



ANNUAL REPORT

2010/11



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MAYOR'S FOREWORD

June 2011 marks the completion of the Tiwi Islands Shire Council's 3rd year of operation since the amalgamation of Shires in 2008. It has been a year of both success and frustration as the Shire strives to deliver both core and non-core services to the communities of the Tiwi Islands.

An ongoing frustration for Elected Members and staff is the failure of both Territory and Federal Government departments to secure ongoing funding agreements prior to the commencement of the new financial year; making it difficult for the Shire to plan beyond the 12 months of the funding agreements.

The Shire continues to negotiate adequate administration fees within each funding agreement to cover the base infrastructure and fixed costs of the Council, which is further exacerbated by untied operating funding for Council facing rolling reductions .

Despite this, Council employees continue to grow – not only in the level of service they provide to our Communities, but also in their own skill levels as Council continues to commit to the ongoing education and training of Tiwi People. In fact, this year marked our success in achieving the Bronze Award from the 50:50 Vision Council for Gender Equity; of which we are all very proud.

And finally, during the year we lost a treasured member of our Executive Management Team, MJ Rioli, and I would like to take this opportunity to recognise the contributions he made to not only the Tiwi Islands Shire Council, but to the greater community.

I look forward to another successful year as Council continues to provide services and facilities to our community members.

Lynette De Santis
MAYOR



Lynette De Santis



CHIEF EXECUTIVE OFFICER'S FOREWORD

The year ended 30 June 2011 has seen significant achievements by Council and its staff despite shrinking resources and the loss of key personnel. Tiwi shire continues to maintain its focus on community service and to this end has made great improvements to not only its financial management and accountability but to implementation of its core strategies of establishing each program through a relevant Directorate as a business unit in its own right.

Council has virtually completed its term without change of membership and this, in turn has enabled consistency in the development and application of policies across the whole spectrum of its operations. Again, Councillors themselves have been active contributors not just within their regular statutory meetings but whenever required on a day to day basis. Likewise our achievement of a Bronze award for gender equity is reflective of a wider strategy to ensure that Tiwi employees have not just equitable terms of employment but clear career paths and personal development options and opportunities.

Council's operational strategy of decentralization assists this and is best reflected in the fact that our most senior executive staff including myself and three of our Directors live within various locations throughout the Tiwi Islands. As such the staff under their direction are in almost daily contact with them, they have a great appreciation of their staff's capabilities and performance and this is now reflected in more frequent internal promotions based on the merits of this knowledge.

We continue to face constant pressure to agree to funding arrangements that assume council has resources to commit and are thus having continually to rebuff attempts at cost shifting that would otherwise see us accepting responsibilities that are properly that of either the Northern Territory or Federal Governments. Nonetheless I believe we have a substantially better relationship with not only other levels of Government and their representative Departments but with the multitude of NGOs and other community based stakeholders.

Despite shrinking financial resources I believe Tiwi Shire council will now move on to an era of stable management and continued improvement in the level, quality and relevance of services to our constituent communities.

Alan Hudson
CEO



Alan Hudson



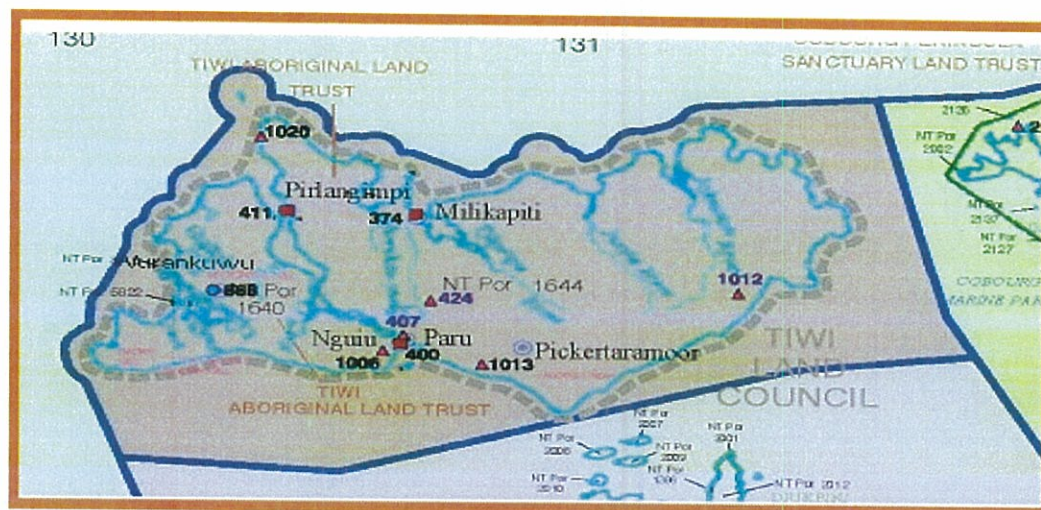
CONTACT US

The Tiwi Islands Shire Council operates offices in the communities of Wurrumiyanga, Pirlangimpi and Milikapiti; as well as in Parap, Darwin.

Please include your relevant contact details (full name and postal or email address) when requesting a response from the Shire or its representatives.

GENERAL	
Email:	contactus@tiwiislands.nt.gov.au
Website:	www.tiwiislands.nt.gov.au
Postal Address:	PO Box 104 Parap NT 0804
WURRUMIYANGA	
Phone:	(08) 8970 9500
Fax:	(08) 8970 9555
PIRLANGIMPI	
Phone:	(08) 8970 9600
Fax:	(08) 8970 9666
MILIKAPITI	
Phone:	(08) 8978 3958
Fax:	(08) 8978 3995
PARAP	
Phone:	(08) 8991 8600
Fax:	(08) 8941 4852

SHIRE BOUNDARIES



RESIDENTIAL POPULATION BY LOCALITY

The total estimated resident population* of the Shire is 2,512.

The estimated resident population of the major communities within the Shire are detailed below:

Population

The total estimated resident population* of the Shire is 2,512. The estimated resident population of the major localities within the Shire are shown in Table 1 below.

Table 1: Estimated Resident Population by locality (ABS Census 2006)

Locality	Population
Wurruyiyanga	1495
Pirlangimpi	434
Milikapiti	449
Wurankuwu**	85
Other Communities	49

* The Australian Bureau of Statistics uses a number of methods to represent population, including Usual Resident Population and Estimated Resident Population. The Northern Territory Government and the Northern Territory Grants Commission use Estimated Resident Population figures when representing population. Where Estimated Resident Population figures at the locality or Shire level are not available through the 2006 Census Data, the Northern Territory Government has developed a formula to calculate these figures. This formula is undergoing constant refinement and as such the figures in Table 1 are subject to change.

** This figure includes Wurankuwu and 4 Mile Camp.

REPRESENTATION

The following principles have been considered in developing the governance/representation structure for the Shire:

- Maintain local community input and influence in local government decision making
- Ensure flexibility in dealing with local issues and local community differences
- Ensure each local community's interests are represented through appropriate structures and processes
- Ensure representation occurs as closely as possible to one vote one value
- Support the retention of cultural identity at the local community level

The following representation model for the Shire has been approved by the Minister and was formally gazetted on 30 June 2008

Members of the Tiwi Islands Shire Council			
Wurrumiyanga	Milikapiti	Wurankuwu	Pirlangimpi
Barry Puruntatameri	Lynette De Santis	Kathleen Tipungwuti	Emmanuel Rioli
Teresita Puruntatameri	Raelene Mungatopi		Henry Dunn
Walter Kerinauia	David Boyd		Marius Puruntatameri
Francis Xavier Kurrupuwu			
Richard Tungutalum			

Ward	No. of Members
Wurrumiyanga	5
Pirlangimpi	3
Milikapiti	3
Wurankuwu**	1
TOTAL:	12

REPRESENTATION

Local Advisory Boards

To achieve these principles of representation and Community input the Council approved the establishment of 3 local advisory boards. The basis of that approval is as follows:

- Boards for Wurrumiyanga (representing Wurrumiyanga and Wurankuwu wards), Pirlangimpi and Milikapiti.
- Boards are constituted of
 - two members from each skin group (4 male and 4 female)
 - two members to represent the non skin group residents
 - the Councillors from that ward
- Secretariat services (minutes etc) are to be provided by the Council secretariat
- Minutes of board meetings to be provided to the next Shire Council meeting and the Chairman of the board available to speak to them or expand on any issues therein.

Council Structure

Council has also reviewed the Langford report into Council representation and advice from, the electoral commission as to voter demographics.

On the basis of the presentation by the report's authors and in light of the relatively unchanged voter demographics for the Shire Council has decided the following;

- There are no grounds for alteration to the ward or representation structure of Tiwi Shire Council at this time
- There are no grounds for and they do not favour any changes to the current methodology for appointment of the Principle (mayor) and Deputy Principle members

ELECTED MEMBERS OF COUNCIL



Lynette De Santis
Mayor



Barry Puruntatameri
Deputy Mayor



Raelene Mungatopi



Pirrawayingi



Kathleen Tipungwuti,



Richard Tungutalum



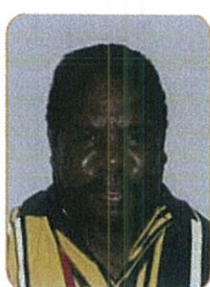
Emmanuel Rioli



David Boyd



Teresita Puruntatameri



Walter Kerinauia (Jnr)



Maralampuwi Kurrupuwu



Henry Dunn



BACKGROUND

Tiwi Islands Shire Council (TISC) was formed consequent to reform of Local Government by the Northern Territory Government and commenced on 1 July 2008. Councillors were elected for 4 years with the next election due after March 2012. Prior to this local government authority for the Tiwi Islands was vested in "Tiwi Islands Local Government (TILG)"

Prior to the election of the Council statutory and operational control of Council matters and decisions was vested in the appointed CEO and an officer appointed by the Northern Territory Government (NTG).

During this period the NTG committed the Shires to contracts for hardware and software and to membership of a corporate entity, Councilbiz, the purpose of which was to administer and provide support for Councils' usage of the various software programs – support contracts that remain in place at the present time. Implementation of these programs especially the "Tech 1" suite of programs proved to be so problematic as to be an obstacle to proper accountability and financial decision making. In the absence of full financial information on a regular basis Council has astutely been conservative in its expenditure and commitments. Whilst this has been a successful strategy in avoiding both debt and over expenditure it has resulted in a number of instances of Funding bodies demanding the return of large amounts of funds. In this regard Council's conservatism and diligence has had the consequence of financial penalty, ostensibly for "underperformance".

Community Relations

Council is extremely aware of its role as the lead agency, service provider and employer within its area of responsibility.

To ensure that it remains both supportive and informative it has adopted the following measures:

- Formation of Local Advisory Boards
- Nomination of elected members on key consultative forums
- Proposed Memorandums of Understanding (MOU's) with key stakeholders (Police, Tiwi Land Council)
- Publishing of a community news letter
- Sponsorship of key areas of community interest – Tiwi Islands Football League and the Tiwi Bombers football club



Service Delivery Performance Assessment

In adherence with NT Local Government Act 2008, section 199, Tiwi Islands Shire Council hereby presents the following report as an assessment of performance during the Financial Year ended 30 June, 2010.

This report is defined by the Directorates that exist within the Tiwi Islands Shire Council's Corporate Structure.

Council's planning for service delivery centred around:

- It's structure as a corporate body and how this meets the needs of the core and non-core services Council delivers
- The functions it performs, how these interact and how it is desirable that each is financially and physically sustainable
- It's infrastructure

All three of these resources are dependant on each other for functionality and sustainability and can not be considered in isolation without affecting the others and ultimately themselves.

Consequently this plan aims to at all times take a holistic approach to resource planning and this inter-dependency.

Freedom of Information Statement

The Council did not receive any applications for Access or Corrections during the financial year of 2010 / 2011.

The Council makes available documents about its functions and operations, Council and boards on the website and government or personal information can also be accessed from one of our service centres.

There is a fee structure for applications under the Freedom of Information.

COMMUNITY DEVELOPMENT

Community Development seeks to empower individuals and groups of people by providing these groups with the skills they need to effect change in their own Community. The Community Development directorate addresses this in the Tiwi Islands Communities through the delivery of social networking services, such as:

- Libraries
- Broadcasting
- Centrelink
- Community Liaison
- Night Patrol
- Employment Services; and
- Skin Groups

Employment Services

Whilst predominantly administering the CDEP program, this business unit facilitates jobs creation and has successfully transitioned over 30 employees to full time jobs in the past 12 months. This will continue to increase, as all Independent Business Units have identified succession and pathways within their Business Plans to support the transition of CDEP employees.

Broadcasting

The Remote Indigenous Broadcasting (RIBS) unit now has trained staff, able to effectively deliver community radio broadcasts following ongoing operator training with Top End Aboriginal Broadcasting Association (TEABA). This is in addition to key transmitter and decoder equipment upgrades, and goes toward the ongoing success of this program in providing not only a source of entertainment, but a key communication tool to our communities.

Libraries

This year has seen some minor upgrades to equipment, which allow our libraries to continue to provide consistent access to printed literature as well as internet access

Also the Women's Centre and NT Libraries facilitated the production of a CD and book for children titled AMAM ATAPI AJAJA in Tiwi and English.

Community Health & Safety

The Animal Management plan continues its strong focus within the communities, with regular veterinary visits resulting in high numbers of dogs being destroyed or sterilised. The reduction in communicable disease and dog bites has reduced significantly, both of which have had a positive effect on community health.

Night Patrol

Night Patrol continues their strong presence across all three communities, and has this year entered into a Memorandum Of Understanding (MOU) with the NT Police. This MOU outlines how each organisation can complement operations and increases the lines of communication between Night Patrol and Law Enforcement Officers.

Night Patrol will consider changing its name to Community Patrol in the coming year, to better identify with providing around the clock support to the community and working closely with Youth Diversion and Sport and Recreation as we continue our focus on reducing numbers of youth on the streets.

CORPORATE AND COMMUNITY SERVICES

The Corporate and Community Services Directorate has the responsibility of delivering services under the following areas:

- Children's Services
- Youth Diversion
- Women
- Sport and Recreation
- Administration
- Australia Post Agencies
- Events Management
- Fleet management
- Community engagement
- Advocacy
- Information Technology and Communications
- Records Management; and
- Companion animal welfare and control

Corporate Services has this year delivered many workshops to Managers and Supervisors to address internal and external management reporting as well as the development of Business Plans for every functional area. The concept of Independent Business Units (IBU) was introduced, to identify that every program and department is in fact stand alone, and must be accountable for its own productivity and financial sustainability. Elements of each IBU's Business Plan were then incorporated into the 2011/12 Shire Plan.

Children's Services

The Shire celebrated the opening of two new Child Care centres this year, being the Jipingpila Creche in Milikapiti and the Wulangurumatu Creche in Pirlangimpi. Both of these facilities have increased the capacity for children to access Child Care.

The introduction of the Ochre Card as well as the new National Standards in Children's Services has provided ongoing training and development for centre staff.

The increased training and new larger facilities will mean that under the new Children's Services program structure, After School Care and Outside School Holiday Care can be operated from the Child Care Centres in the future.

Youth Diversion

Tiwi Youth Diversion & Development Unit (TYDDU) run a number of programs, incorporating the assistance of other service providers such as the Red Cross and Catholic Care in order to bring people together and collectively perform a better service for the community.

These programs greatly assist the community through such activities as the Attendance program, assisting with intervention and counselling surrounding and family mediation.



Sport and Recreation

Sport and Recreation continues to offer programs across the three communities. The introduction of dedicated Pool and Oval Managers at Wurrumiyanga saw an increase in facilities management as well as new recreation programs such as water aerobics, swimming lessons and movie nights within the community.

We are also extremely proud of our Sport and Recreation Officer from Pirlangimpi, Shane Kerinaia. Shane was awarded the 2011 National AUSTSWIM Teacher of Swimming and Water Safety Award for his work in delivering the "Swim and Survive" program. Shane has been AUSTSWIM licensed for 6 years and is the pool supervisor, lifeguard, first aid officer, pool plant operator and AUSTSWIM licensed learn to swim and water safety teacher.

Information Technology

The Shire continues to spend an inordinate amount on the provision of ICT services due to current leasing arrangements provided through the NT Government. As part of the establishment of the new regional shires, the NT Government committed all of the new Shires to the government's own ICT supplier contracts (CSG & Fujitsu). These costs are well above what is available in the market place and have nearly doubled the costs of supplying these services compared to those previously supplied through the Local Government Association of the Northern Territory (LGANT).

Mobile phone, landlines and internet connections to the Tiwi islands are by microwave links to Darwin. These are inadequate not only as to reliability, coverage and speed but in relation to directional restrictions on reception. This results in inadequate availability of both telephone and internet connection to all of the Shire areas and frequent black spots with no coverage at all within some township living areas.

Council's server connection alone (a mere 2 MBit) – which is a synchronised secure VPN costs in the vicinity of \$4,500 per month. By comparison, mainland township residents can access 20MBit for around \$100 per month.

Many parts of Pirlangimpi and Milikapiti continue to access the internet only by Turbo modem which inhibits both work flow and outcomes.

Records Management

The Shire has a greatly enhanced professional records management service (including the recording, storage and public accessibility of Council working papers through 'InfoCouncil'). This system safeguards the corporate records of the organisation.

Events Management

The Shire has recruited an Events Manager and formed a Community Events Committee with representation from community groups across both islands. The Committee participated in an Events Stepping Stones workshop is working toward the delivery of the inaugural Tiwi Festival in 2011.

Administration

The Shire continues to promote the employment of Tiwi people in the key and visible roles of Corporate Service Operators in each community. The Administration staff generally perform dual roles and are heavily involved in Purchasing and Payroll operations.



Human Resources

In a change to the Shire's corporate structure and to remain transparent across all council functions, the Human Resources Business Unit was altered to report directly to the CEO.

The Tiwi Shire has continued to deal with the effects of high staff turnover at every level of the organisation. Whilst in some areas the turnover has not been as high as in previous years, this element of employment stability, particularly with entry positions continues to be a major drain on the organisation because of the consequent failure to develop corporate knowledge, the cost of ongoing recruitment and training and through lost momentum.

In conjunction with the Tiwi Islands Training and Education Board (TITEB) there have been a large number of opportunities for staff to undertake professional development with their training achievements celebrated throughout the year.

This year, the Shire achieved the Bronze Award from the 50:50 Vision - Councils for Gender Equity program; one of only 23 councils Australia wide to receive this inaugural award. This is the springboard to the Silver Award that Council is striving to attain in 2012.

Also, the Shire conducted the Inaugural Women's Conference in late 2010. This Women's Workshop was geared to empower women within our workforce and communities; by providing informative workshops and sharing inspirational stories from strong women within the greater community. This will become an annual event, with a Men's Conference also scheduled for late 2011.

INFRASTRUCTURE

Shires Infrastructure department provide a variety of services across the Tiwi Islands. Infrastructure oversees the delivery of the following facilities and services:

- Civil Works
- Road maintenance and construction
- Stormwater drainage
- Civil Services
- Parks and Gardens
- Cemetery
- Ferry and Barge Services
- Community Housing; Staff housing and Territory Housing (including repairs and maintenance)
- Visitors Accommodation
- Contractors quarters
- Building Construction
- Outstations
- Essential Services
- Power and Water contract (Power, Water and Sewerage)
- Airport contract (inspections and maintenance)
- Emergency response
- Workshop
- Internal heavy plant and light vehicle fleet
- External customer light vehicle repairs (Pirlangimpi and Milikapiti only)
- Small plant
- Asset Management
- Fleet management
- Project management
- Natural Resource Management
- Environmental compliance
- Licensing
- Project Management
- Disaster Management



Workshops

The Shire operates vehicle and plant workshops across both Islands, in the Communities of Wurrumiyanga, Pirlangimpi and Milikapiti.

We continue to face challenges in securing length of tenure for mechanics, as we face constant competition from the mining industry which offers salaries and benefits outside of the Council's salary capabilities.

Civil Services

The Shire continues to improve the appearance of public areas and parks and gardens as well as maintaining the waste management facilities, cemeteries, ferry operations and barge landings. Where appropriate, this is in conjunction with approved CDEP projects.

The Shire continues to collect garbage on a daily basis and this has resulted in a reduction in the amount of litter in and around the townships.

Council faces a Waste management challenge with the increased commercial waste from the SIHIP program. This is diminishing the Council's capacity to manage domestic waste and demanding that council commit funding resources to developing alternative waste sites. Whilst commercial waste fees are in place, there has been little to no contribution to date from SIHIP and other commercial operators who continue to utilise Council facilities.

Civil Works

Roads continue to be an issue, with connecting roads between communities impassable during lengthy periods over the wet season. The Shire continues to lobby for additional road funding, as the use continues to increase from domestic and commercial traffic - including the mining and forestry organisations.

The Council is also facing the issue of an aging heavy plant and equipment fleet. This is contributing to downtime and lost efficiency as old equipment becomes unreliable. The Asset Revaluation that was carried out this year is the first step in a plant and vehicle replacement strategy.

Feeder roads and roads within Wurrumiyanga continue to deteriorate as the roads were never designed to sustain the increased commercial traffic and constant use by heavy equipment of the SIHIP program contractors. This will leave a large legacy of repairs that will place enormous strain on Council resources.

Building Services

This year marks a shift from a grant funded program to a Service Level Agreement for the Housing Management Program. In initial negotiations, The Department of Local Government, Housing and Resource Services (DLGHRs) estimated Council would receive approximately \$3.2million in program income, although only \$2.4 million materialised. Council has fulfilled its obligation to employ staff to meet this anticipated productivity, therefore incurring fixed costs that are not being fully met at this time. Council will continue to negotiate with the Department on this issue.

Essential Services

Ongoing Service Level agreements and commercial contracts enable the Council to provide commercial services for Power, Water, Sewerage Treatment and Airport operations.

Asset Management

The Shire Council recognises that plant, vehicle and building assets are aging and requiring increased expenditure for repairs and maintenance to remain viable. Council engaged Maloney Field Services to conduct a revaluation of Shire assets and has commenced an inspection and replacement strategy.

FINANCE

The capacity of Tiwi Islands Shire Council's Finance Team has grown and stabilised over the twelve month period. This has had the effect of negating the need for external processing by such entities as CouncilBiz / Latitude 12 whilst building the capacity of employees and reducing the loss of intellectual capital from the organisation.

The Tiwi Islands Shire Council faces significant financial and therefore operational challenges in the immediate and medium term future.

Five main pillars of challenge for the Shire include the following:

- That the NT Government has advised that core operational funding for the Shire will be halved over the next four years commencing in 2010/11. This will reduce the current annual Operational Grant from \$1.6 million to just \$800 thousand per annum.
- The exceptionally high ICT Costs for operating in our remote and restricted location with no available competition for service delivery causing a monopoly situation.
- The costs associated with the Office of Township Leasing are projected to be close to \$250 thousand per annum once Wurankuwu, Pirlangimpi and Milikapiti have all agreed to these Head leases (Wurrumiyanga already has). This extra cost is largely unable to be offset by any form of increased revenue or funding. The Federal Government has provided an undertaking that they will match each extra dollar of lease expense with increases in funding of related direct Federal grant activities, but to date the Territory Government (where the largest impact will be felt) have given no such undertaking.
- The current re-structuring of the CDEP program will mean that the Shire will no longer be able to fund a range of Shire services through CDEP which will only create a further funding burden on the Shire's core operational grant (and consolidated un-tied revenue).
- The proposed cessation of the Matching Funds grant program will mean that the Shire would have to absorb the extra 50% cost of these subsidised wages (some \$500,000 per annum) which will only exacerbate the financial challenges of the Shire. This must directly impact the administration and wages contributions Council will seek from Funding Agencies to meet these increased wage costs.

The Tiwi Islands Shire Council continues to work with Federal and Territory funding agencies toward securing grant funding and service level agreements that span 3 financial years. This will enable the Shire to plan and implement strategies with a longer term vision and focus. Initial indications are positive.

GOALS, OUTCOMES AND STRATEGIES

Goal 1 - Ensuring economic viability and sustainability

1.1 Strategy – All Functions and Programs to be discretely funded

Outcomes:

- 1.1.1 Grant funding submissions and Service Level Agreements completed and secured on a timely basis
- 1.1.2 Breaches in performance and financial reporting addressed in a timely manner to ensure ongoing funding releases

1.2 Strategy – Functional areas of Council to be structured as Independent Business Units (IBU's) in their own right

Outcomes:

- 1.2.1 Workshops conducted with Managers to establish Independent, financially sustainable Business Units
- 1.2.2 Business Plans developed for each of these areas
- 1.2.3 Internal recharge facilities reinforced to ensure accurate financial management within each IBU

1.3 Strategy – Programs not to rely on cost shifting to be sustainable

Outcomes:

- 1.3.1 Accurate coding of expenditure reflected against each program through the revision of the Chart of Accounts and the further development of the financial coding ActionSDC's
- 1.3.2 Managers and Directors only able to authorise expenditure specific to their IBU

1.4 Strategy – Full internal cost recovery to be implemented

Outcomes:

- 1.4.1 Schedules of Fees and Charges developed and implemented for each IBU
- 1.4.2 Internal recharge processes reinforced to ensure accurate income management across IBU's
- 1.4.3 Council continues to address the inequities provided under funding agreements that inhibit full cost recovery for perceived pre existing infrastructure to support such functions as administration and other corporate services as expected but not funded by Funding Agencies

Goal 2 - Transparent and Accountable Financial Management.

2.1 Strategy – Emphasis on the integrity of source documents and processes at every level, especially at communities

Outcome:

- 2.1.1 Ongoing training occurring with Administration, Finance and Management staff to ensure accurate coding
- 2.1.2 Increased allocation of Administration staff to support IBU Managers in this process
- 2.1.3 Regular checking by Finance team and IBU Manager
- 2.1.4 Increase in internal capacity building that has enabled Shire staff to control costing and coding

2.2 Strategy – Proactive controls over expenditure by approved budget(s) with program manager responsibility

Outcome:

- 2.2.1 Program Managers and Directors only able to sign off expenditure within their discreet Business Units
- 2.2.2 Requirement for monthly financial variance reporting contained within the monthly Management Report template

2.3 Strategy – Monthly reports (results against budget) to be mandatory and form the basis of all functional reports to Council

Outcome:

- 2.3.1 Training has been conducted and templates developed to enable all IBU Managers to report to Council in a consistent manner
- 2.3.2 Budgets developed
- 2.3.3 Financial reporting remains ongoing and will be addressed at IBU level in the coming financial year

2.4 Strategy – Overview by CEO, CFO and Director of Corporate Services with analytical reports to Council

Outcome:

- 2.4.1 Directors and CEO review and approve Managers Reports prior to presentation to Council

Goal 3 – Service Delivery at a level that addresses Community needs

3.1 Strategy – Needs assessment and quarterly review with emphasis on the role of Local Advisory Boards

Outcomes:

- 3.1.1 Ongoing consultation with advisory boards and key community members to ensure a forum exists to raise and address the needs expressed by the community

3.2 Strategy – Service delivery plans, goals and key performance measures to be developed for all functions and programs

Outcomes:

- 3.2.1 All Managers and Directors produced strategic Business Plans for every Independent Business Unit. These were encompassed in the 2011/12 Shire Plan

3.3 Strategy – Performance assessments and outcomes to be reviewed quarterly

Outcomes:

- 3.3.1 Management Meetings conducted, with Managers required to report on their progress against their Business Plans
- 3.3.2 Managers required to produce bi-monthly reports to council, addressing operational, financial and strategic planning issues.
- 3.3.3 Ongoing review of strategic plan and budgets will allow Council improved flexibility to respond to community needs. Funding Agencies will permit variations to funding agreements within the funding timing constraints once Council demonstrates planning and reporting compliance.

Goal 4 – Community Infrastructure that ensures a safe and appropriate living environment

4.1 Strategy – Needs identified in consultative forums such as reference groups, the Shire Plan, the Local Implementation Plan for Wurrumiyanga and Local Advisory Boards

Outcomes:

- 4.1.1 Ensuring needs expressed in various community forums are acted upon where appropriate

4.2 Strategy – Formation of an Infrastructure Planning sub-committee to oversee project planning, status reports and future planning

Outcomes:

- 4.2.1 This remains ongoing; however each Elected Member of Council has an assigned portfolio, with Infrastructure forming one of these portfolios.
- 4.2.2 The Infrastructure Department Business Plan addresses planning needs.

Goal 5 – Operational Efficiency

5.1 Strategy – Asset management and replacement plan to be developed and implemented

Outcome:

- 5.1.1 An independent Asset Revaluation was conducted during the year to commence this replacement program
- 5.1.2 Council has commenced assessing the viability of each vehicle to determine a replacement schedule for vehicles and plant
- 5.1.3 Building Services addresses the Repairs and Maintenance of building assets

5.2 Strategy – Asset / fleet management to be run as a discreet business unit with cost recovery from all other functions

Outcome:

- 5.2.1 A schedule of charges has been developed, with vehicle hire forming budget lines on all appropriate program budgets
- 5.2.2 Building and facilities assets, and the use of these by third parties, has been recognised as a cost to Council and a strategy is being developed to address this “in kind” cost shifting by other entities.

5.3 Strategy – Internal Quality Control / Audit / Risk Assessment to be a function of both Finance and Corporate Services

Outcome:

- 5.3.1 A Quality Control / Internal Audit position has been established within the Finance team to assess and address financial issues which assists with the timely acquittal of grant funding



5.4 Strategy – Planning to become a prerequisite to all programs and projects with predetermined milestones for review

Outcome:

5.4.1 Business Plans have been developed for each Independent Business Unit, with Managers reporting on outcomes in each report to Council as well as at scheduled Managers Meetings

5.5 Strategy – Shire to position itself to become an “Employer of Choice”

Outcome:

5.5.1 This year the Shire attained the Bronze Award from the 50:50 Vision - Councils for Gender Equity program and is striving for the Silver award in early 2013

5.5.2 The Shire conducted the inaugural Women's Conference in 2010, with both the second Women's Conference and inaugural Men's Conference convened for late 2011. Both of these conferences address empowerment and equity and provide educational opportunities for employees and community members.

5.5.3 The Shire remains committed to training and development and is an equal opportunity employer.



TIWI ISLANDS SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2011

**Independent Auditor's Report
To the members of the Tiwi Islands Shire Council**

We have audited the accompanying financial report of Tiwi Islands Shire Council (the "Council"), which comprises the balance sheet as at 30 June 2011, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

Accountable Officer's responsibility for the Financial Report

The Accountable Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act and Regulations 2008. The responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Council's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Accountable Officer of the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Council, and have met the independence requirements of Australian professional ethical pronouncements.

Basis for Qualified Auditor's Opinion

1. As is common for organisations of this type, it is not practical to establish an efficient system of controls over the following revenue lines prior to entry into its financial records:

- User Charges and Fees \$840,226
- Sales \$927,557

Accordingly, as the evidence available to us regarding this source of revenue was limited, our audit procedures with respect to these sources had to be restricted to the amounts recorded in the financial records. We therefore are unable to confirm that the user fees and charges and other operating revenues recorded by the Council are complete.

2. Due to the remote location of some of the constituent councils that comprise the Tiwi Islands Shire Council, we were unable to perform a physical sighting of fixed assets. We are therefore unable to form an opinion on the existence of fixed assets amounting to \$36,548,202 at 30 June 2011.

Qualified Auditor's opinion

In our opinion, except for the effect on the financial report of the matters referred above, the financial report presents fairly, in all material respects, the financial position of the Tiwi Islands Shire Council as at 30 June 2011, and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Northern Territory of Australia Local Government Act and Regulations 2008.



Merit Partners



Aminul Islam
Director

Darwin
Date:

30 November 2011



Tiwi Islands Shire Council

Tiwi Islands Shire Council

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Alan Hudson, the Chief Executive Officer of the Tiwi Islands Shire Council, certify that the Annual Financial Statements:

(a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the local Government Act 2008 and the Local Government (Accounting) Regulations (with the exception of Those where compliance with standards has been qualified) for the year ended 30 June 2009; and

(b) are in accordance with the accounting and other records of the Council.

Signed by

Alan Hudson

Date:

23 November 2011

Alan Hudson
Chief Executive Officer

TIWI ISLANDS SHIRE COUNCIL

General Purpose Reports and Associated Schedules for the year ended 30 June 2011

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TIWI ISLANDS SHIRE COUNCIL

Statement of Comprehensive Income for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
REVENUE			
Grants and contributions provided for operating purposes	3e	11,414,392	14,085,000
Other Operating Revenue	3d	4,447,084	2,216,120
User Charges and Fees	3b	840,227	386,929
Rates and Annual Charges	3a	724,321	649,396
Interest Revenue	3c	230,628	228,501
Contributions and Donations	3f	2,500	909
Net Profit from Disposal of assets	3g	727	7,773
TOTAL REVENUE		17,659,879	17,574,628
EXPENSES			
Employee Costs	4a	11,420,518	11,004,140
Materials and Contracts	4e	5,332,838	6,599,068
Interest Charges	4b	4,128	10,806
Other Operating Expenses	4d	489,129	502,240
TOTAL EXPENSES		17,246,613	18,116,254
(DEFICIT)/SURPLUS BEFORE DEPRECIATION AND CAPITAL GRANTS		413,266	- 541,625
Grants & Contributions provided for: acquisition of assets			
Capital Grants Revenue	3e	751,884	905,753
OPERATIONAL (DEFICIT)/SURPLUS BEFORE DEPRECIATION AND ASSET CLASSIFICATION		1,165,150	364,128
Depreciation	4c	349,275	673,970
Depreciation Prescribed	4c	1,884,095	-
(DEFICIT)/SURPLUS BEFORE INCOME TAX EXPENSE		- 1,068,220	- 309,842
Income Tax Expense		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		- 1,068,220	- 309,842

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

TIWI ISLANDS SHIRE COUNCIL

Statement of Financial Position
as at 30 June 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Current Operating Accounts & Cash on Hand	5	8,000,558	7,074,303
Trade and Other Receivables	6	1,817,216	2,872,082
Inventories and Prepayments	7	781,595	640,704
TOTAL CURRENT ASSETS		10,599,369	10,587,088
CURRENT LIABILITIES			
Trade and Other Payables	9a	1,998,136	1,645,062
Current Provisions	9c	1,001,182	897,652
Current Borrowings	9e	1,000,000	1,001,327
Other Current Liabilities	9b	275,161	269,550
Unexpended Grant Liability	9b&14	2,490,702	3,092,665
TOTAL CURRENT LIABILITIES		6,765,182	6,906,257
NET CURRENT ASSETS		3,834,187	3,680,831
NON CURRENT ASSETS			
Buildings	8a&b	28,761,516	30,351,798
Infrastructure	8a&b	5,214,729	5,192,878
Plant	8a&b	1,625,150	1,405,456
Equipment	8a&b	76,053	42,208
Motor Vehicles	8a&b	727,837	645,553
Work in Progress	8a&b	142,916	27,272
TOTAL NON CURRENT ASSETS		36,548,202	37,665,165
NON CURRENT LIABILITIES			
Non Current Provisions	9d	329,928	225,315
Non Current Borrowings	9e	-	-
TOTAL NON CURRENT LIABILITIES		329,928	225,315
NET ASSETS		40,052,461	41,120,681
EQUITY			
Accumulated Funds		40,052,461	41,120,681
TOTAL EQUITY		40,052,461	41,120,681

The above Statement of Financial Position should be read in conjunction with the accompanying notes

TIWI ISLANDS SHIRE COUNCIL

Tiwi Island Shire Council Statement of Changes in Equity for the year ended 30 June 2011

	Asset Revaluation Reserve- Prescribed Assets	Retained Earnings	Total Equity
Balance at 1 July 2009	-	9,464,734	9,464,734
Surplus/(deficit) for the year	-	309,842	309,842
Revaluation increment - Infrastructure	2,845,450	-	2,845,450
Revaluation increment - Buildings	29,120,340	-	29,120,340
Balance at 30 June 2010	31,965,790	9,154,891	41,120,681
(Deficit)/Surplus for the year	-	1,068,220	1,068,220
Revaluation increment - Infrastructure	-	-	-
Revaluation increment - Buildings	-	-	-
Balance at 30 June 2011	31,965,790	8,086,671	40,052,461

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes

TIWI ISLANDS SHIRE COUNCIL

Statement of Working Capital for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
CURRENT ASSETS			
Current Operating Accounts and Cash on Hand	5	8,000,558	7,074,303
Trade and Other Receivables	6	1,817,216	2,872,082
Inventories and Prepayments	7	781,595	640,704
TOTAL CURRENT ASSETS		10,599,369	10,587,088
CURRENT LIABILITIES			
Trade and Other Payables	9a	1,998,136	1,645,062
Current Provisions	9c	1,001,182	897,652
Current Borrowings	9e	1,000,000	1,001,327
Other Current Liabilities	9b	275,161	269,550
Unexpended Grant Liability	14	2,490,702	3,092,665
TOTAL CURRENT LIABILITIES		6,765,182	6,906,257
NET CURRENT ASSETS		3,834,187	3,680,831
CURRENT RATIO		1.57	1.53

The above Statement of Working Capital should be read in conjunction with the accompanying notes.

TIWI ISLANDS SHIRE COUNCIL

Statement of Cash Flows for the year ended 30 June 2011

	Notes	2011 \$	2010 \$
Cash Flows from Operating Activities			
<i>Receipts</i>			
Receipts from rates & annual charges		717,058	660,125
Receipts from user charges & fees		840,227	1,500,656
Interest received		230,628	228,501
Grants & contributions		12,115,725	14,991,662
Other operating receipts		3,557,234	59,223
		17,460,873	17,440,168
<i>Payments</i>			
Payments to employees		11,238,564	10,878,676
Payments for materials & contracts		3,555,414	5,986,555
Payments of interest		4,128	10,806
Other operating payments		620,832	722,682
		15,418,939	17,598,719
Net Cash Flows provided by Operating Activities		2,041,934	- 158,551
 Cash Flows from Investing Activities			
<i>Receipts</i>			
Proceeds from sale of assets		727	7,773
		727	7,773
<i>Payments</i>			
Purchase of assets		1,116,406	711,186
		1,116,406	711,186
Net Cash Flows used in Investing Activities		- 1,115,679	- 703,413
 Cash Flows from Financing Activities			
<i>Receipts</i>			
Cash transferred from constituent councils on restructure			
Borrowings		-	-
Net Cash Flows used in Investing Activities		-	-
 NET INCREASE/(DECREASE) IN CASH HELD		926,255	- 861,964
 Cash at Beginning of Reporting Period		7,074,303	7,936,267
 Cash at End of Reporting Period		8,000,558	7,074,303

The above statement of Cash Flows should be read in conjunction with the accompanying notes.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1 Summary of Accounting Policies

General Information

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Tiwi Islands Shire Council.

The Local Government Reporting Entity Tiwi Islands Shire Council is established under the Northern Territory Local Government Act and has its principal place of business as Puti Drive, Wurrumiyanga Community, Bathurst Island.

The purpose of this financial report is to provide information about the cash flows, financial performance and position of the Shire, and accountability of the resources entrusted to it.

Basis of Accounting

Statement of Compliance

The financial report is a general purpose financial report, which has been prepared to comply with applicable Australian Accounting Standards and Interpretations, the requirements of the Local Government Act and Regulations, and other mandatory professional reporting.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable to for not-for-profit entities.

Adoption of new and revised accounting standards

In the current year the Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Title	Effective date
• AASB 9: Financial Instruments (December 2010)	1 January 2013
• AASB 124: Related Parties Disclosures	1 January 2011
• AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1,2,3,5,7,8,191,102,107,108,111,112,116,117,119,121,123,127,128,131,133,134,136,137,138,140,141,1050 & 1052 and interpretations 2,4,5,15,17,127,129 & 1052]	1 July 2013
• AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 6, 1039 & 1052]	1 January 2011
• AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	1 January 2011
• AASB 2010-5: Amendments to Australian accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	1 January 2011

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

- AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] 1 January 2011
- AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] 1 January 2013
- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] 1 January 2012
- AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] 1 July 2011
- AASB 2010 -10: Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] 1 January 2013

No accounting standard has been adopted earlier than the application date as stated in the standard.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability. The accounting policies adopted for the reporting period are consistent with those of the previous reporting period except where otherwise indicated.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair value of the consideration given in the exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

Revenue is measured on major income categories as follows:

(i) Rates

Rates are an enforceable debt linked to rateable property. As such, Council recognises Rates Income at the time of levying, or earlier upon receipt of rates paid in advance.

The rating period and reporting period for the Council are the same and accordingly all rates levied for the year are recognised as revenue within the period.

Uncollected rates are recognised as receivables. A provision is recognised when collection in full is no longer probable.

(ii) Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenue when the Council obtains control over, or the right to receive, the assets, it is probable that future economic benefits comprising the asset will flow to the Council, and the amount can be reliably measured.

Control over granted and contributed assets is normally obtained upon their receipt (or acquittal), and is valued at their fair value at the date of transfer.

Where grants, contributions and donations recognised as revenue during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

(iii) Disposal of property, plant and equipment

The gain or loss on disposal of an asset is determined when control of the asset has passed from the Council and can be measured reliably.

(iv) Interest revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

(v) Commercial and contract revenue

Council undertakes activities of a commercial, or quasi commercial nature such as maintenance contracts, building construction, and operation of cash businesses. Commercial income is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Financial Assets

(i) Loans and Receivables

Council recognises financial assets as loans and other receivables. The classification depends on the purpose for which the financial instrument was acquired and is determined at initial recognition and re-evaluated at reporting date. Financial assets are measured at fair value, net of transaction costs except for financial assets classified as at fair value through profit and loss which are initially measured at fair value.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

(ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

(iii) Impairment of financial assets

Financial assets are evaluated at each balance sheet date to determine any evidence of impairment. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

(iv) De-recognition of financial assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset. The Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Inventory

Inventory is stated at the lower of cost and net realisable value.

Leased Assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

As lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to the qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Plant and Equipment

Acquisition of Plant, and Equipment is recognised at cost when control of the asset passes to the Council. Cost includes expenditure that is directly attributable to the acquisition. Cost related to plant, equipment and infrastructure gifted, donated or granted to the Council is the fair value of the asset, plus costs directly attributable to the acquisition.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

Land

The Aboriginal Land Rights Act establishes native title over land in the Tiwi Islands. In the absence of clear title no land assets are recognised in the Council's Statement of Financial Position.

Land under Roads

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 Land under Roads.

Property

In 2006 the Land Rights Act was amended to enable township leasing. Leasing arrangements currently exist for Wurrumiyanga and it is envisaged the other communities will adopt township leasing in due course. It is proposed that in future periods Council will lease its major operating buildings from the Office of Township Leasing. Buildings and infrastructure assets are recognised in the Financial Statements as prescribed assets. This is due to the status Tiwi Islands Shire Council has under 'Right of Occupation' from section 6.2 of the Head Lease agreement and the fact that under general property law it is the Executive Director of Township leasing who has the leasehold ownership interest in the land.

On formation of the Tiwi Islands Shire Council, Tiwi Islands Local Government Fixed Assets were written off as part of the gain on restructure as these could not be reliably recognised or measured. The Council has deemed prudent that these assets should be recognised in some form as the Council has responsibility to insure and manage these assets without clear title.

Maloneys Field Services were engaged to revalue non-current assets in 2010. Building and Infrastructure assets were recognised in the 2010 Financial Statements as prescribed assets at their 30 June 2010 re-valued amount. Revised valuations were provided in the fixed asset register where net values are recognised at 30 June 2010. Building and Infrastructure assets commenced depreciating, at their re-valued amounts, on 1 July 2010. The Shire does not believe that there is any significant increment or decrement to the prior year's value as stated on the valuation carried out in 2010. Hence the property has been valued at 2010 valuation amounts and depreciated accordingly.

This revaluation excludes contingent assets where funding was originally provided to Tiwi Islands Shire Council's former entities. TISC does not currently control those asset(s).

Maloney's Field Service Personal;

Martin Oldfield
BBus Property (Val) APPI
Certified Practising Valuer

Mitch Ekonomopoulos
BBus Property (Val) GAPI

Gavin Halliday
BBus Property (Val) PMAPI

Property assets have wide and varied usage and useful life has been calculated based on the most common usage, as well as the asset's present condition. Taking into account future leasing arrangements, nature of usage, and current condition, no building has a useful life that exceeds twenty years. To accurately reflect the value of prescribed building and infrastructure assets these have been recorded using registered valuation as at 30th June 2010.

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of asset. Net revaluation increments in the carrying amounts of these assets are recognised directly in accumulated equity under the heading of prescribed asset reserve to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets. No amounts were recognised in the accounts arising from previous revaluations so all increments are recognised in revaluation reserve.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

Depreciation

All property, plant and equipment, with the exception of land, is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using lives which are reviewed each reporting period.

Major depreciation periods are;

Buildings/ Other Structures	10 - 20 Years
Plant and Equipment	1 - 10 Years
Motor Vehicles	3 - 5 Years

Valuation

The Shire recognises assets over the value of \$5,000.

Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Financial Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to Council prior to the end of the financial year which remain unpaid. The amounts are unsecured and usually paid within thirty days of recognition.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Employee benefits expected to be settled within 12 months:

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Employee benefits not expected to be settled within 12 months:

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash flows to be made by the entity in respect of services provided by the employees up to reporting date.

(iv) Superannuation

The Council contributes to its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme).

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

1. Summary of Accounting Policies continued

(v) Unexpended Grant Funds

Grant funding has been treated in the accounts according to the provisions of AASB 1004 Contributions. The standard notes in particular:

"Where assets are provided on the condition that the local government, government department, GGS or whole of government is to make a reciprocal transfer of economic benefits, and that transfer has not occurred prior to the reporting date, a liability is recognised as at the reporting date in respect of such amounts.

Reciprocal transfers are defined as:

"A reciprocal transfer also occurs where, for example, assets are provided to a government department on the condition that the government department renders particular services to the transferor of the assets and, if the services are not rendered, those assets are required to be remitted directly to the transferor."

Budget Information

Note 2(a) provides budget information of revenues and expenditure of each of the major activities of the Council.

Taxation

Tiwi Islands Shire Council is tax exempt under Sec 50-25 of the Income Tax Assessment Act 1997, being a local governing body.

Provisions

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

Rounding

Unless otherwise stated, amounts in the financial reports have been rounded to the nearest dollar and are presented in full dollars. All amounts are expressed in Australian dollars.

Comparatives

Where relevant, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2011**

2(a) Functions	01 General Public Services	02 Public Order & Safety	03 Economic Affairs	04 Environmental Protection	05 Housing
	2011	2010	2011	2010	2010
OPERATING REVENUES					
Income Rates General	418,849	356,300	-	-	-
Income Rates Waste	-	266,351	-	305,472	26,745
Income Council Fees and Charges	194,183	531,644	136	513,538	102,889
Income Operating Grants	1,763,830	1,959,060	997,420	732,278	6,958,121
Income Investments	230,628	228,501	-	-	-
Income Contributions	-	-	-	-	-
Income Reimbursements	5,756	6,017	336	-	-
Income Agency and Commercial Services	1,380,358	809,188	-	215,370	2,393,511
Income Capital Grants	5,028	10,647	62,885	122,659	126,000
Inc Sale of Assets	727	1,364	-	6,409	-
TOTAL REVENUES	3,999,358	4,169,073	1,060,777	941,669	3,164,322
OPERATING EXPENSES					
Employee Expenses	3,631,673	2,268,433	684,386	53,675	1,414,909
Contract and Material Expenses	1,455,560	1,911,468	22,546	8,418	1,020,951
Utility expenses	131,100	170,318	2,108	-	36,856
Fuel Expenses	502,110	74,184	-	-	143
Communication Expenses	259,431	382,920	12,652	3,316	60,795
Finance Expenses	4,128	10,806	-	-	-
Depreciation	2,233,370	673,970	-	-	-
Training	68,325	41,058	8,935	-	-
Travel and accommodation	398,039	168,152	10,112	-	18,718
Councillor allowance expenses	181,763	169,490	-	-	12,233
Miscellaneous Expenses	392,873	475,643	25,120	-	-
TOTAL EXPENSES	9,258,371	6,346,442	765,860	65,409	2,651,365
NET RESULT	- 5,259,013	- 2,177,369	294,917	876,260	512,957
					3,132,923
					355,052

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2011**

	07 Recreation, Culture and Religion		08 Education		09 Social Protection		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
OPERATING REVENUES								
Income Rates General	-	-	-	-	-	-	418,849	356,300
Income Rates Waste	-	-	-	-	-	-	305,472	293,096
Income Council Fees and Charges	-	1,825	-	-	1,500	10,938	840,107	1,500,656
Income Operating Grants	553,467	388,193	32,818	4,585	1,714,982	1,460,390	11,426,892	14,085,000
Subsidies								
Income Investments	-	-	-	-	-	-	230,628	228,501
Income Contributions Donations	2,500	909	-	-	-	-	2,500	909
Income Reimbursements	-	-	-	-	-	-	34,962	6,017
Income Agency and Commercial Services	9,296	24,365	-	-	7,303	-	4,399,741	1,096,376
Income Capital Grants	35,000	35,000	-	-	65,909	27,273	751,884	905,753
Inc Sale of Assets	-	-	-	-	-	-	727	7,773
TOTAL REVENUES	600,263	450,292	32,818	4,585	1,789,694	1,498,601	18,411,763	18,480,382
OPERATING EXPENSES								
Employee Expenses	433,110	166,674	-	-	877,390	785,548	11,420,518	11,004,140
Contract and Material Expenses	79,712	56,942	21,065	3,955	65,739	129,785	3,028,665	4,540,718
Utility expenses	54,100	26,657	-	-	30,354	20,397	279,662	272,374
Fuel Expenses	318	818	-	-	73	767	535,241	647,797
Communication Expenses	22,091	7,044	-	279	20,148	12,625	440,539	541,405
Finance Expenses	-	-	-	-	-	-	4,128	10,806
Depreciation	-	-	-	-	-	-	2,233,370	673,970
Training	6,234	1,370	-	-	17,525	6,223	181,317	102,264
Travel and accommodation	22,732	23,392	-	352	8,635	2,948	508,902	272,985
Councillor allowance expenses	-	-	-	-	-	-	181,763	169,490
Miscellaneous Expenses	19,992	990	-	-	12,717	229	665,877	554,275
TOTAL EXPENSES	638,289	283,887	21,065	4,585	1,032,581	958,522	19,479,983	18,790,224
NET RESULT	-	166,406	11,753	-	757,113	540,079	-1,068,220	- 309,842

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

2(b) Component Functions

The activities relating to the Shire functions reported on in the Note 2(a) are as follows:

GENERAL PUBLIC SERVICES

Executive and legislative Functions

Administration, operation and support of executive and legislative functions and all elements associated with Corporate governance.

Financial and Fiscal Affairs

Administration of Council's finances and compliance with legislative provisions of Local Government (Accounting) Regulations.

General Public Services - including General Administration, Corporate Services/Community Services/ Works & Infrastructure, Other and Office Personnel Maintenance

Administration, support, regulation, research, operation of general public services including insurance and Natural Disaster relief where applicable.

PUBLIC ORDER & SAFETY

Fire protection, local emergency services, control of animals and impounding, control of public places, control of signs, boarding and advertising, community policing and probationary matters

ECONOMIC AFFAIRS

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs, transport and other industries, saleyards and tourism.

ENVIRONMENTAL PROTECTION

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, groundwater and surface water.

HOUSING AND COMMUNITY AMENITIES

Housing, housing and community development, water supply and street lighting.

HEALTH

Well baby clinics, dental health services and home nursing services, nursing and convalescent home services, immunisation, infant nutrition and child health, and family planning services.

RECREATION, CULTURE AND RELIGION

Facilities and venues, recreation parks and reserves, cultural and religious services museums and libraries.

EDUCATION

Administration, inspection, support, operation, etc of education programs and services.

SOCIAL PROTECTION

Outlays on day care services, family day care, occasional care and outside schools hour care, aged services, shelter protection, drug and alcohol treatment programs.
Also includes relief from man-made disasters.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue	2011 \$	2010 \$
a RATES AND CHARGES		
<u>Ordinary Rates</u>		
General Rates	418,849	356,300
Total Ordinary Rates	418,849	356,300
<u>Annual Charges</u>		
Domestic Waste Charges	305,472	293,096
Total Annual Charges	305,472	293,096
Total Rates & Annual Charges	724,321	649,396
b USER CHARGES & FEES		
User Charge Fee Income	72,949	77,451
Property Lease Rental Fee Income	290,689	222,429
Equipment Hire Income	24,417	14,009
Other Charges & Fees	452,172	73,040
Total User Charges & Fees	840,227	386,929
c INTEREST		
Interest on Investments	230,628	228,501
Total Interest Revenue	230,628	228,501
d OTHER OPERATING REVENUE		
Reimbursements	9,123	6,017
Service Fee Income	160,964	213,903
Sales Income	927,558	932,568
Contract Fees	3,232,982	905,088
Employment Related Outcome Payments	12,500	-
Other Operating Revenue	103,957	158,544
Total Other Operating Revenue	4,447,084	2,216,120
e GRANTS		
<u>Commonwealth Special Purpose Funding</u>		
After School Care Nguiu	173,706	171,139
After School Care Pirlangimpi	73,073	71,994
After School Care Milikapiti	103,080	101,557
Jirnani Day Care Centre	565,209	556,856
Child Services Pirlangimpi	178,817	143,765
Crèche Milikapiti	204,614	78,000
Night Patrol Shire	939,819	661,131
Vacation Care Nguiu	170,594	168,073
Vacation Care Pirlangimpi	73,073	71,994
Vacation Care Milikapiti	103,080	101,557
Indigenous Women's Program	-	11,000
Milikapiti Crèche Establishment Funding	-	47,794
DOHA Sport & Recreation Program Shire	171,000	195,000
DOHA Sport & Recreation Staff Shire	130,000	25,336
CDEP Participant Wages Shire	2,501,000	3,761,200
CDEP Community Development Stream Shire	127,027	142,750

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue Continued

CDEP Work Readiness Stream Shire	831,666	934,600
CDEP Service Fees Shire	760,000	760,000
CDEP Community Development and Support Shire	467,000	316,000
CDEP Activity Generated Income	129,950	90,000
NT Jobs Packages (Broadcasting) Shire	86,367	-
Child Care Establishment Funding Pirlangimpi	40,500	-
Jirnani Capital Works	56,750	-
Indigenous Community Broadcasting (IBP) Shire	55,000	-
RLCIP \$30K Baseline Project Skate Park	-	30,000
RLCIP Round 3 Animal Control Compounds Construction	30,000	-
Lighting Upgrade Nguiu	1,050	-
Lighting Upgrade Pirlangimpi	4,590	-
Lighting Upgrade Milikapiti	- 200	-
NAIDOC Week	3,000	-
Community Fitness Program - Pirlangimpi	43,000	-
Youth Activities - Pirlangimpi	4,250	-
Youth Activities Milikapiti	4,250	-
Festivals - A Break on the Island	26,200	-
Men's Carpentry Shire	-	4,700
Pirlangimpi Recycle Project	-	31,679
Total Commonwealth Special Purpose Funding	8,057,465	8,476,123

Operational Funding

FAA Operating Grant (NTG)	1,454,112	1,664,287
FAA Roads	818,428	721,009
General Purpose	222,946	259,360
Total Operational Funding	2,495,486	2,644,656

NT Special Purpose Funding

Community Housing Shire	48,023	2,769,698
Jirnani Day Care Centre	29,105	34,594
Youth Diversion Scheme	137,986	134,032
Active Remote Communities Shire Sport & Recreation Shire	106,824	106,824
Skins Groups	-	42,797
Library	56,741	56,000
International Women's Day Shire	-	1,200
Outstations Essential Services	259,560	259,560
NTG - C Gap (Sport Hall Repair)	-	25,000
NRETAS Pirlangimpi Hall Upgrade	-	30,000
Outstations Converted Jobs Program	60,333	60,333
CTG Repairs Pirlangimpi Library	-	50,400
Youth Week (Beyond Blue)	-	2,500
NTG Closing the Gap DLGH (Governance. Skin Groups)	-	100,000
NTG Special Purpose DLG (Tiwi Women's Group)	-	30,000
NTG Special Purpose DHLG(Independent Advisor)	-	30,000
NTG Sport & Recreation ARCP (Softball)	4,000	3,000
Outstations Housing Management	40,000	40,000
Community Events Shire	2,000	1,818
Matching Funds Salary Income	445,685	572,166
Drug & Alcohol Camp	-	2,500
09-10 Special Assistance Grant - Sport & Recreation	-	3,000
Outstations Housing Maintenance	110,013	110,013

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue Continued

CTG Repairs Public Toilets	-	21,600
Outstation Capital Funding Other	63,636	-
100 Year Celebrations NT Cent	5,000	-
NAPCAN National Child Protection Week	2,000	-
NTG Closing the Gap Workshop Female Employees	22,500	-
NTG Closing the Gap Shade Structures at Cemeteries	60,000	-
Shire Street Naming Project - Wurrumiyanga	2,500	-
Total NT Special Purpose Funding	1,455,906	4,487,035

Current Operating Funding Total	12,008,857	15,607,814
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Prior Year Grants Brought Forward

Operating

Banjo Swamp	-	1,818
Grants Parks & Gardens + Nguui Oval	-	17,494
Night Patrol Shire	-	143,407
Indigenous Women's Program	-	59,935
Child Care Policies and Procedures Consulting	50,000	50,000
CDEP Participant Wages Shire	-	488,557
DOHA Sport & Recreation Staff Shire	4,878	50,849
Tracking Database Child Care	11,051	46,015
Skins Groups	77,102	41,450
CDEP Community Development and Support Shire	40,000	-
NTG - C Gap (Sport Hall Repair)	25,000	-
NRETAS Pirlangimpi Hall Upgrade	30,000	-
CTG Repairs Public Toilets	21,600	-
CTG Repairs Pirlangimpi Library	50,400	-
NTG Closing the Gap DLGH (Governance. Skin Groups)	75,825	-
NTG Special Purpose DLG (Tiwi Women's Group)	30,000	-
NTG Special Purpose DHLG(Independent Advisor)	20,780	-
Active Remote Communities Shire Sport & Recreation Shire	33,511	-
Milikapiti Crèche Establishment Funding	75,559	-
DOHA Sport & Recreation Program Shire	8,825	-
Total Prior Year Operating Grants	554,531	899,525

Operating Grant Liability

After School Care Nguui	-	4,221.00
After School Care Pirlangimpi	-	4,944.00
After School Care Milikapiti	-	6,481.00
Jirnani Day Care Centre	-	8,101.00
Crèche Milikapiti	- 28,104	- 46,053.00
Vacation Care Milikapiti	-	- 34,046.00
Tracking Database Child Care	- 11,051	- 46,015.00
Jirnani Child Care Centre Capital Works	- 964	-
Milikapiti Crèche Establishment Funding	- 18,048	- 16,663.00
Child Care Policies and Procedures Consulting	- 50,000	- 50,000.00
Child Services Pirlangimpi	-	3,778.11
Vacation Care Nguui	-	- 19,614.00
Vacation Care Pirlangimpi	-	9,882.00
Indigenous Women's Program	-	- 42,355
CDEP Participant Wages Shire	- 272,548	- 769,508
CDEP Community Development Stream Shire	-	645,026

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue Continued

CDEP Work Readiness Stream Shire	-	-	797,763
CDEP Community Development and Support Shire	-	41,232	98,836
CDEP Service Fees Shire	-	-	36,064
DOHA Sport & Recreation Program Shire	-	-	8,825
DOHA Sport & Recreation Staff Shire	-	-	4,878
CDEP Prior Period Carried Forward	-	-	114,789
NTG – Closing Gap Capital(water park)	-	47,370	65,000
NRETAS Pirlangimpi Hall Upgrade	-	30,000	30,000
CTG Repairs Public Toilets	-	-	21,600
CTG Shade a and Play Milikapiti	-	25,000	25,000
CTG BMX Track Nguui	-	10,000	10,000
ABA Heavy Equipment Grant	-	-	5,209
NTG Special Purpose DHLGRS (Independent Advisor)	-	9,444	20,780
Night Patrol Shire	-	80,385	206,292
Active Remote Communities Shire Sport & Recreation Shire	-	-	33,511
International Women's Day Shire	-	-	1,200
RLCIP \$30K Baseline Project Skate Park	-	-	30,000
NTG - Closing Gap (Sport Hall Repair)	-	25,000	25,000
Outstation ESS Capital	-	17,749	140,909
SPG Slashing and Mowing Equipment Shire	-	-	122,659
Pirlangimpi Recycle Project	-	-	1,831
NTG Special Purpose DHLGRS (Tiwi Women's Group)	-	8,692	30,000
Skins Groups	-	-	77,102
CTG Flood Lighting Nguui	-	70,000	70,000
CTG Repairs Pirlangimpi Library	-	17,582	50,400
Men's Carpentry Shire	-	-	115
NTG Closing the Gap DHLGRS (Governance. Skin Groups)	-	33,454	75,825
Outstations Converted Jobs Program	-	9,160	36,096
NTG Sport & Recreation ARCP (Softball)	-	4,000	-
NTG Closing the Gap Shade Structures at Cemeteries	-	60,000	-
Community Fitness Program - Pirlangimpi	-	4,844	-
Youth Activities	-	276	-
Shire Street Naming Project - Wurrumiyanga	-	2,500	-
Festivals - A Break on the Island	-	26,200	-
NT Jobs Packages (Broadcasting) Shire	-	14,963	-
Child Care Establishment Funding Pirlangimpi	-	31,721	-
Jirnani Capital Works	-	53,341	-
Outstations Essential Services	-	32,049	-
RLCIP Skate Park Nguui	-	22,929	-
Outstation Capital Funding Other	-	46,810	-
Dual Control Vehicle Purchase	-	39,500	-
NAIDOC Week	-	3,000	-
Indigenous Community Broadcasting (IBP) Shire	-	6,578	-
RLCIP Round 3 Animal Control Compounds Construction	-	30,000	-
Total Operating Grant Liability	-	1,148,996	2,422,339

TOTAL OPERATIONAL FUNDING

11,414,392 14,085,000

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue Continued

Commonwealth Capital Funding

Milikapiti Crèche Establishment Funding	-	86,169
Night Patrol Shire	-	62,885
CDEP Community Development and Support Shire	-	550,000
Commonwealth Capital Funding Total	-	699,054

NT Capital Funding

CTG Shade and Play Milikapiti	-	25,000
CTG BMX Track Nguui	-	10,000
NTG – Closing Gap Capital(water park)	-	65,000
SPG Slashing and Mowing Equipment Shire	-	126,000
Outstation ESS Capital	-	140,909
CTG Flood Lighting Nguui	-	70,000
Dual Control Vehicle Purchase	39,500	-
Total NT Capital Funding	39,500	436,909

Prior Years Capital Funding

Capital

AG Office/Battery Banks Outstations Ess Ranku	5,028	30,485
ABA Heavy Equipment Grant	-	74,455
Jirnani Child Care Centre Capital Works	65,909	30,945
AG Grants Battery Bank Outstation Ess Other	-	10,647
CDEP Prior Period Carried Forward	-	293,584
Night Patrol Shire	62,885	-
CDEP Community Development and Support Shire	550,000	-
RLCIP Skate Park Nguui	30,000	-
NTG – Closing Gap Capital(water park)	65,000	-
Outstation ESS Capital	140,909	-
SPG Slashing and Mowing Equipment Shire	122,659	-
CTG Flood Lighting Nguui	70,000	-
CTG Shade and Play Milikapiti	25,000	-
CTG BMX Track Nguui	10,000	-
	1,147,390	440,116

Capital Grant Liability

Jirnani Child Care Centre Capital Works	-	-	30,945
Milikapiti Crèche Establishment Funding	-	-	58,896
AG Office/Battery Banks Outstations Ess Ranku	-	-	30,485
CDEP Community Development and Support Shire	-	435,006	550,000
Total Capital Grant Liability	-	435,006	670,326

TOTAL CAPITAL FUNDING

751,884 905,753

TOTAL GRANTS

12,166,276 14,990,753

f CONTRIBUTIONS & DONATIONS

Cash Sponsorship	-	909
Cash Donations	2,500	-
Total Contributions & Donations	2,500	909

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

3 Operating Revenue continued

g SALE OF ASSETS

Proceeds from the Sale of Assets	727	7,773
Total Proceeds from the Sale of Assets	727	7,773

4 Operating Expenses

a EMPLOYEE COSTS

	2011	2010
	\$	\$
Wages and Salaries	9,379,038	9,255,918
Annual Leave and Long Service Leave Movements	1,141,253	991,301
Superannuation	679,805	549,669
FBT	39,671	24,373
Workers Compensation	139,380	157,710
Relocation/Recruitment	26,620	22,890
Total Employee Entitlement Expense	11,405,768	11,001,860

Other Employee Related Expenses	14,750	2,280
Total Operating Employee Costs	14,750	2,280

TOTAL EMPLOYEE COSTS	11,420,518	11,004,140
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b INTEREST CHARGES

Bank Fees	3,994	4,926
Interest Expenses	134	5,881
Total Interest Charges	4,128	10,806

c DEPRECIATION & AMORTISATION

Depreciation

Buildings Depreciation	-	46,579
Infrastructure Depreciation	27	135,415
Motor Vehicles Depreciation	124,833	125,329
Plant and Machinery Depreciation	211,116	358,093
Equipment Depreciation	13,299	8,555
Total Depreciation	349,275	673,970

Depreciation Prescribed Assets

Prescribed Building Depreciation	1,606,461	-
Prescribed Infrastructure Depreciation	277,634	-
Total Depreciation Prescribed Assets	1,884,095	-

Total Depreciation/ Prescribed Asset Expenses	2,233,370	673,970
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d OTHER OPERATING EXPENSES

Council Chairman's Allowance	54,415	46,728
Councillor Allowance Expenses	127,348	122,762
Insurance	307,366	332,750
Total Other Operating Expenses	489,129	502,240

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

4 Operating Expenses continued

e MATERIALS & CONTRACTS

Accounting Fees	183,217	119,863
Bad Debt write-off Expenses	- 67,894	- 53,964
Communication Expenses	185,096	242,759
Consultants & Legal Expenses	189,473	111,861
Contract Labour	438,107	1,164,532
Contract Materials	29,300	460,457
Electricity	188,003	203,048
Freight	211,002	239,357
Fuel & Oil Motor Vehicles	529,498	647,797
Gas Expenditure	9,437	10,531
Material Expenditure	1,825,716	1,802,390
Operating Lease Expenses	132,054	53,589
Software/Internet/Support	579,696	1,006,683
Travel/Accommodation/Training	690,219	375,249
Sea cat ferry expenses	22,791	41,709
Other Materials & Contracts	187,124	173,207
Total Materials & Contracts	5,332,838	6,599,068

5 Cash and Investments

	2011	2010
	\$	\$
Current Operating Accounts & Cash on Hand	8,000,558	7,074,303
TOTAL CASH	8,000,558	7,074,303

6 Receivables

	2011	2010
	\$	\$
Current Assets - Receivables		
Rates & Annual Charges	121,674	114,411
GST Receivables	97,173	94,348
Accrued Income	455,337	2,160,884
Other Receivables	1,455,760	902,459
Less Provision for Doubtful Debts	- 312,728	- 400,020
TOTAL RECEIVABLES	1,817,216	2,872,082

a Trade receivables and allowance for doubtful debts

Trade receivables are non-interest bearing and are generally on 30 day terms
The ageing of trade receivables at 30 June 2011 is detailed below:

Aged Analysis	2011	2010
	\$	\$
Not past due	1,055,080	2,417,464
Past due 31-60 days	186,778	36,621
Past due 61-90 days	100,688	5,853
Past due 91-days	787,397	812,164
Total Gross Trade Receivables 2011	2,129,944	3,272,102

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

6 Receivables continued

b Impaired receivables

As at 30 June 2011, receivables with a nominal value of \$312,728 were impaired (2010: \$400,020). Receivables are assessed for impairment by ascertaining the recoverability of the amounts, and are provided for when there is objective evidence indicating that the debt may not be fully recoverable to the Council. The ageing of the impaired receivables are as follows:

Aged Analysis

	2011	2010
	\$	\$
Not past due	-	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-days	312,728	400,020
	<u>312,728</u>	<u>400,020</u>

Movement in the provision for impairment are as follows

Balance at beginning of year	-	400,020	-	3,021,641
Bad Debts Written off		19,398		2,567,657
Reversal of provision for impairment		67,894		53,964
Balance at end of year	-	<u>312,728</u>	-	<u>400,020</u>

As at 30 June 2011, current receivables of the Council with a nominal value of \$762,136 (2010: \$454,617) were past due but not impaired. These relate to a number of customers for whom there is no history of default

The ageing of these receivables are as follows:

	2011	2010
	\$	\$
Past due 31-60 days	186,778	36,621
Past due 61-90 days	100,688	5,853
Past due 91-days	474,669	412,144
	<u>762,136</u>	<u>454,617</u>

7 Other Assets

	2011	2010
	\$	\$
Fuel Stock	103,846	70,918
Stores and Material	640,646	569,786
Prepayments	37,103	-
TOTAL INVENTORIES	<u>781,595</u>	<u>640,704</u>

TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2011**

8 Property Plant & Equipment

	2011	2010
	\$	\$
a Gross carrying amount and accumulated depreciation		
Prescribed Buildings - at revaluation	30,367,977	30,351,798
Less: Accumulated Depreciation and Impairment	-	-
Total	28,761,516	30,351,798
Plant and Machinery - at cost	2,321,843	1,813,416
Less: Accumulated Depreciation and Impairment	-	-
Total	1,625,150	1,405,456
Equipment - at cost	96,393	55,367
Less: Accumulated Depreciation and Impairment	-	-
Total	76,053	42,208
Motor Vehicles - at cost	930,757	799,969
Less: Accumulated Depreciation and Impairment	-	-
Total	727,837	645,553
Prescribed Infrastructure - at revaluation	5,492,390	5,192,878
Less: Accumulated Depreciation and Impairment	-	-
Total	5,214,729	5,192,878
Work in Progress	142,916	27,272
Total	142,916	27,272
Total Property, Plant and Equipment	36,548,202	37,665,165
b Movements in carrying amounts		
Buildings - at revaluation		
Buildings - at cost	-	1,044,963
Plus: Revaluation	-	29,120,340
Plus: Acquisitions	-	233,074
Less: Sold/Written Off	-	-
Less: Depreciation	-	46,579
Less: Prescribed Asset Transfer	-	30,351,798
Total	-	-
Prescribed Buildings - at revaluation		
Buildings - at revaluation	30,351,798	30,351,798
Plus: Revaluation	-	-
Plus: Acquisitions	16,180	-
Less: Sold/Written Off	-	-
Less: Depreciation	-	-
Total	28,761,516	30,351,798

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

8 Property Plant & Equipment continued

Plant and Machinery - at cost

Plant and Machinery - at cost	1,405,456	1,696,319
Plus: Revaluation	-	-
Plus: Acquisitions	134,816	67,230
Asset Reclassification	295,992	
Less: Sold/Written Off	1	-
Less: Depreciation	- 211,116	- 358,093
Total	1,625,150	1,405,456

Equipment - at cost

Equipment - at cost	42,208	24,071
Plus: Revaluation	-	-
Plus: Acquisitions	68,624	26,692
Asset Reclassification	- 21,480	
Less: Sold/Written Off	-	-
Less: Depreciation	- 13,299	- 8,555
Total	76,053	42,208

Motor Vehicles - at cost

Motor Vehicles at cost	645,553	528,900
Plus: Revaluation	-	-
Plus: Acquisitions	481,656	241,981
Asset Reclassification	- 274,539	
Less: Sold/Written Off	-	-
Less: Depreciation	- 124,833	- 125,329
Total	727,837	645,553

Infrastructure - at revaluation

Infrastructure - at cost	- 1	2,298,478
Plus: Revaluation	-	2,845,450
Plus: Acquisitions	-	184,365
Less: Sold/Written Off	1	-
Less: Depreciation	-	- 135,415
Less: Prescribed Asset Transfer	-	- 5,192,878
Total	-	1

Prescribed Infrastructure - at revaluation

Infrastructure - at revaluation	5,192,878	5,192,878
Plus: Revaluation	-	-
Plus: Acquisitions	299,511	-
Less: Sold/Written Off	1	-
Less: Depreciation	- 277,661	-
Total	5,214,729	5,192,878

Work in Progress

Opening Balance	27,274	69,430
Purchased	1,116,432	711,186
Capitalisation	- 1,000,789	- 753,342
Total	142,916	27,274

TOTAL - All Non-Current Assets

36,548,202	37,665,166
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TIWI ISLANDS SHIRE COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2011**

9 Creditors, Provisions & Borrowings

	2011	2010
	\$	\$
Goods & Services	1,420,225	1,199,935
Employee Related	-	126,174
GST Payable	577,911	318,954
a Total Accounts Payable	1,998,136	1,645,062
b Other Liabilities	275,161	269,550
Unexpended grant liability	2,490,702	3,092,665
	2,765,863	3,362,215
TOTAL CREDITORS	4,763,999	5,007,278
Analysis of Creditors:		
Current	1,862,397	1,445,803
30days	58,586	45,557
60 days	13,937	27,929
> 90 days	63,217	125,774
Total Gross Trade Payables	1,998,136	1,645,062
c <u>Provision - Current</u>		
Annual Leave	1,001,182	897,652
Total Current Provisions	1,001,182	897,652
d <u>Provisions - Non Current</u>		
Long Service Leave	329,928	225,315
Total Non-Current Provisions	329,928	225,315
TOTAL PROVISIONS	1,331,110	1,122,968
e <u>Borrowings</u>		
Credit Cards Payable	-	1,327
Current Borrowings	1,000,000	1,000,000
TOTAL BORROWINGS	1,000,000	1,001,327
TOTAL CREDITORS, PROVISIONS & BORROWINGS	7,095,109	7,131,572

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

10 Statement of Cash Flows

	2011		2010
	\$		\$
a Reconciliation of Cash			
Cash on hand and at Bank	1,050,642		1,507,307
Cash Management Account	6,949,916		5,566,995
Balances as per Statement of Cash Flow	<u>8,000,558</u>		<u>7,074,303</u>
b Reconciliation of Change in Net Assets to Cash from Operating Activities			
Change in net assets after operations	- 1,068,220	-	309,842
Add			
Depreciation and Amortisation	2,233,370		673,970
Decrease in Trade & Other Receivables	1,054,865		-
Increase in Trade Creditors	353,074		-
Increase in Borrowings	-	-	4,536
Increase in Provisions	208,142		125,465
Increase in Other Current Liabilities	-		1,765,202
	<u>2,781,231</u>		<u>2,250,259</u>
Less			
Decrease in Trade Creditors	-		1,148,595
Decrease in Other Current Liabilities	596,352		-
Decrease in Borrowings	1,327		-
Increase in Trade and other receivables	-		1,032,001
Increase in Stock	140,891		220,442
Profit on sale of Fixed Assets	727		7,773
	<u>739,297</u>		<u>2,408,810</u>
Net Cash provided by operating activities	<u>2,041,934</u>	-	<u>158,551</u>

11 Operating Leases

	2011	2010
	\$	\$
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows		
Not later than 1 year	94,704	69,780
Later than one year and not later than 5 years	248,216	184,287
Later than 5 years	313,095	335,459

12 Commitments for Expenditure

No significant commitments for expenditure existed at 30 June 2011

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

13 Statement of Performance Measurement

	Amounts	Indicators
<u>1. CURENT RATIO</u>		
Factors		
<u>Current Assets</u>	10,599,369	1.57
Current Liabilities	6,765,182	
2. RATE COVERAGE RATIO		
Factors		
<u>Rate Revenues</u>	724,321	0.04
Total Revenue	17,659,879	
3. RATES & ANNUAL CHARGES OUTSTANDING PERCENTAGES		
Factors		
<u>Rates & Annual Charges Outstanding</u>	121,674	0.17
Rates & Annual Charges Collectible	724,321	

14 Conditions Over Grants & Contributions

	2011	2010
	\$	\$
Grant and Contributions that were obtained on the condition that they be expended on specific purposes or in a future period but which are not yet expended in accordance with those conditions, are as follows:		
Grant Liability from 08/09 Funding Year		
CDEP Wages	-	488,557
Jobs Transition S & Rec	-	4,878
Heavy Plant and Equipment	5,209	5,209
Regional Night Patrol	143,407	143,407
CDEP 05/06 Capital Funding	114,789	114,789
Skin Group Forums - CDEP Transition Funding	-	41,450
Community Infrastructure – Wurankuwu (117600)	25,457	30,485
Indigenous Women's Programs	42,355	42,355
08/09 Grant Liability Total	331,217	871,130
Grant Liability from 09/10 Funding Year		
OSHC Nguu	- 4,221	- 4,221
OSHC Pirlangimpi	-	- 4,944
OSHC Milikapiti	6,481	6,481
Child Care Centre	42,275	34,174
VAC Shire	43,778	43,778
Milikapiti Child Care Centre	18,048	75,559
Jirnani Capital Works 08/09 surplus OSHC	964	30,945

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

14 Conditions Over Grants & Contributions continued

Child Care policies & procedures 08/09 surplus	50,000	50,000
Tracking Data Base 08/09 surplus	11,051	46,015
Jirnani Capital Works-	53,341	-
Regional Night Patrol	-	62,885
Pirlangimpi Recycle Project	1,831	1,831
Men's Carpentry	115	115
CDEP Participant Wages	273,619	280,951
CDEP 09/10	175,509	765,509
DOHA Sport & Recreation Program	-	8,825
Skin Group Forums - CDEP Transition Funding	-	35,652
Active Remote Communities	-	33,511
Pirlangimpi Hall upgrade	30,000	30,000
International Women's Day	-	1,200
CTG - Appoint Independent Advisor	9,444	20,780
CTG - Shade n Play Milikapiti	25,000	25,000
CTG - Indigenous Women's Group	8,692	30,000
CTG - Skin Group Programs	33,454	75,825
CTG - Repairs Pirlangimpi Library	17,582	50,400
CTG - Flood Lighting Nguui	70,000	70,000
CTG - BMX Track Skate Park Nguui	10,000	10,000
CTG - Repairs to sport & recreation halls Milikapiti & Nguui	25,000	25,000
SPG - Repairs to Public Toilets Pirlangimpi and Nguui	-	21,600
SPG - Shire Slashing and mowing equipment	-	122,659
CTG - Water Park Feature Milikapiti	47,370	65,000
Outstation Community Converted Salary	36,096	36,096
New Bore and Wurankuwu Outstation	-	140,909
RLCIP \$30K Skate park Nguui	22,929	30,000
Shade Structure for Cemeteries	60,000	-
09/10 Grant Liability	1,050,609	2,221,535

Grant Liability from 10/11 Funding Year

Regional Night Patrol	80,385	-
CDEP Participant Wages 10/11	272,548	-
CDEP Development & Support	476,237	-
Soft Ball Competition NRETAS	4,000	-
Animal Control Compounds	30,000	-
Misc repairs to Bores	46,810	-
Shires Street Naming Project	2,500	-
NAIDOC Week	3,000	-
Pirlangimpi Establishment Funding 1-F46ZDEEWR	31,721	-
RIBs Broadcasting	6,578	-
Festivals- A Break on the Island	26,200	-
Dual Drive Motor Vehicle	39,500	-
Youth Activities - Melville Island	276	-
Community Fitness Program	4,844	-
Outstation Community Converted Salary	9,160	-
NT Job Packages Broadcasting (BRAC)	14,963	-
Municipal & Essential Services Program	32,049	-
Milikapiti Child Care Centre	28,104	-
	1,108,876	-

Total Grant Liability

2,490,702	3,092,665
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TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

15(a) Financial Risk Management

The main risks the Council is exposed to through its financial instruments are liquidity risk, credit risk, market risk and interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the council will not be able to meet its obligations as and when they fall due. The Council manages its liquidity risk by monitoring cash flows and also through its budget management process. Due to the nature of its business, the Council is able to estimate its income and cash flows based on grant funding timeframes. (16a)

Credit Risk

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, is limited to the total carrying value of financial assets, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council. The majority of the Council's debtors are government owned and funded entities and credit risk of Council is low.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. Exposure to market risk is closely monitored by the Council.

The Council does not have any material market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The council manages its interest rate risk by maintaining floating rate cash and floating rate debt. For further details on interest rate risk refer to note 15(b).

Sensitivity analysis

At balance date, the Council had the following assets exposed to variable interest rate risk:

	2011 \$	2010 \$
Financial Assets		
Cash at bank	8,000,558	7,073,273
Investment	-	-
	<u>8,000,558</u>	<u>7,073,273</u>
Financial Liabilities		
	-	-
	<u>-</u>	<u>-</u>

At balance sheet date Council has not entered into any loans or other financial commitments that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by Council and balances are cleared at month end.

The table below details the interest rate sensitivity analysis of the Council at balance date, holding all other variables constant. A 100 basis point change is deemed to be possible change and is used when reporting interest rate risk.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

15(a) Financial Risk Management continued					
	Change in Variable	Effect on Profit or Loss 2011	Effect on Equity 2011	Effect on Profit or Loss 2010	Effect on Equity 2010
Financial Assets					
Cash at bank and Investments	1%	80,006	80,006	70,733	70,733
	-1%	- 80,006	- 80,006	- 70,733	- 70,733
Financial Liabilities					
	1%	-	-	-	-
	-1%	-	-	-	-

15(b) Terms, Conditions and Accounting Policies

The accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at balance date are as follows:

Recognised Financial Instruments	Balance Sheet Note	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Receivables – Trade	6	Trade Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Credit Sales are on a 30 day terms.
Term Deposits	5	Term Deposits are stated at the lower cost and net realisable value. Interest is recognised in the profit and loss when earned.	Term Deposits have effective interest rates of between 2.5 and 4.5 percent.
(ii) Financial Liabilities			
Trade Creditors	9	Liabilities are recognised for accounts to be paid in the future for goods and services received, whether or not billed to the organisation.	Trade Liabilities are normally settled on 30 day terms.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2011

15(c) Financial Instruments

Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for the financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period for the all financial instruments.

Financial Instruments	Within 1 year		1 - 5 years maturing in 1 year or less		Over 5 years maturing in 1 to 5 years		Total Carrying Amount	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets - cash flows realisable								
Cash on Hand	8,000,558	7,074,303	-	-	-	-	8,000,558	7,074,303
Trade and other receivables	1,817,216	2,872,082	-	-	-	-	1,817,216	2,872,082
Short Term Deposits	-	-	-	-	-	-	-	-
Total	9,817,774	9,946,384					9,817,774	9,946,384
Financial Liabilities due for payment								
Trade and other payables	1,998,136	1,645,062	-	-	-	-	1,998,136	1,45,062
Borrowings	1,000,000	1,000,000					1,000,000	1,000,000
Total	2,998,136	2,645,062	-	-	-	-	2,998,136	2,645,062

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

16 Related Party Transactions

(i) Responsible Persons

Names of person holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Lynette De Santis
Maralampuwi Kurrupuwu
Walter Kerinauia
David Boyd
Emmanuel Rioli
Marius Puruntatameri
Raelene Mungatopi
Richard Tungutalum
Teresita Puruntatameri
Henry Dunn
Kathleen Tipungwuti
Barry Puruntatameri

Chief Executive Officer

Alan Hudson

(ii) Remuneration of Responsible Persons

The aggregate compensation made to responsible persons and other members of key management personnel is set out below:

	2011	2010
	\$	\$
Short term employee benefits	594,630	537,251
Post employment benefits	-	-
Termination benefits	-	90,000

(iii) No retirement benefits have been made by the Council to a Responsible Person

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year 2010/11.

(v) No transactions other than remuneration payment or reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2010/11)

(vi) Investment in CouncilBiz

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008. Members of CouncilBiz include the Local Government Association of the Northern Territory and eight shire councils, including Tiwi Islands Shire Council. CouncilBiz provides IT services to the councils.

Upon the incorporation of CouncilBiz, the Council made an initial funding contribution to CouncilBiz of \$50,000.

TIWI ISLANDS SHIRE COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2011

(vi) Investment in CouncilBiz continued

Under the terms and conditions of CouncilBiz's constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members. Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation with a similar purpose as agreed to by the members and which has rules prohibiting the distribution of assets and income to its members.

As Council will not realise any returns from its funding contribution to CouncilBiz, Council expensed the \$50,000 when it was incurred.

(vii) Contingent Liabilities arising from interest in joint venture

Under the terms and conditions of the Constitution of CouncilBiz, Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2011, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

17 Auditor's Remuneration

	2011	2010
	\$	\$
Amounts received or due and receivable by the auditors of		
Tiwi Islands Shire Council	Auditors	Auditors
- Audit or review services	65,354	89,012
- Other Services	2,421	110,580