

ISSUES/OPTIONS/SWOT

Nil.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS

- 1 Finance Committee Meeting 2020-05-27 [1503] Minutes.DOCX



MINUTES OF THE FINANCE COMMITTEE MEETING HELD AT THE
ROPER ROOM ROPER GULF REGIONAL COUNCIL SUPPORT CENTRE
2 CRAWFORD STREET, KATHERINE
ON WEDNESDAY, 27 MAY 2020 AT 10:30AM

1 PRESENT MEMBERS/STAFF/GUESTS

1.1 Members

- Mayor Judy MacFARLANE (videolink);
- Deputy Mayor Helen LEE;
- Councillor Owen TURNER (via teleconference);
- Councillor Samuel EVANS (via teleconference);
- Independent Member Awais UR REHMAN (via telephone link)

1.2 Staff

- Phillip LUCK, Chief Executive Officer;
- Sharon HILLEN, General Manager Infrastructure and Planning;
- Melissa AMARANT, Contracts Manager;
- Steven SANDERSON, General Manager Community Services and Engagement;
- Marc GARDNER, General Manager Corporate Services and Sustainability;
- Naomi HUNTER, Executive Manager; and
- Narelle PERROTT, Governance Officer

2 MEETING OPENED

The Finance Committee Meeting opened at 10:33am. The Mayor welcomed members, staff and guests to the meeting and the Roper Gulf Regional Council Pledge was read.

3 APOLOGIES AND LEAVE OF ABSENCE

3.1 APOLOGIES AND LEAVE OF ABSENCE

30/2020 RESOLVED (Awais Ur REHMAN/Samuel EVANS) *CARRIED*

That the Finance Committee accepts the apologies from Councillor Ossie DAYLIGHT.

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 - 24 MARCH 2020**

31/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN) *CARRIED*

That the Finance Committee confirms the minutes taken from the meeting held on 24 March 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**

32/2020 RESOLVED (Owen TURNER/Awais Ur REHMAN) *CARRIED*

That the Finance Committee:

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

7 CALL FOR ITEMS OF GENERAL BUSINESS

- Update on status of Territory Housing Contracts – due to expire 30 June 2020

8 INCOMING CORRESPONDENCE**8.1 INCOMING CORRESPONDENCE**

33/2020 RESOLVED (Helen LEE/Owen TURNER) *CARRIED*

That Council accepts the incoming correspondence.

9 OUTGOING CORRESPONDENCE**9.1 OUTGOING CORRESPONDENCE**

34/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN) *CARRIED*

That Council accepts the outgoing correspondence.

10 EXECUTIVE REPORTS**10.1 SELF-REVIEW OF FINANCE COMMITTEE**

35/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN) *CARRIED*

That the Finance Committee:

- (a) Accepts the report in relation to the Self Review of the Finance Committee; and
- (b) Agrees to Option 3 to undertake a self-review at a future Finance Committee meeting.

10.2 CONSTITUTIONAL REVIEW

36/2020 RESOLVED (Owen TURNER/Samuel EVANS)

CARRIED

That the Finance Committee:

- (a) Receives and notes the Assessment of the Effectiveness of Constitutional Arrangements for Electoral Representation of the Councils Area Discussion Paper; and
- (b) Refers the endorsement of the Discussion Paper to the Ordinary Meeting of Council.

10.3 SALE OF 29 CRAWFORD STREET KATHERINE

37/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN)

CARRIED

That the Finance Committee approves in principle to the selling of 29 Crawford Street, Katherine, to Victoria Daly Regional Council.

10.4 QUARTERLY REPORT OF REGIONAL PLAN

38/2020 RESOLVED (Helen LEE/Awais Ur REHMAN)

CARRIED

That the Finance Committee receives and notes the 2nd quarterly report to Council of the 2019/2020 Regional Plan.

10.5 NATIONAL STRONGER REGIONS FUND

39/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN)

CARRIED

That the Finance Committee accepts the variation to the National Stronger Regions Fund Deed of Agreement by signing, dating and affixing the common seal to one copy of the Deed of Variation.

11 COMMUNITY SERVICES AND ENGAGEMENT DIVISIONAL REPORT

11.1 COMMONWEALTH HOME SUPPORT PROGRAM - EXTENSIONS - DEED OF VARIATION

40/2020 RESOLVED (Samuel EVANS/Awais Ur REHMAN)

CARRIED

That the Finance Committee:

- (a) Receives and notes that the Chief Executive Officer has accepted and executed the following Commonwealth Home Support Program - Extensions - Deed of Variation for:
 - 1) An extension of the 3-year CHSP Funding Agreement ID: 4-7SCH212 by a further two years - 2020/21 (\$217,078 inc. GST) and 2021/22 (\$220,769 inc. GST);
 - 2) CHSP Growth Funding under Funding Agreement ID: 4-7SCH212 of \$2,286,446 (inc, GST) over 3 years 2019/20 - 2021/22;
 - 3) Emergency Support for COVID-19 payments under Funding Agreement ID: 4-EAP8GQR of \$25,098 (inc. GST) in 2019/20 and \$16,732 (inc. GST) in 2020/21; and
- (b) Approves that these agreements reflect an increase in income for the 2019/20 Approved Budget.

12 CORPORATE SERVICES AND SUSTAINABILITY DIVISIONAL REPORT

12.1 DRAFT BUDGET 2020/21

41/2020 RESOLVED (Samuel EVANS/Owen TURNER) CARRIED

That the Finance Committee:

- (a) Approves the Draft Budget 2020/21 for release for public consultation for 21 days as part of the Regional Plan as prescribed by the *Local Government Act*; and
- (b) Approves that the presented draft budget be amended to show a zero increase in Rates for 2020/2021, prior to being available for public consultation.

12.2 PROPOSED FEES & CHARGES 2020/21

42/2020 RESOLVED (Helen LEE/Samuel EVANS) CARRIED

That the Financial Committee recommends to Council to keep all Fees and Charges for 2020/21 at the 2019/20 amounts.

12.3 COUNCIL'S FINANCIAL REPORT AS AT 30.04.2020

43/2020 RESOLVED (Awais Ur REHMAN/Samuel EVANS) CARRIED

That the Council receives and notes the Financial Reports as at 30 April 2020.

13 INFRASTRUCTURE SERVICES AND PLANNING DIVISIONAL REPORT

13.1 LOCAL AUTHORITY PROJECT FUNDING UPDATE

44/2020 RESOLVED (Helen LEE/Owen TURNER) CARRIED

That the Finance Committee Meeting:

- (a) Receives and notes the Local Authority Projects Update; and
- (b) Receives and notes that the Territory's SCALE program will not impact on Local Authority Projects Funding at this point in time.

13.2 DONATION FROM MATARANAK BETTER HALF CLUB FOR THE CONSTRUCTION OF A COLUMBARIUM AT THE MATARANKA CEMETERY.

45/2020 RESOLVED (Samuel EVANS/Helen LEE) CARRIED

That the Finance Committee:

- (a) Receives and notes the correspondence from the Mataranka Better Half Club; and
- (b) Accepts and acknowledges the donation of \$50,000 to cover the costs of the construction of a Columbarium at the Mataranka Cemetery.

13.3 SCALE IMPACTED PROJECTS AND PROPOSED NEW PROJECTS UNDER SCALE

46/2020 RESOLVED (Helen LEE/Samuel EVANS) CARRIED

That the Finance Committee:

- (a) Receives and notes the report on the progress of the Special Community Assistance and Local Employment (SCALE) program, the impacted projects and the proposed new SCALE projects; and
- (b) Refers allocation of the SCALE funding to Council, noting support of the funding to go to Bulman projects first.

14 OTHER BUSINESS**14.1 UPDATE FOR TERRITORY HOUSING CONTRACTS - DUE TO EXPIRE 30 JUNE 2020****47/2020 RESOLVED (Awais Ur REHMAN/Owen TURNER)****CARRIED****That the Finance Committee:**

- (a) Receives and notes the CEO's update in relation to the expiration of housing services contracts with NT Government; and**
- (b) Notes that the NT Government has granted 12 month extensions to current contracts due to the time lost by the COVID-19 restrictions.**

The meeting adjourned for lunch at 12:35pm

The meeting resumed at 1:07pm

15 CLOSED SESSION**DECISION TO MOVE TO CLOSED SESSION****48/2020 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:-

15.1 Finance Committee Meeting - 24 March 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).*

15.2 Audit Committee Member Vacancies - *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).*

15.3 Major Projects Report at 20th 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)(i).*

15.4 Meraki CCTV Lease Agreement - *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)(iii) (e).*

15.5 Mataranka Aged Care Infrastructure Plan - *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).*

RESUMPTION OF MEETING**49/2020 RESOLVED (Helen LEE/Owen TURNER)****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.

14 CLOSE OF MEETING

The meeting terminated at 2:32pm.

This page and the proceeding pages are the Minutes of the Finance Committee held on Wednesday, 27 May 2020 and will be confirmed on Tuesday, 25 August 2020.

Mayor Judy MacFARLANE

BUSINESS ARISING FROM PREVIOUS MINUTES

ITEM NUMBER	6.1
TITLE	Action List
REFERENCE	943729
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.
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			Borroloola Office			Mode has finalised design and planning. Construction funding to be sourced.
27-4-19			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

There are no attachments for this report.

INCOMING CORRESPONDENCE

ITEM NUMBER 8.1
TITLE Incoming Correspondence
REFERENCE 943440
AUTHOR Naomi HUNTER, Executive Manager

RECOMMENDATION

That Council accepts the incoming correspondence.

Item Number	Date Received	Sender	Sent To	Correspondence Details	InfoXpert Number
01	17/07/2020	Clare BISHOP, Australian Government, Department of Health, Office of Gene Technology Regulator	Chief Executive Officer	RE: Determination on a Proposal to Include Dealings with Cut Flowers of Genetically Modified Carnations on the GMO Register. – REG-002	936418
02	30/07/2020	Laurena MCNEILL, Local Roads and Community Infrastructure Program Team, Department of Infrastructure, Transport, Regional Development and Communications	Chief Executive Officer	RE: Local Roads and Community Infrastructure Program – Submission of Signed Grant Agreement.	943055
03	30/07/2020	Nathan EVANS, Regional Director, Homelands Services Group. Northern Territory Government	Chief Executive Officer	RE: 2020/21 Deed of Variation 5 Municipal and Essential Services, Housing Maintenance Services and Homeland Jobs Funding.	940659
04	30/07/2020	Mark COULTON, MP Minister for Regional Health, Regional Communications and Local Government Federal Member for Parkes	Her Worship The Mayor	Regional Connectivity Program - applications now open	945029
05	31/07/2020	Andrew KIRKMAN, Chief Executive	Chief Executive Officer	RE: Rocky Creek Bridge Upgrade; and Borroloola	943057

		Officer, Department of Infrastructure Planning and Logistics, Northern Territory Government		Sports Courts and Cyclone Shelter.	
06	31/07/2020	Fiona LYNCH- MAGOR, Assistant Secretary, Community and Indigenous Child Care Branch, Department of Education, Skills and Employment	Chief Executive Officer	RE: 2020-2021 – Community Child Care Fund Restricted (CCCFR) Annual Review Notice – Roper Gulf Council.	943056
07	31/07/2020	Development Assessment Services	Roper Gulf Regional Council	RE: New Application Submitted (PA2020/0227)	943058
08	06/08/2020	Maree DE LACEY, Executive Director, Local Government and Community Development, Northern Territory Government.	Chief Executive Officer	RE: Request for an Exemption from Compliance with Regulation 29 of the Local Government (Accounting) Regulations 2008	940490
09	06/08/2020	Jo TOWNSEND, Chief Executive Officer, Department of Environment and Natural Resources	Her Worship The Mayor	RE: Framework for Strategic Regional Environmental and Baseline Assessment (SREBA) NT	943066
10	07/08/2020	Catriona TATAM, MPIA, NT President, Planning Institute Australia	Chief Executive Officer	RE: Planning Institute Australia – Awards for Planning Excellence 2020 for the Northern Territory	943067
11	14/08/2020	Chris TUCKER, Payphone Provisioning Manager Payphones Commercial Engineering, Networks and IT	Roper Gulf Regional Council	FW: Payphone site reduction - Mataranka	945147
12	19/08/2020	Claire BROWN Senior Director, Northern Region Department of Infrastructure, Planning and	Chief Executive Officer	RE: Lot 88 Mataranka	945143

		Logistics, Northern Territory Government			
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ATTACHMENTS:

Nil.

OUTGOING CORRESPONDENCE

ITEM NUMBER 9.1
TITLE Outgoing Correspondence
REFERENCE 943441
AUTHOR Naomi HUNTER, Executive Manager

RECOMMENDATION

That Council accepts the outgoing correspondence.

Item Number	Date Sent	Sender	Sent To	Correspondence Details	InfoXpert Number
01	15/07/2020	Chief Executive Officer	Elaine McLEOD, Executive Assistant to the Chief Executive Officer, Local Government Association of the Northern Territory	RE: Nomination of Office Bearers	936 947
02	29/07/2020	Chief Executive Officer	Jim BAMBER, Chief Executive Officer, Minister for Local Government, Housing and Community	RE: RGRC Regional Plan 2020/2021	943 109
03	31/07/2020	Chief Executive Officer	Andrew FIRLEY, Community Coordinator, Mawurli and Wirriwangkuma Aboriginal Corporation (MAWA)	RE: Application for Funding Under the Community Benefit Fund	943059
04	17/08/20	Chief Executive Officer	Clifford DUNCAN	RE: RGRC Elected member Casual Vacancy	945177

ATTACHMENTS:

Nil.

EXECUTIVE REPORTS



ITEM NUMBER	10.1
TITLE	Constitutional Review Update
REFERENCE	943448
AUTHOR	Naomi HUNTER, Executive Manager

RECOMMENDATION

That the Finance Committee:

- a) **Receives and notes the report on consultation for the constitutional review; and**
- b) **Approves 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**

BACKGROUND

Section 23 of the *Local Government Act 2008* requires each Council to undertake an assessment, at least 12 months before the end of term, of the effectiveness of their constitutional arrangements that are in force in the Council area.

The Discussion Paper was prepared that addressed such issues as:

- The titles of Elected Members and the Principal Member;
- The retention or abolition of wards;
- The number of Elected Members; and
- The naming of any wards.

The paper was approved by Council for public consultation. It presented a number of ward structure options as examples for consideration by the Community.

The Discussion Paper was released to all communities and was made available on the RGRC website for public viewing and comments on 09 July 2020. Advertisements were carried out to promote the availability of the Discussion Paper on the website, Facebook, NT News newspaper.

ISSUES/OPTIONS/SWOT

The period concluded on 30 July 2020. At the July Ordinary Meeting of Council it was resolved that, in order to meet the timing compliance, the Finance Committee is delegated to consider the public feedback and determine if changes to the current constitutional arrangements are required.

Council did not receive any submissions or comments about the Discussion Paper.

It is recommended that the constitutional arrangements of the Roper Gulf Regional Council not be amended and that the Department of Local Government be advised of the decision.

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS

**CORPORATE SERVICES AND SUSTAINABILITY
DIVISIONAL REPORT**



ITEM NUMBER	12.1
TITLE	Council's Financial Report as at 31.07.2020
REFERENCE	943696
AUTHOR	Elvisen SOUNDRON, Management Accountant (Acting)

RECOMMENDATION

That the Finance Committee receives and notes the financial reports as at 31 July 2020.

BACKGROUND

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

- Balance Sheet;
- Income and expenditure report by account category;
- 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 June; 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 July shows a surplus of \$1.89M.

Our bank balance as at 31 July is \$36.48M. Of this total bank balance, \$15M is invested in various interest earning term deposits. The total balance of untied cash is \$28.14M.

ISSUES/OPTIONS/SWOT**Interim End of Financial Year Figures**

As Council is yet to finalise the financial ledgers for last financial year, the figures for opening balances for the current year are still considered interim. As a result, all figures mentioned in this report are subject to possible changes after the audit process. However, every effort has been made to ensure accurate figures are reported to represent the Council's financial affairs as at date.

Expenditure booking in July 2020

The actual figures for operating and capital expenditures tend to be lower for July since the Accounts Payable team would have prioritised the booking of invoices from last financial year to finalise the accounts during that period. As such, most categories of expenditures will have significant variances compared to what was budgeted for the month.

Major Variances in Income & Expenses Report For the period 01.07.2019 – 30.06.2020**Operational Income:****Shortfall in Operating Grant Subsidies by \$6,998,665**

Since we are still at the start of the financial year, we have yet to receive Grants payment for many of our activities. The July figures would show the rollover of unexpended grants from the 19/20 year but is still being calculated with the audit process. Last year, this figure was about \$ 4.5 million. With these amendments, the shortfall is about \$2.5 million. The first release for the Night Patrol and Homelands programs makeup most of the remaining shortfall.

Shortfall in Income Rates by \$2,739,997

The rates run for this financial year was performed in early August and notices distributed to ratepayers. This revenue will be recognised in the August.

Operational Expenditure:**Underspend in Contract and Material Expenses by \$909,821**

This underspend is mostly from Local Authority projects which are still in progress.

Capital Expenditure:

Overall there is an underspend of \$2,384,823 in capital expenditures since most projects are in progress or have yet to commence.

Debtors Analysis:

The below summarises the major amounts owing to Council for the current period

Comments	Amount \$
Rainbow Street upgrade project and Borroloola Medivacs	84,500.00
Monthly litter collection & Aerodrome Maintenance for July 2020	8,761.78
TOTAL	93,261.78

The below summarises the amounts owing to Council for a period over 90 days. Some of these debts are considered doubtful and report will be presented at the next Council meeting.

Comments	Amount \$
Service carried out at Workshop	549.85
Fax charges	57.50
Mataranka PO Box 4015	90.00
Mataranka PO Box 4073	90.00
Overpayment of wages	57.78
Mataranka PO Box 4084	90.00
Mataranka PO Box 4060	40.00
Forklift Hire at Ngukurr	16,540.00
Mataranka PO Box 4057	90.00
Mataranka PO Box 4023	40.00
TOTAL	17,735.13

FINANCIAL CONSIDERATIONS

Nil.

ATTACHMENTS

- 1 Financial Reports - July -20.pdf



Financial Reports

at 31 July 2020

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



\$113,857,137

What we own

\$2,704,615

What we owe

\$111,152,523

=

Council’s Wealth



Assets



Liabilities



Equity

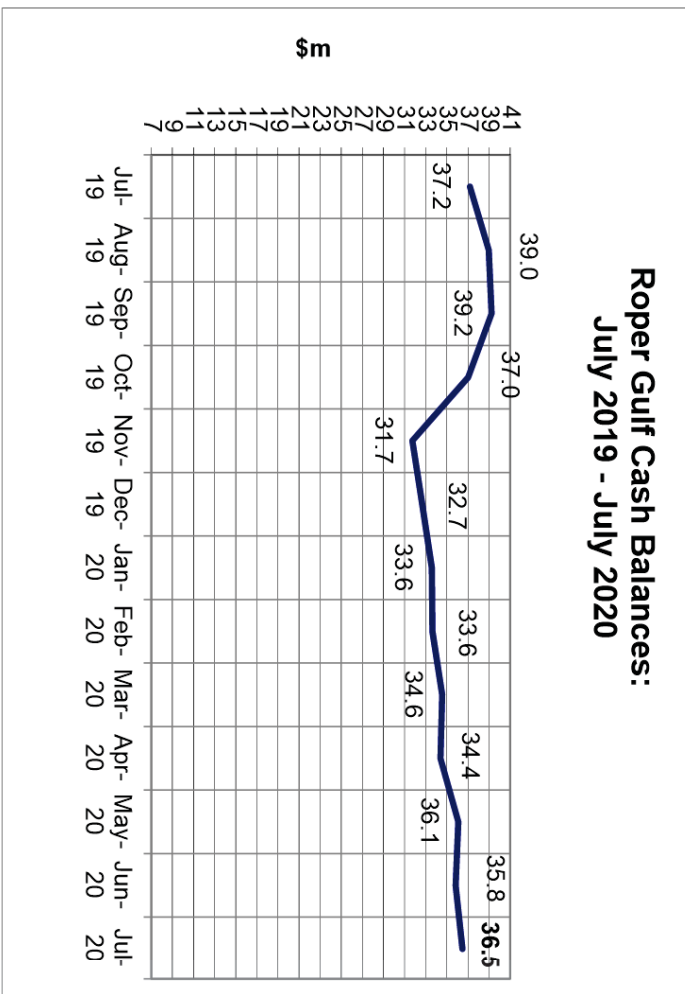
Balance Sheet as at 31 July 2020

ASSETS		LIABILITIES	
Current Assets		Current Liabilities	
Cash	21,485,017	Accounts payable	8,620
Accounts receivable	138,304	Taxes payable	256,384
less doubtful accounts)	-14,433	Accrued Expenses	0
Rates & Waste Charges Receivable	170,423	Provisions (Annual Leave, etc)	1,507,107
Inventory	215,442	Other Current Liabilities (Retention and bonds)	285,871
Investments	15,000,000	Suspense accounts	0
Other current assets	486,191		
Total Current Assets	37,480,944	Total Current Liabilities	2,057,983
Non-current Assets		Long-term Liabilities	
Land and	4,223,000	Other long-term liabilities (Long service leave)	646,631
Buildings	47,976,620	Total Long-term Liabilities	646,631
less accumulated depreciation and impairment)	-4,912,633		
Fleet, Plant, Infrastructure and Equipment	35,696,287	Total Liabilities	2,704,615
less accumulated depreciation)	-16,951,205		
Furniture and fixtures	350,759	EQUITY	
less accumulated depreciation)	-164,235	Retained earnings	55,241,992
Work in Progress assets	10,157,600	Asset Revaluation Reserves	54,910,530
Other non-current assets	0	Roads Future Fund	1,000,000
Total Non-current Assets	76,376,193	Total Equity	111,152,523
TOTAL ASSETS	113,857,137	TOTAL LIABILITIES & EQUITY	113,857,137

Actual Cash at Bank as at 31 July 2020



Bank:	Closing Balance as at 31 July 2020
Commonwealth - Business 10313307	\$18,846,262.84
Monthly interest earned	\$9,862.03
Commonwealth - Operating 10313294	\$138,266.53
Monthly interest earned	\$0.00
Commonwealth - Trust 103133315	\$1,136.49
Monthly interest earned	\$0.00
Commonwealth - Business online - 10381211	\$2,494,415.48
Monthly interest earned	\$1,572.78
Term Deposits in Various Banks	\$15,000,000.00
Monthly interest earned	\$0.00
Total Cash at Bank	\$36,480,081.34
LESS:	
Unexpended Tied Grants as at 31 July 2020	\$5,634,557.15
Liabilities	\$2,704,615.00
Total United Cash	\$28,140,909.19
Total Interest Earned for 2020-21 financial year	\$50,525.00



Note: The "Total Cash at Bank" is the actual Money in the Bank at 31 July 2020.

Liquidity ratio Analysis



Effective Ratio :

The effective ratio measures our council’s ability to use its untied assets to generate income.

$$\frac{\text{(Current Assets – Unexpended Tied Grants)}}{\text{Current Liabilities}}$$

An effective ratio of 2:1 means the council has current untied assets of \$2 for every \$1 of current liabilities and is regarded as desirable.

The higher the effective ratio, the better the capacity to meet short term financial Commitments.

Roper Gulf effective ratio = **17 : 1 (17.01)**

We have \$17 available for every \$1 of Liability

Current Ratio = **18 : 1 (18.21)**

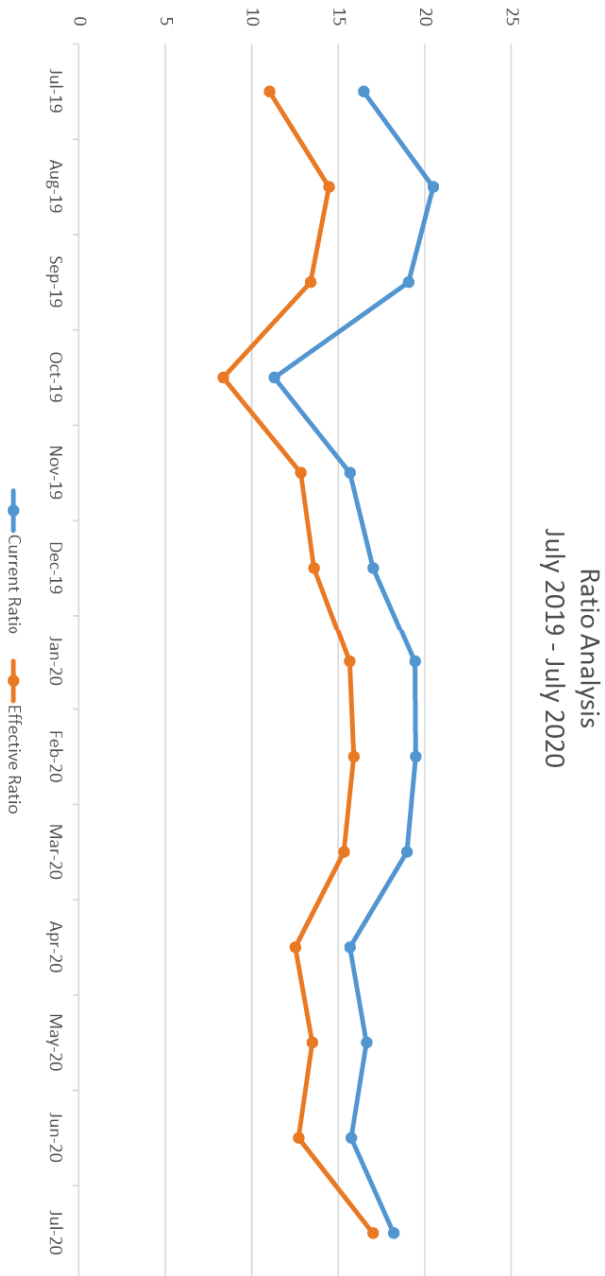
Including all cash and current assets, we have \$18 for every \$1 of Liability





Liquidity Ratio Trend

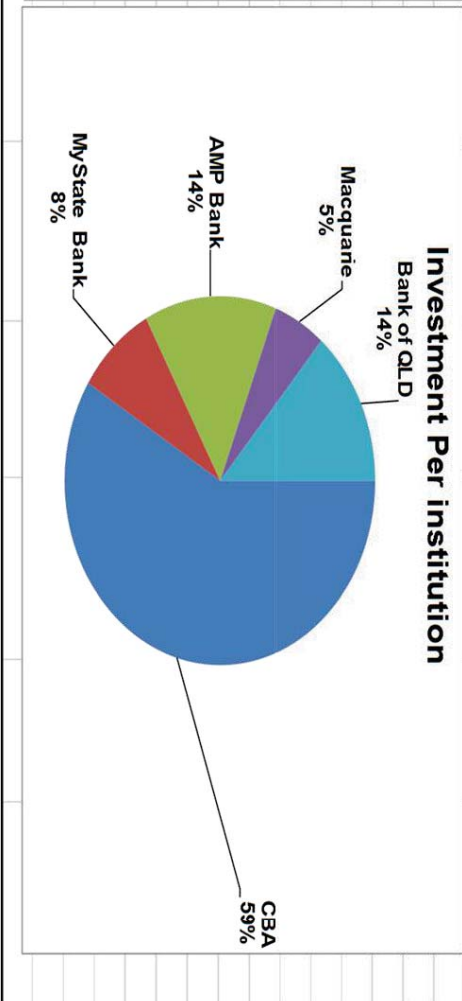
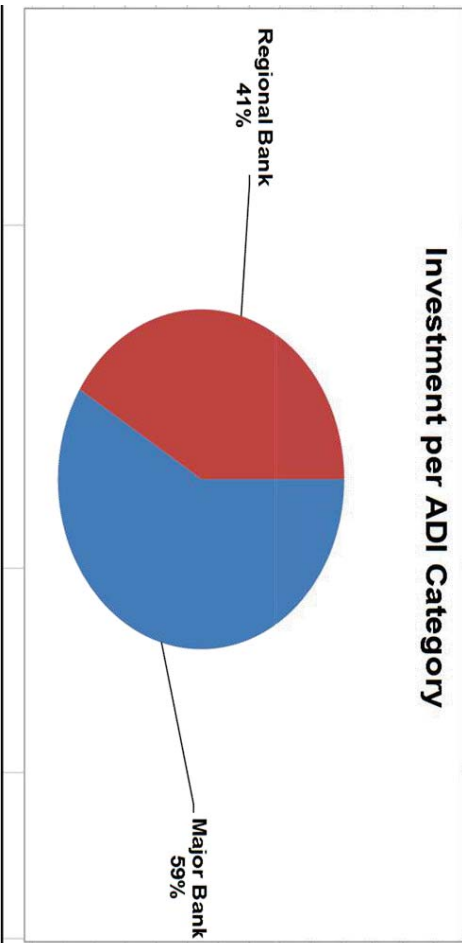
The below graph depicts the progression of the Current and effective ratio for the last twelve months



Investment Report as at 31 July 2020



Classification of ADI's Under policy	Authorised Depositor- taking institution	Amount	% of Exposure	Rating	Lodgement Date	Maturity Date	Interest on Maturity	Interest rate	Within Diversification Limits
Major Bank	Commonwealth Bank - Working capital Investments (Deposits)	\$21,480,081	58.88%	A1+/AA-					
	Regional Bank	My State Bank	8.22%	A2/BBB+	27/03/2020	25/09/2020	\$ 26,926.03	1.80%	✓
	Regional Bank	AMP Bank	5.48%	A2/BBB+	1/04/2020	30/09/2020	\$ 18,449.32	1.85%	✓
	Regional Bank	AMP Bank	8.22%	A2/BBB+	15/05/2020	13/11/2020	\$ 24,682.19	1.65%	✓
	Regional Bank	Macquarie Bank	5.48%	A1/A	28/02/2020	28/08/2020	\$ 15,956.16	1.60%	✓
	Regional Bank	Bank of QLD	8.22%	A2/BBB+	9/06/2020	8/12/2020	\$ 14,958.90	1.00%	✓
	Regional Bank	Bank of QLD	5.48%	A2/BBB+	16/06/2020	17/05/2021	\$ 20,191.78	1.10%	✓
Total cash and investments held		\$36,480,081	100.00%				\$121,164.38		





Income & Expenditure Statement :

A financial statement that summarizes the income and expenses incurred during a specific period of time

Income	-	Expenditure	=	Surplus/Deficit
4,326,367		2,433,846		1,892,521



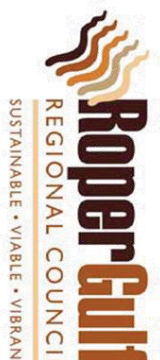
Income & Expenditure Report as at 31 July 2020

	21GLACT	21GLBUD	Variance (\$)	21GLBUD
	Year to Date Actual (\$)	Year to Date Budget (\$)	Variance (\$)	Full Year Budget (\$)
Operating Income				
11 - Income Rates	948	2,739,997	↘	2,739,997
12 - Income Council Fees and Charges	104,220	88,694	↗	1,068,724
13 - Income Operating Grants Subsidies	3,450,108	10,448,773	↘	20,715,823
14 - Income Investments	50,524	25,000	↗	300,000
16 - Income Reimbursements	0	833	↘	10,000
17 - Income Agency and Commercial Services	711,385	968,521	↘	12,562,750
19 - Other Income	182	161,964	↗	660,568
Total Operating Income	4,317,367	14,433,781	↘	38,057,862
Total Carried Forwards	0	985,552	↘	8,289,540
Operating Expenditure				
21 - Employee Expenses	1,310,956	1,761,685	↘	21,140,216
22 - Contract and Material Expenses	323,354	1,233,175	↘	10,643,567
23 - Fleet, Plant & Equipment	169,810	90,544	↗	1,086,522
24 - Asset Expense	0	443,000	↘	5,316,000
25 - Other Operating Expenses	127,920	448,509	↘	4,282,102
27 - Finance Expenses	721	1,012	↘	12,140
31 - Internal Cost Allocations	0	91,666	↘	0
Total Operating Expenditure	1,932,761	4,069,590	↗	42,480,547
Operating Surplus/Deficit	2,384,606	11,349,743	↘	3,866,855
Capital Funding				
18 - Income Capital Grants	9,000	2,474,630	↘	3,031,805
Capital Expenditure				
53 - WIP Assets	501,085	2,885,909	↘	13,448,080
Net Surplus/Deficit	1,892,521	10,938,465	↘	-6,549,419

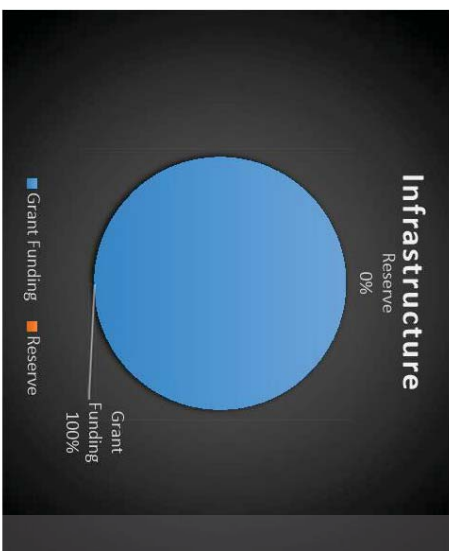
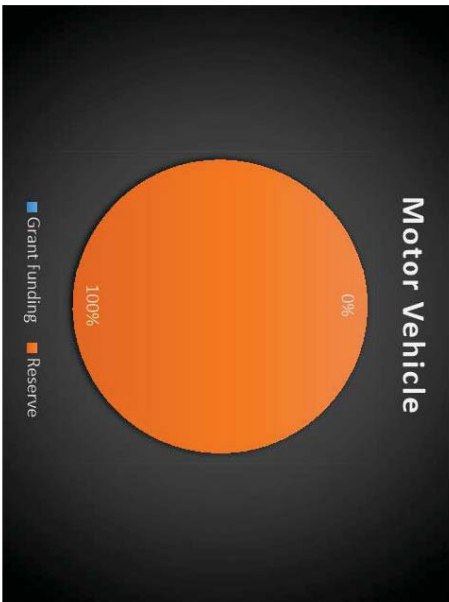
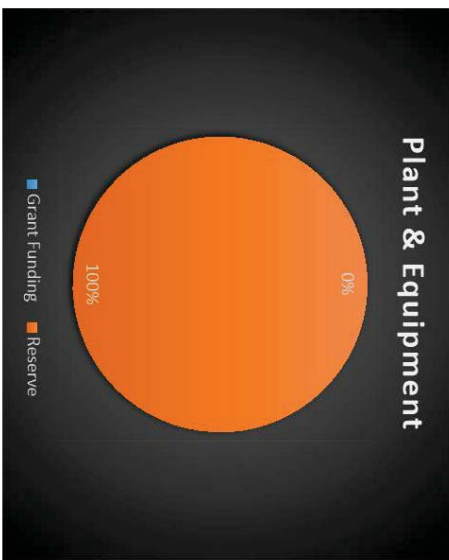
Capital Expenditure as at 31 July 2020



Description	YTD Actual \$	YTD Budget \$	YTD Variances \$	Annual Budget \$
Buildings	0	597,443	597,443	2,713,391
Infrastructure	7,555	835,460	827,905	5,364,282
Plant & Equipment	447,763	653,667	205,904	1,932,340
Furniture & Others	-	-	-	-
Motor Vehicles	45,768	661,000	615,232	1,778,000
Roads	0	138,339	138,339	1,660,067
TOTAL	501,085	2,885,909	2,384,823	13,448,080



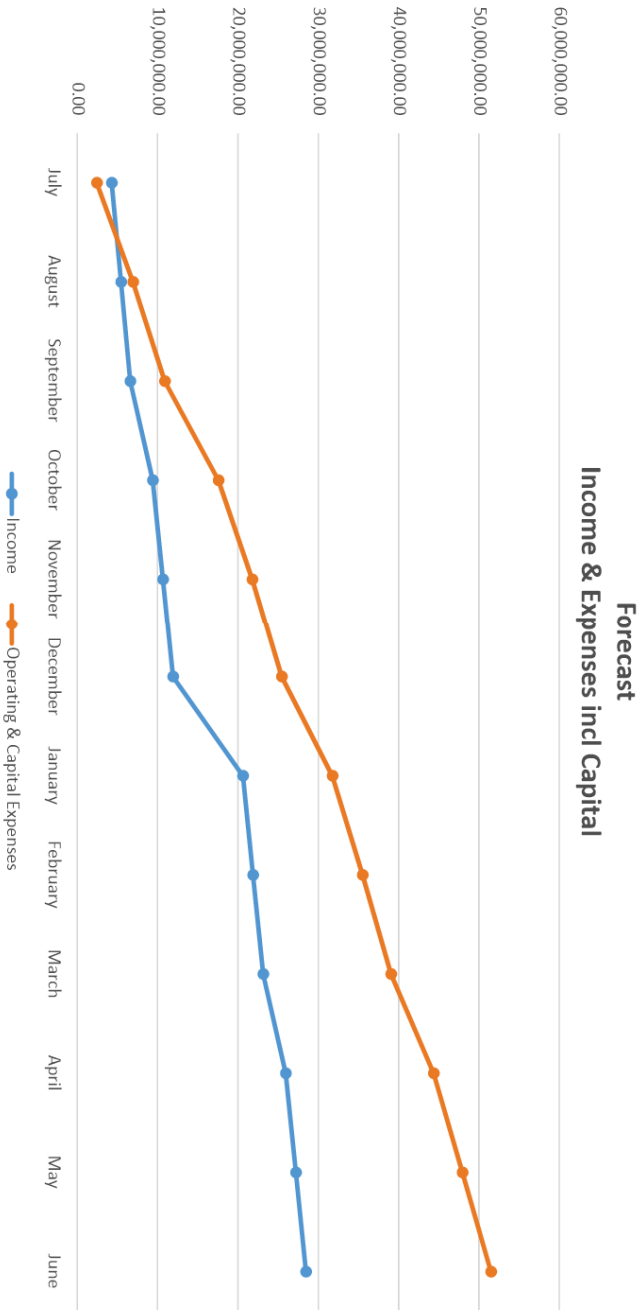
The below graphs depicts the categories of capital expenditure and the percentage used from Council's reserve and Grants



Forecast Income & Expenditure as at 31st July 2020



The below graph depicts the cumulative trend of Forecasted Income, Operating Expenditure and Capital Expenditure from July 2020 till June 2021.



Other Ratio Analysis



▶ Operating Surplus Ratio

- ▶ - Indication of the percentage of council's own source of revenue available to fund proposed capital expenditure and transfer to cash reserves.
- ▶ - The ratio as at 31st of July is at 283%. The basic standard for this ratio is usually between 0 to 15%. The Council is currently at 283% which is highly desirable. Please note that the ratio for this period is really high since the incurred operating expenses are low.
- ▶ **Untied Cash to trade creditors**
- ▶ - Indication of the level of Council's unrestricted cash to meet trade creditors and accrued expenses.
- ▶ - The ratio as at 31st of July is at 1525:1. It is desirable to have at least a 1:1 ratio and we have untied \$1525 for every dollar outstanding for our suppliers and contractors. Please note that the ratio is really high simply due to a low figure in Accounts Payable.

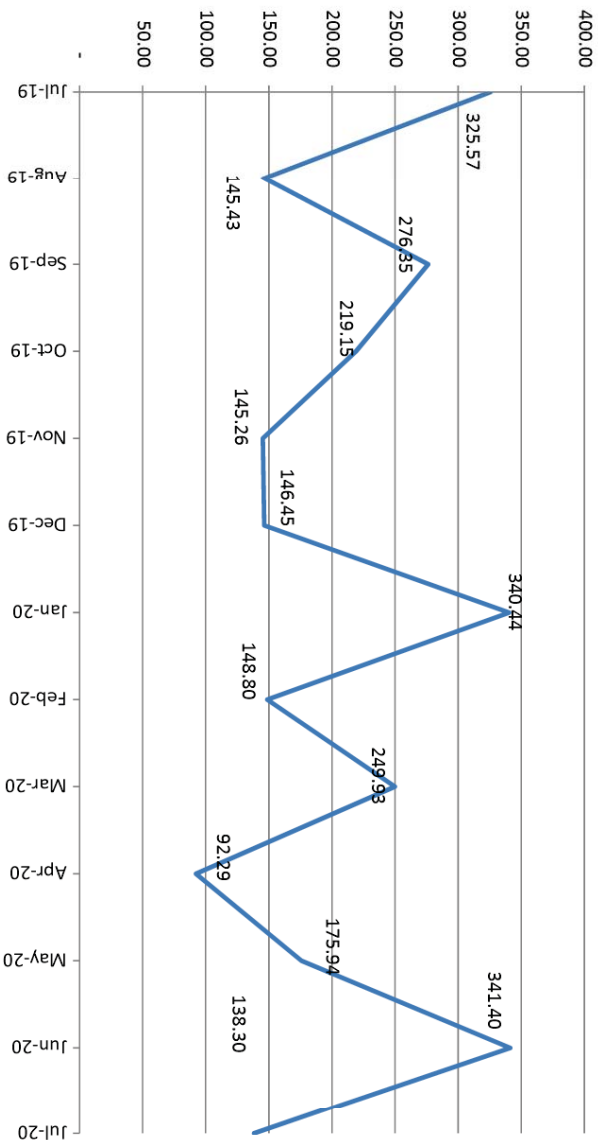
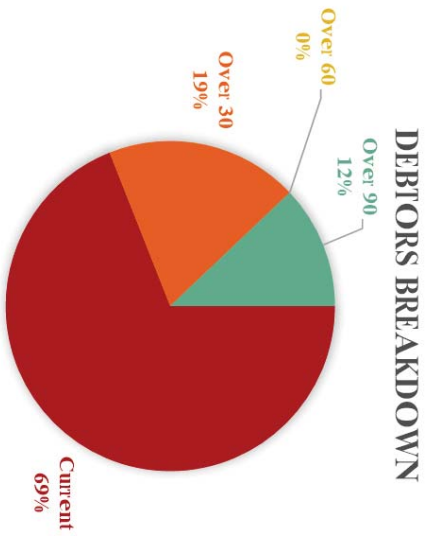
	July 2020	July 2019
Operating Surplus Ratio	283%	511%
Untied cash to trade creditors	1525:1 (1524.47)	52:1(52.12)



Accounts Receivable

Accounts Receivable represents the money owed by entities to the council on the sale of products or services on credit.

Current	Over 30	Over 60	Over 90	Total
101,335.45	27,793.27	0.00	17,735.13	146,863.85
Balance after accounting for Unapplied Credits				138,303.85



Rates Outstanding for July 2020



Financial Year	Total Balance (\$)	Percentage of Total owing
2008-09	319.9	0.19%
2009-10	338.6	0.20%
2010-11	447.7	0.26%
2011-12	338.35	0.20%
2012-13	1,064.42	0.62%
2013-14	2,669.50	1.57%
2014-15	14,915.65	8.75%
2015-16	7,910.66	4.64%
2016-17	8,203.81	4.81%
2017-18	11,399.18	6.69%
2018-19	31,761.06	18.64%
2019-20	90,308.62	52.99%
2020-21	745.39	0.44%
Total	170,422.84	100.00%

Some rates outstanding before 2015 were written off as per Council's resolution. A review of the current amount outstanding will be conducted at a later stage to determine the portion which are recoverable.

The following table lists invoices over \$10,000 which were processed during the month of July 2020. All amounts have been paid.

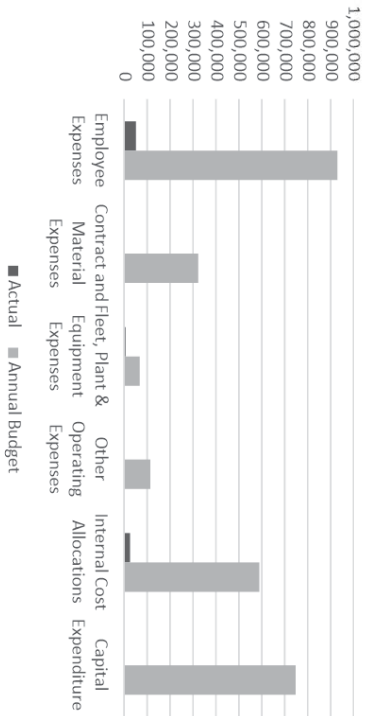


Creditor	Amount \$	Transaction Description
Puma Energy	52,499.08	Bulk Fuel order for Numbulwar
Telstra	170,540.77	Consolidated Accounts and Relocation of services at Rocky Creek
Airpower (NT) Pty Ltd	412,339.60	Purchase of five steer loaders for various communities
Alawa Aboriginal Corporation	462,945.47	Night Patrol Services, NT OPS, CDP and Employer Outcome payments for several months
CouncilBiz	110,760.54	ICT Business System support July – September 2020
Modern Teaching Aids	36,238.95	Purchase of Playground for Jilkminggan Creche
Jardine Lloyd Thompson	332,032.19	Insurance Fees 1 st instalment for 2021-20
Wright Express	24,545.69	Fuel Cards June 2020
Heath Motor Group	157,965.97	Purchase of three Toyota Hilux for Night Patrol and CHSP
Coffey Services Australia	18,059.81	Asbestos Assessment Ngukurr and Numbulwar
Alenco (NT) Pty Ltd	39,385.98	Supply and installation of water treatment at Mole Hill and solar pump at Boomerang Lagoon
United Equipment	80,850.00	Purchase of Forklift for Mataranka Municipal services
Murray River North Pty Ltd	11,000.00	Employer Outcome

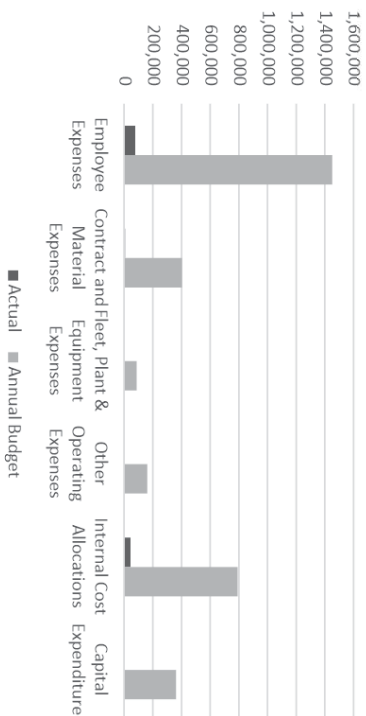
Expenditure Report by Community as at 31 July 2020



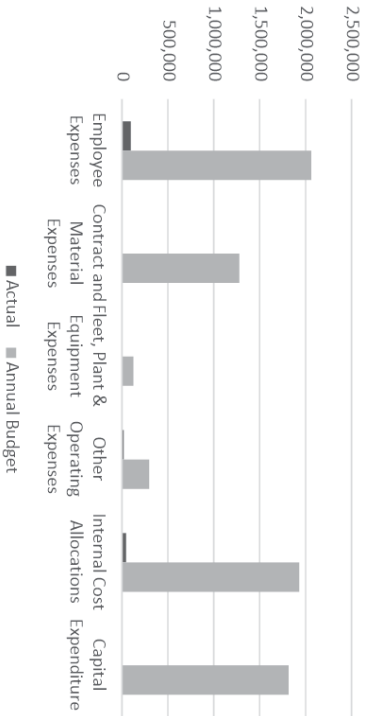
BARUNGA



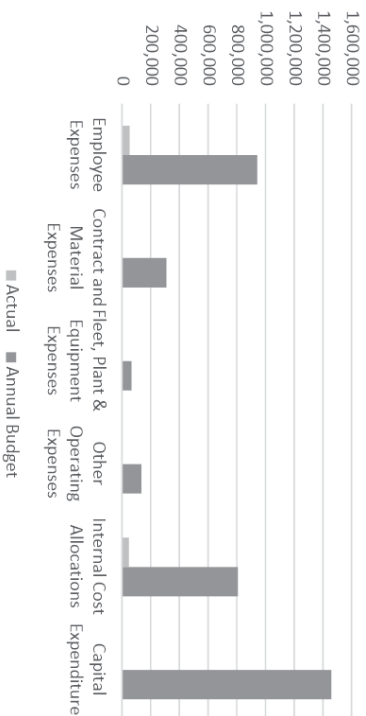
BESWICK

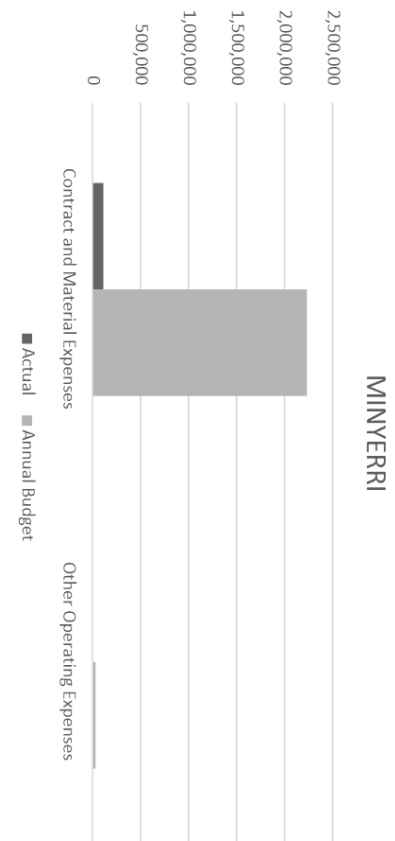
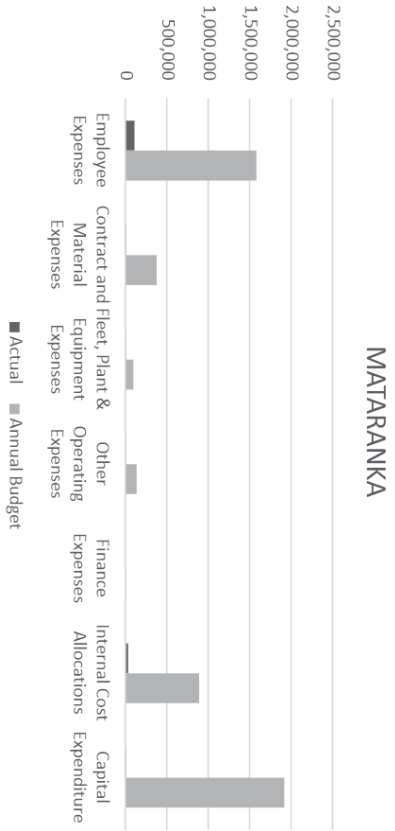
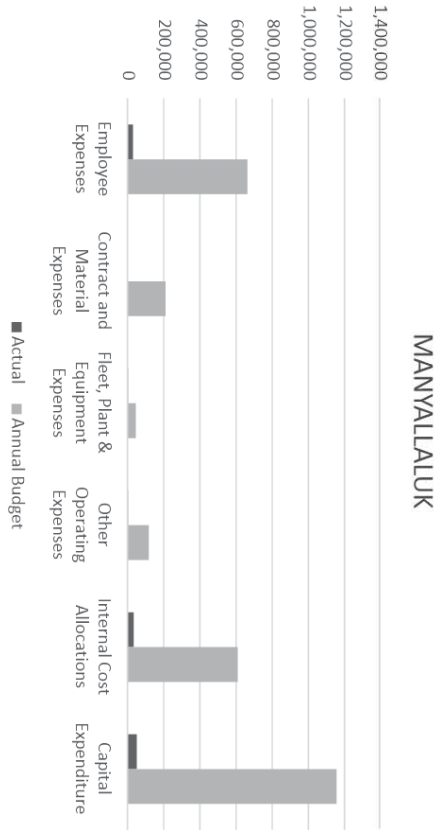


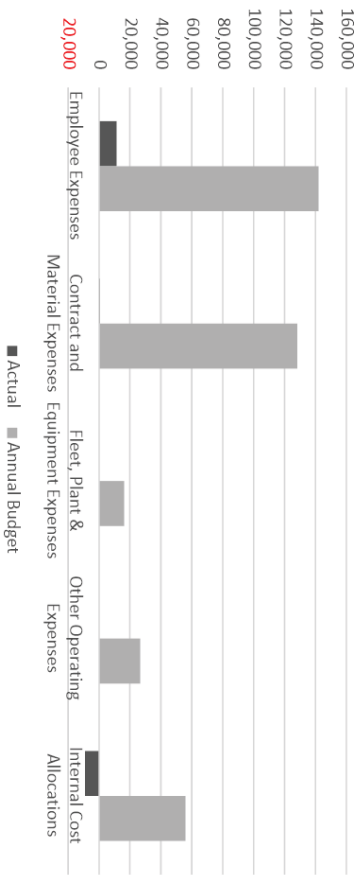
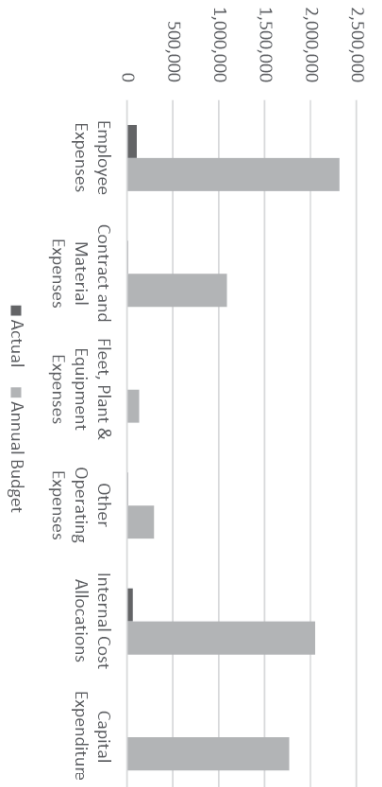
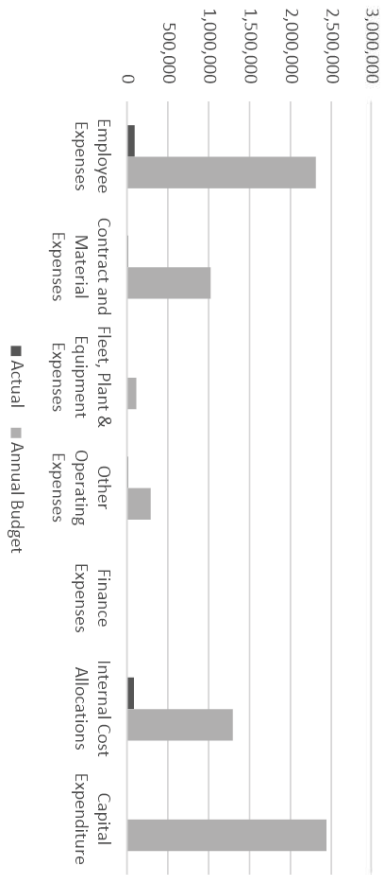
BOROLOOLA



BULMAN







CORPORATE SERVICES AND SUSTAINABILITY DIVISIONAL REPORT



ITEM NUMBER	12.2
TITLE	Investment Strategy
REFERENCE	943728
AUTHOR	Dave HERON, Finance Manager

RECOMMENDATION

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

BACKGROUND

The investment money market is currently returning very poor returns. Cash is very cheap and interest rates are at an all-time low. Council's Term Deposit investments made over the past 12 months have been earning "record low" interest rates of 1.1% - 1.8%. AMP, where Council has \$5 million on Term Deposit, had one of the highest rates, but has recently dropped its money market interest rate to 0.55%.

Currently, due to surplus of money in the economy and the drying up of loan applications and expenditure, there is no bank offering over 1% per annum for a deposit with a term for less than a year. Even the best banks for investment returns now, like ING & BOQ, are only offering rates of 1.25% over a minimum 5 year term. This indicates that they are not showing much confidence for a quick turnaround.

Council currently has \$19 million on call with the Commonwealth Bank at 0.75% pa and \$15 million in various term deposits that will mature over the next 6 months. We will not be able to get the same rates on term deposits at the moment so it is time to investigate alternatives to maximise Council's return on its surplus cash. Even the CBA rate is now under threat of falling to near zero.

At these rates there is very little benefit in holding cash as an asset. Inflation is still at over 1% which means that the purchasing power of cash is actually diminishing. There is a real need to now look at options to utilise the significant cash deposit that council holds for better investment returns either in property, operational assets and/or community assets.

ISSUES/OPTIONS/SWOT

The first issue to consider is whether Council can actually do this under its current Investment Policy. The Council Investment Policy and the Ministerial Guideline 4 – Investments, only refers to the investment of cash and does not detail the use of surplus funds for other purposes.

If an allocation of surplus cash has no applicable policy, it should be considered whether its use meets the Council Strategic Objectives? It is considered covered as *Good Financial Management* within Goal 1 of the Council's Regional Plan, as it maximises the return on surplus cash until it is required.

An effective use of cash with greater returns on investment and still at a low risk of providing a loss to Council could be:

- purchase or construction of property that will alleviate the operating costs of council.
- Development of community infrastructure that can create an income stream for example office space in communities for visiting agencies.
- Develop of lowcost or public servant housing that is leased back to Government.
- There could also be a social need identified by the Council that could involve greater allocation into public spaces.

Based on the poor return on investment from cash term deposits for the foreseeable future, the Council needs to consider other investment options to provide greater value to the Council.

The CEO has developed an investment working group to look at all opportunities and report back to Council what risks and returns are being experienced. The composition of this group is:

- Chief Executive Officer
- General Manager Corporate Services and Sustainability
- General Manager Councils Services and Community Engagement
- Finance Manager
- Management Accountant
- Possible Independent expert. (Bank Manager/Investment Advisor/Strategic Planner/Legal advice)

If the Finance Committee believes that Councillors should be more directly involved, this group could be elevated to be a sub-committee of the Finance Committee and meet directly after or before each FCM. This would provide more evident governance to the discussion and input and could facilitate quicker decision making.

FINANCIAL CONSIDERATIONS

Failure to make the Councils untied funding work more effectively and with purpose could draw the attention of funding bodies to consider that RGRC should use its own resources before seeking additional funding for future projects.

ATTACHMENTS

There are no attachments for this report.

CORPORATE SERVICES AND SUSTAINABILITY DIVISIONAL REPORT



ITEM NUMBER	12.3
TITLE	Certification of Rates Information
REFERENCE	944963
AUTHOR	Marc GARDNER, General Manager Corporate Services and Sustainability

RECOMMENDATION

That the Council:

- a) **Notes 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) **acknowledges 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.**

BACKGROUND

Each financial year prior to Council adopting its budget the Chief Executive Officer must certify to the Council that information of the rates assessment record is a comprehensive record of all rateable land within the Council area.

In the past, the Council has accepted this certification through the rates declaration that has been occurring at the same time as the adoption of Council's budget each financial year. The certification can be found at the end of previous financial year rates declarations, however it appears that this is not the correct requirement and that upon further investigation, Section 24 of the Local Government (Accounting) Regulations 2008 states:

24 Assessment record and record of rates

(1) Before a Council adopts its budget for a financial year, the CEO must:

- (a) check all available records to ensure that all rateable land is recorded in the assessment record; and*
- (b) certify to the Council that, to the best of the CEO's knowledge, information and belief, the assessment record is a comprehensive record of all rateable land within the area.*

Council adopted its budget and rates declaration at the June and July Ordinary Meetings of Council and this requirement was overlooked. It is considered that this is a very minor administrative issue and that the CEO and Council's Management always ensure that all rateable land is in the assessment record and that property details are correct to the best of management's knowledge.

The Council relies on information from the Northern Territory Government about property details and values each year prior to issuing of rates notices and with calculating rates income to include in Council's budget each financial year.

ISSUES/OPTIONS/SWOT

The Chief Executive Officer has been in discussions with the Department of Local Government and identified that the timing of this compliance has been an oversight. The Department has not yet notified if this is deemed a non-compliance.

Through this report the Chief Executive Officer now formally certifies to the Council 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 CEO's knowledge, information and belief the assessment record is a comprehensive record of rateable land in this area.

FINANCIAL CONSIDERATIONS

Nil, this is purely an administrative requirement of the Local Government (Accounting) Regulations 2008. It has no effect on Council's rates declaration, budget or rates notices issued for the 2020/2021 financial year.

ATTACHMENTS

There are no attachments for this report.