

Budget

Budget for the Financial Year Ending 30th June 2024

This plan contains information relating to the annual budget for the Council for the 2023/2024 financial year. The Council is required to prepare an Annual Budget in compliance with part 10.5 of the Local Government Act(2019). This budget specifies the Council's financial projections for providing services to the communities it serves.

The Council anticipates generating a total operating income of \$ 13.7 million during the financial year that ends on June 30, 2024. This income also includes the carried forward grants of 3.4 Million This income includes several sources, such as \$3.3 million generated from rates and statutory charges, \$1.4 million from fees and charges, grant income of \$8.2 million, interest income of approximately \$150K, and other income of \$980k.

The Tiwi Islands Regional Council is highly dependent on grant funding to cover its operational and capital expenditure. Approximately 25% of total income is provided through untied grants and a further 36% through tied grants.

The Council endeavours to provide definitive grant revenue and expenditure forecasts (as opposed to estimates) for the 2023/24 and future financial years; however this may not be accurate due to some uncertainty as to the future programs which will be funded and the quantum.

The Council anticipates operating expenses of \$18.9 million, which include several categories of expenditure. Contracts and materials make up the largest portion, amounting to \$8.05 million. Employment expenses follow at \$6.6 million. Additionally, communication expenses make up \$622k. Depreciation, amortization, and impairment expenses come in at \$1.8 million, and other expenses round out the total at \$1.7 million.

A more detailed account of the Council's estimated income and expenditure is provided on the following pages.

Council has adopted a stance that ALL functions should meet an equitable share of the costs of the services that Council's infrastructure provides to enable their continued operation. In particular this means internal cost recovery (where possible) reflected in individual program budgets.

Staff housing

A fixed annual cost for staff housed by Council, charged according to the nature of the dwelling (1, 2 or 3 bedroom rates).

Motor vehicles

All budgeted for as part of fleet operations but charged according to functional use at rates that reflect daily, weekly, monthly or permanent assignment to any program or function. Where any program has been funded for the capital cost of such vehicles the cost is reduced to only cover running and service costs.

Grant administration fees

These are charged in accordance with the individual grant agreements.



ICT

A fixed annual cost for ICT equipment and services charged according to services provided.

Council objectives

The Tiwi Islands Regional Council Strategic Plan sets out our goals and objectives. These goals are set out under the Strategic Plan section of this document along with Council objectives. The service delivery plans outline the indicators that Council will use to measure the success of each program in contributing to our objectives. The objectives will also be used by managers to develop work and operational plans for each program area.

Miscellaneous services

These are charged at Council's declared rates between functions, for example trades services provided to any other part of Council or machinery hire between functions.

This budget also reflects a greater emphasis on cost recovery for services provided by Council to external parties and strives to avoid subsidisation of non-core services such as inter island transport.

Rates and charges for 2023/24

Rate increases will be 5% for all properties for this financial year, raising our rates levy to \$2,401,671.

2024 Budget - Rates and charges table

Rate or Charge	Application	Rate or Amount	Total to be Raised
Rate	Residential	8.17 cents in the dollar	\$2,621,148
Rate	Commercial	4.31 cents in the dollar	
Rate	Residential Tiwi resident	2.12 cents in the dollar	
Rate	Residential min amount	\$2,448.89	
Rate	Commercial min amount	\$2,367.98	
Rate	Residential Tiwi resident min amount	\$636.71	
Charge	Refuse – Residential	\$846.27	\$672,772
Charge	Refuse – Commercial	\$846.27	
Charge	Refuse – Additional refuse bin Residential	\$216.23	
Charge	Refuse – Additional refuse bin Commercial	\$278.58	



Charge	Commercial – Waste Management Charge	\$1,343.85	
Charge	Residential – Waste Management Charge	\$1,015.65	
TOTAL			\$3,293,920

Other fees and charges

A full schedule of other fees and charges is available on the Tiwi Islands Regional Council website.

<https://tiwiislands.org.au/uploads/pdfs/Fees-and-Charges-2023.pdf>

Relevant interest rate

The Council fixes the relevant interest rate for the late payment of rates and charges in accordance with Section 162 of the Act at a rate of 18% per annum which is to be calculated on a daily basis.

Payment

The Council determines the rates and charges of this declaration must be paid within 28 days of the issue of a rates notice under section 159 of the Act.

Payments falling due on a weekend or public holiday may be paid by the following business day without incurring any penalty.

Alternatively ratepayers may opt for payments monthly or quarterly. To do so they must seek the written agreement of the Council CEO. However, where such an option is exercised if payment is not received by the end of the relevant month or quarter, it will constitute a default and the full balance of the annual amount will become payable and recoverable immediately.

A ratepayer who fails to pay the rates and charges notified under the relevant rates notice under section 159 of the Act may be sued for recovery of the principle amount of the rates and charges, late payment penalties and costs reasonably incurred by Council in recovering or attempting to recover the rates and charges.

Socio economic impact of rates

Council assessed the socio economic impact on residents and local businesses when deliberating on residential and business rates.

TIRC recognises the circumstances of Tiwi home owners and accordingly continues to allow concessions on their amount payable. This continued commitment to supporting Tiwi people demonstrates strong principles of social justice and creates opportunities for funds to enter into the local economy.

Council also has provisions in place for all ratepayers to be able to apply for and make periodic payments towards their rates and charges payable. This approach enables residents, of all socio economic backgrounds, to make payments according to a fair and equitable timeframe.



Long Term Financial Plan

TIRC faces challenges in our long term financial planning as we depend on a variety of grants to deliver essential services and continue operations. Long term arrangements with these grant providers, largely the Commonwealth Government and the Northern Territory Government, are essential to creating a sustainable fiscal operational platform for TIRC.

TIRC's current financial position does not have untied funds available for significant new initiatives. With these circumstances in mind any new major community initiatives would be entirely reliant upon the provision of additional special purpose grant funding.

Over the period of the long term financial plan it is anticipated that the repairs, maintenance, management and development of infrastructure continue at the same level as outlined in the plan with adjustment for inflation. TIRC will continue to apply for additional funding to rectify identified deficiencies in infrastructure.



Image – Walkway from Wurrumiyanga to the Ferry



Long Term Financial Plan				
	2023/2024 Budget	2024/2025 Projection	2025/2026 Projection	2026/2027 Projection
OPERATING INCOME				
Rates and Waste Charges	3,293,920	3,359,798	3,426,994	3,495,534
Fees and Charges	1,354,700	1,381,794	1,409,430	1,437,618
Operating Grants and Subsidies	7,889,289	8,412,388	8,580,635	8,752,249
Interest / Investment Income	150,000	153,000	156,060	159,181
Commercial and Other Income	977,600	997,152	1,017,095	1,037,437
TOTAL OPERATING INCOME	13,665,509	14,304,132	14,590,214	14,882,019
OPERATING EXPENDITURE				
Employee Expenses	6,656,207	6,789,331	6,925,118	7,063,620
Materials and Contracts	8,049,509	8,572,599	8,744,051	8,918,932
Elected Member Allowances	368,000	375,360	382,867	390,525
Elected Member Expenses	79,750	81,345	82,972	84,631
Council Committee & LA Allowances	8,600	8,772	8,947	9,126
Council Committee & LA Expenses	5,050	5,151	5,254	5,359
Depreciation, Amortisation and Impairment	1,841,144	1,877,967	1,915,526	1,953,837
Other Expenses	1,882,736	1,920,391	1,958,799	1,997,975
TOTAL OPERATING EXPENDITURE	18,890,996	19,630,916	20,023,534	20,424,005
BUDGETED OPERATING SURPLUS / DEFICIT	(5,225,487)	(5,326,784)	(5,433,320)	(5,541,986)
Estimated Capital & Non Cash Adjustments :				
	Original Budget	2024/2025 Projection	2025/2026 Projection	2026/2027 Projection
BUDGETED OPERATING SURPLUS / DEFICIT	(5,225,487)	(5,326,784)	(5,433,320)	(5,541,986)
Remove NON-CASH ITEMS				
<i>Less</i> Non-Cash Income				
<i>Add Back</i> Non-Cash Expenses	1,841,144	1,877,967	1,915,526	1,953,837
TOTAL NON-CASH ITEMS	1,841,144	1,877,967	1,915,526	1,953,837
Less ADDITIONAL OUTFLOWS				
Capital Expenditure	355,000			
Borrowing Repayments (Principal Only)				
Transfer to Reserves				
Other Outflows				
TOTAL ADDITIONAL OUTFLOWS	(355,000)	0	0	0
Add ADDITIONAL INFLOWS				
Capital Grants Income	358,150			
Prior Year Carry Forward Tied Funding	3,384,798	3,452,494	3,521,544	3,591,975
Other Inflow of Funds				
Transfers from Reserves				
TOTAL ADDITIONAL INFLOWS	3,742,948	3,452,494	3,521,544	3,591,975
NET BUDGETED OPERATING POSITION	3,605	3,677	3,750	3,826



Budget Assumptions:

- All current core services will continue to be provided by the Council.
- Due to the small ratepayer base, the council heavily relies on grants from the territorial and commonwealth governments
- It is anticipated that the repairs, maintenance, management, and development of infrastructure will continue at the same level as outlined in the budget. TIRC will also continue to apply for additional funding to rectify identified deficiencies in infrastructure.
- At present, there are no major initiatives planned beyond the activities identified in the Regional Plan and Budget. TIRC's current financial position does not allow for untied funds to be allocated towards significant new initiatives. Therefore, any new major community initiatives would be heavily reliant upon the provision of additional special purpose grant funding.
- An annual increase of 2% in the Consumer Price Index (CPI) has been assumed.

Capital Expenditure for 2023-24 Financial Year and source of Funds

CAPITAL EXPENDITURE **	Current Financial Year (Annual) Budget \$	Funded by		
		Council Funds	LA Fundings	Grants
Basket Ball Court	200,000		200,000	
Playground equipment	55,000		55,000	
Motor Vehicle	40,000	40,000		
Rubbish Truck	60,000	60,000		
TOTAL CAPITAL EXPENDITURE*	355,000	100,000	255,000	0

Infrastructure Maintenance Budget	
Street Lighting (Transport)	23,650
Buildings (Fixed Assets eg Buildings; Motel and Housing)	770,450
Local Roads (Transport)	872,201
Swimming Pools (Town Services)	53,350.00
Parks & Public Open Spaces (Town Services)	48,500
Total	1,768,151



Budget by Planned Major Capital Works

Class of Assets	By Major Capital Project*	Total Prior Year(s) Actuals \$ (A)	2023-24 Budget \$ (B)	2024-2025 Budget \$ (C)	2025-2026 Budget \$ (D)	2026-2027 Budget \$ (E)	Total Planned Budget \$ (G = A+B+C+D+E)	Expected Project Completion Date
Infrastructure	Basket Ball Court	200,000					200,000	30.06.2024
Infrastructure	Playground equipment	55,000					55,000	30.06.2024
Motor Vehicles	Car		40,000				40,000	30.06.2024
Motor Vehicles	Rubbish Truck		60,000				60,000	30.06.2024
	TOTAL	255,000	100,000				355,000	



LOCAL AUTHORITY BUDGETS FOR THE YEAR ENDING 30 JUNE 2024	Regional	Wurrumiyanga	Pirlangimpi	Milikapiti	Total Annual Budget \$
OPERATING INCOME					
Rates & Waste Charges		2,157,232	506,634	630,054	3,293,919
Fees and Charges	277,500	409,000	388,600	279,600	1,354,700
Operating Grants and Subsidies	6,389,289	1,500,000			7,889,289
Interest / Investment Income	150,000				150,000
Commercial and Other Income	17,500	125,000	207,600	627,500	977,600
TOTAL OPERATING INCOME	6,834,289	4,191,232	1,102,834	1,537,154	13,665,508
OPERATING EXPENDITURE					
Employee Expenses	2,862,361	2,149,521	880,549	763,775	6,656,205
Materials and Contracts	3,687,910	2,810,661	479,788	1,071,150	8,049,509
Elected Member Allowances	0	120,000	156,000	92,000	368,000
Elected Member Expenses	0	57,350	16,250	6,150	79,750
Council Committee & LA Allowances	0	3,000	3,000	2,600	8,600
Council Committee & LA Expenses	0	2,450	850	1,750	5,050
Depreciation, Amortisation and Impairment	1,841,144				1,841,144
Other Expenses	1,457,766	159,300	24,500	241,170	1,882,736
TOTAL OPERATING EXPENDITURE	9,849,180	5,302,282	1,560,937	2,178,595	18,890,993
BUDGETED OPERATING SURPLUS / DEFICIT	(3,014,891)	(1,111,050)	(458,103)	(641,441)	(5,225,485)
BUDGETED OPERATING SURPLUS / DEFICIT	(3,014,891)	(1,111,050)	(458,103)	(641,441)	(5,225,485)
Remove NON-CASH ITEMS					
Less Non-Cash Income					
Add Back Non-Cash Expenses					1,841,144
TOTAL NON-CASH ITEMS	0				1,841,144
Less ADDITIONAL OUTFLOWS					
Capital Expenditure	100,000	255,000			355,000
Borrowing Repayments (Principal Only)					
Transfer to Reserves					
Other Outflows					
TOTAL ADDITIONAL OUTFLOWS	(100,000)	(255,000)	0	0	(355,000)
Add ADDITIONAL INFLOWS					
Capital Grants Income		235,400	57,950	64,800	358,150
Prior Year Carry Forward Tied Funding	2,199,398	685,400	150,000	350,000	3,384,798
Other Inflow of Funds					
Transfers from Reserves					
TOTAL ADDITIONAL INFLOWS	2,199,398	920,800	207,950	414,800	3,742,948
NET BUDGETED OPERATING POSITION	(915,493)	(445,250)	(250,153)	(226,641)	3,607



Rates Declaration for 2023/2024

Notice is hereby given pursuant to Section 241 of the *Local Government Act 2019*, that the following rates and charges were declared by Tiwi Islands Regional Council at the Ordinary Meeting held on 28 June 2024, pursuant to Chapter 11 of the *Local Government Act 2019* in respect of the financial year ending 30 June 2024.

Rates

Tiwi Islands Regional Council ('the Council') makes the following declaration of rates pursuant to Chapter 11 of the *Local Government Act 2019* ('the **Act**').

1. Pursuant to Section 227 of the Act, the Council adopts the Unimproved Capital Value as the basis for determining the Assessed Value of allotments within the Council area.
2. The Council, pursuant to Section 237 of the Act, declares that it intends to raise, for general purposes by way of rates, the amount of \$2,621,148 which will be raised by the application of:
 - (a) differential fixed charges; and
 - (b) differential valuation-based charges with differential minimum charges being payable in the application of those differential valuation-based charges.
3. The Council hereby declares the following rates:
 - (a) With respect to each class of allotment of rateable land within the Council area that is used or occupied for **Residential Purposes and** where there is an Unimproved Capital Value assessed for the allotment, a valuation-based charge being 8.17% of the assessed value of the allotment with a minimum amount being payable in the application of that charge being \$2,448.89 multiplied by the greater of:
 - (i) the number of separate parts or units that are adapted for separate occupation or use (as described in section 226(5) of the Act) on each allotment; and
 - (ii) the number 1.
 - (b) With respect to each class of allotment of rateable land within the Council area that is used or occupied for a **Commercial Land Use and** where there is an Unimproved Capital Value assessed for the allotment, (excluding pastoral leases and mining tenements), a valuation-based charge being 4.31% of the assessed value of the allotment with a minimum amount being payable in the application of that charge being \$2,367.98 multiplied by the greater of:
 - (i) the number of separate parts or units that are adapted for separate occupation or use (as described in section 226(5) of the Act) on each allotment; and
 - (ii) the number 1.
 - (c) With respect to each class of allotment of rateable land within the Council area that is Vacant Land **and** where there is an Unimproved Capital Value assessed for the allotment, a valuation-based charge being 8.17% of the assessed value of the allotment with a minimum amount being payable in the application of that charge being \$2,448.89.



- (d) With respect to each class of allotment of rateable land within the Council area that is used or occupied for **Residential Purposes**, where there is no Unimproved Capital Value assessed for the allotment, a fixed charge of \$2,448.89.
- (e) With respect to each class of allotment of rateable land within the Council area that is used or occupied for **Commercial Land Use** (excluding pastoral leases and mining tenements), where there is no Unimproved Capital Value assessed for the allotment a fixed charge of \$2,367.98.
- (f) With respect to each class of allotment of rateable land within the Council that is **Vacant Land**, where there is no Unimproved Capital Value assessed for the allotment a fixed charge of \$2,448.89.
- (g) With respect to each allotment of rateable land which is a **Mining Tenement** as defined in the Act, a rate of 0.006427 of the assessed value of the allotment with the minimum amount payable in the application of that differential rate being \$1,647.93 and on the basis that.
 - (i) contiguous tenements or reasonably adjacent tenements held by the same person are to be rated as if they were a single tenement.
 - (ii) if the owner of the mining tenement is also the owner of another interest in the land (the **other interest**) then:
 1. If the rate calculated in accordance with this paragraph (g) is less than or equal to the rate payable for the other interest – no rate is payable for the mining tenement; or
 2. If the rate is calculated in accordance with this paragraph (g) (amount A) is greater than the rate payable for the other interest (amount B) – the rate payable for the mining tenement is the difference between amount A and amount B.
- (h) With respect to each allotment of rateable land which is a **Pastoral Lease** as defined in the Act, a rate of 0.000566 of the assessed value of the allotment with the minimum amount payable in the application of that differential rate being \$696.28.

Charges

- 4. Pursuant to Section 239 of the Act, the Council declares the following charges in the Council area. Council intends to raise \$672,772 by these charges.
 - (a) For the purposes of these charges:
 - (i) 'Council area' means the area of the Council as defined in the Act;
 - (ii) 'residential dwelling' means a dwelling house, flat or other substantially self-contained residential unit or building on residential land (whether or not it is exempt from rates) and includes a unit within the meaning of the Unit Titles Act and the Unit Titles Schemes Act;
 - (iii) 'residential land' means land used or capable of being used for residential purposes (but does not include land on which there is no residential dwelling);



- (iv) 'allotment of commercial land' means land whose occupation and use of which is primarily for non-residential purposes and may be commercial or industrial by nature;
 - (v) 'garbage collection service' comprises the collection of one garbage bin per week of a size and on days determined by the Council.
- (b) Residential Garbage Collection Charge:
 - (i) The purpose for which this Charge is to be imposed is to assist Council in meeting the cost of the garbage collection service it provides to, or which Council is willing and able to provide to each allotment of residential land in the Council area;
 - (ii) It is the opinion of Council that such purpose is and will be of special benefit to those allotments;
 - (iii) A charge of \$846.27 per annum per residential dwelling will apply;
- (c) Waste Disposal and Management Charge:
 - (i) The purpose for which this Charge is to be imposed is to assist Council in meeting the cost of providing the waste disposal facility to which Council is willing and able to provide access to each allotment of commercial or residential land in the Council area;
 - (ii) It is the opinion of Council that such service is and will be of special benefit to those allotments;
 - (iii) A charge of \$1,343.85, per annum per allotment of commercial land will apply.
 - (iv) A charge of \$1,015.65, per annum per allotment of residential land will apply.
- (d) Commercial Garbage Collection Charge:
 - (i) The purpose for which this Charge is to be imposed is to assist Council in meeting the cost of the garbage collection service it provides to, or which Council is willing and able to provide to each allotment of commercial land in the Council area;
 - (ii) It is the opinion of Council that such purpose is and will be of special benefit to those allotments;
 - (iii) A charge of \$846.27 per annum per allotment of commercial land will apply.



Relevant interest rate

5. The relevant interest for the late payment of rates and charges is fixed in accordance with Section 245 of the Act at the rate of 18% per annum and is to be calculated on a daily basis.

Payment

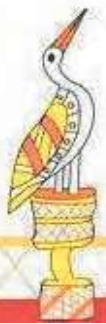
6. The Council determines that the rates and charges declared under this declaration must be paid within 28 days of the issue of rate notice under Section 242 of the Act.

Payments falling due on a weekend or public holiday may be paid by the following business day without incurring late payment interest.

A ratepayer who fails to pay their rates and charges notified under the relevant rates notice under Section 242 of the Act may be sued for recovery of the principal amount of the rates and charges, late payment penalties, and costs reasonably incurred by the Council in recovering or attempting to recover the rates and charges.

Optional Services

7. In accordance with section 289 of the Act, Council resolves to impose the following fees for the following optional services:
 - (a) a fee of \$216.23 per annum for each additional weekly garbage collection through the use of more than one (1) council specified garbage bin approved by Council in response to a written request from a person liable to pay a charge in respect of a residential dwelling referred to in paragraph 4(b)(i),
 - (b) a fee of \$278.58 per annum for each additional weekly garbage collection through the use of more than one (1) council specified garbage bin approved by Council in response to a written request from a person liable to pay a charge in respect of an allotment of commercial land referred to in paragraph 4(d)(i),



Councillor Allowances

Council has, having regard to the Minister's direction in this regard, adopted the following schedule of annual allowances.

Ordinary Council Members

Councillor allowance	\$ 20,000
Professional development allowance	\$ 4,000
**Maximum extra meeting allowance	\$ 10,000
Total Claimable	<u>\$ 34,000</u>

Deputy Principal Member

Base allowance	\$ 20,000
Principal Member Allowance	\$ 16,000
Professional development allowance	\$ 4,000
Maximum extra meeting allowance	\$ 10,000
Total Claimable	<u>\$ 50,000</u>

Principal Member

Base allowance	\$ 20,000
Principal Member Allowance	\$ 82,000
Professional development allowance	\$ 4,000
Total Claimable	<u>\$ 106,000</u>

Extra Meeting Allowances

Meeting Up to 2 hours	\$200.00
Meeting Between 2 and 4 hours	\$300.00
Meeting for More than 4 hours	\$500.00



Local Authority Allowances

The allowance payable by Regional Council to an eligible member is specified under the *Determination of Allowances for Members of Local Authorities - Determination No. 1 of 2023*.

The Chair of a Local Authority will be paid as follows:

- If the meeting is held up to 2 hours \$300
- If the meeting is held between 2 to 4 hours \$450
- If the meeting is held for more than 4 hours \$600

A Member of a Local Authority will be paid as follows:

- If the meeting is held up to 2 hours \$200
- If the meeting is held between 2 to 4 hours \$300
- If the meeting is held for more than 4 hours \$400

Note that staff are not eligible for sitting fees unless they are casual.

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