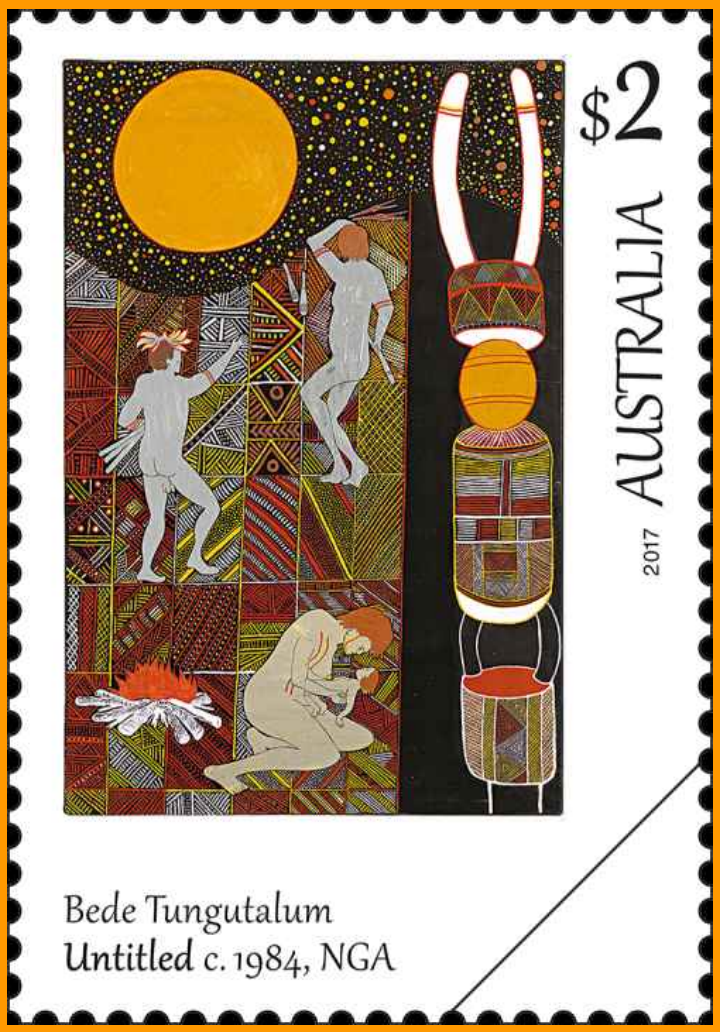
TIWI ISLANDS
Regional Council

ANNUAL REPORT
2016 - 2017



"Service for a Tiwi Future"

2016 – 17 Annual Report of the Tiwi Islands Regional Council
ABN 61507431031
Doc. Ref. 157586
ISBN 978-0-9944484-3-9

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ACRONYMs

ALGWA	Australian Local Government Women's Association
CEO	Chief Executive Officer
HR	Human Resources
IT	Information Technology
ICT	Information and Communications Technology
JSA	Job Safety Analysis
LGANT	Local Government Association Northern Territory
MOU	Memorandum of Understanding
NBN	National Broadband Network
RA	Risk Assessment
SLA	Service Level Agreement
TIRC	Tiwi Islands Regional Council
WHS	Workplace Health and Safety

MAYOR'S FOREWORD

I have just started my term as the Mayor for Tiwi Islands Regional Council. I have been a Councillor in the previous Council, starting in mid-term, around 2014.

My focus will be on addressing the compliance requirements of Council, ensuring that each Councillor has a clear understanding of their roles and responsibilities, to engage with their portfolios and to engage more with their communities.

Some of the challenges we face are to develop adequate bylaws, to ensure financial stability and funding for Council's programs and infrastructure and to work with other organisations on the island to develop community projects to benefit everyone.

We need to be working with skin groups and with the community to rekindle pride in our communities and our townships. We need to address public gambling, rubbish and litter, public behaviour, fighting and drinking in public. We want to cooperate more with Community Safety and the police to address some of these issues.

I want the Council to be able to operate as a normal Council; free of the issues we have faced in the past few years, compliant with regulations and legislation, and if possible, as a standard for good Councils in the Northern Territory.

I want to see the Council, other organisations and the community working together to improve the quality of life of all Tiwi people.

CHIEF EXECUTIVE OFFICER FOREWORD

Over the past year Council has sought to resolve a number of serious legacy issues while maintaining quality services for our region. We are working tirelessly to restore community pride in our organisation, to improve business confidence and to provide best practice local governance for the Tiwi Islands.

The challenges faced by Council are significant and varied. Sustainable financial recovery remains an ongoing objective. Achieving financial stability across the organisation will remain a crucial part of our journey as we seek to operate from a position that has a broader revenue base and, over the long term, reduce Council's reliance on tied government funding.

Despite our challenges TIRC continues to deliver effective services in the community with our strong Tiwi workforce. It's our proud record on Tiwi employment that will generate more opportunities for Tiwi people on our way towards achieving our mission of 'service for a Tiwi future'.

Our relationships with other stakeholders on the Tiwi Islands are based on respect and understanding. Our close working relationship with the Tiwi Land Council has continued to improve with better communication and collaboration helping to deliver results for our people.

While not in the 2016/17 financial year, the Local Government Elections resulted in six (6) new members being elected to Council. I would like to thank the outgoing members for their contributions and I look forward to working with the new council during their term. There remain several issues and ongoing challenges with financial sustainability for us to resolve, however I am confident we can work towards creating better outcomes for the Tiwi Islands Regional Council.

CONTACT US

The Tiwi Islands Regional Council operates offices in the communities of Wurrumiyanga, Pirlangimpi, and Milikapiti. The finance team are located in Darwin.

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

GENERAL	
Email:	info@tiwiislands.nt.gov.au
Website:	www.tiwiislands.org.au
Postal Address:	PMB 267, Winnellie NT 0822
Wurrumiyanga Office (Bathurst Island) Lot 834 Puti Drive	08 8970 9500
Pirlangimpi Office (Melville Island): Lot 317	08 8970 9600
Milikapiti (Melville Island): Lot 351	08 8939 4333

Copies of relevant Council documents are available on our website, www.tiwiislands.org.au

This information includes but is not restricted to:

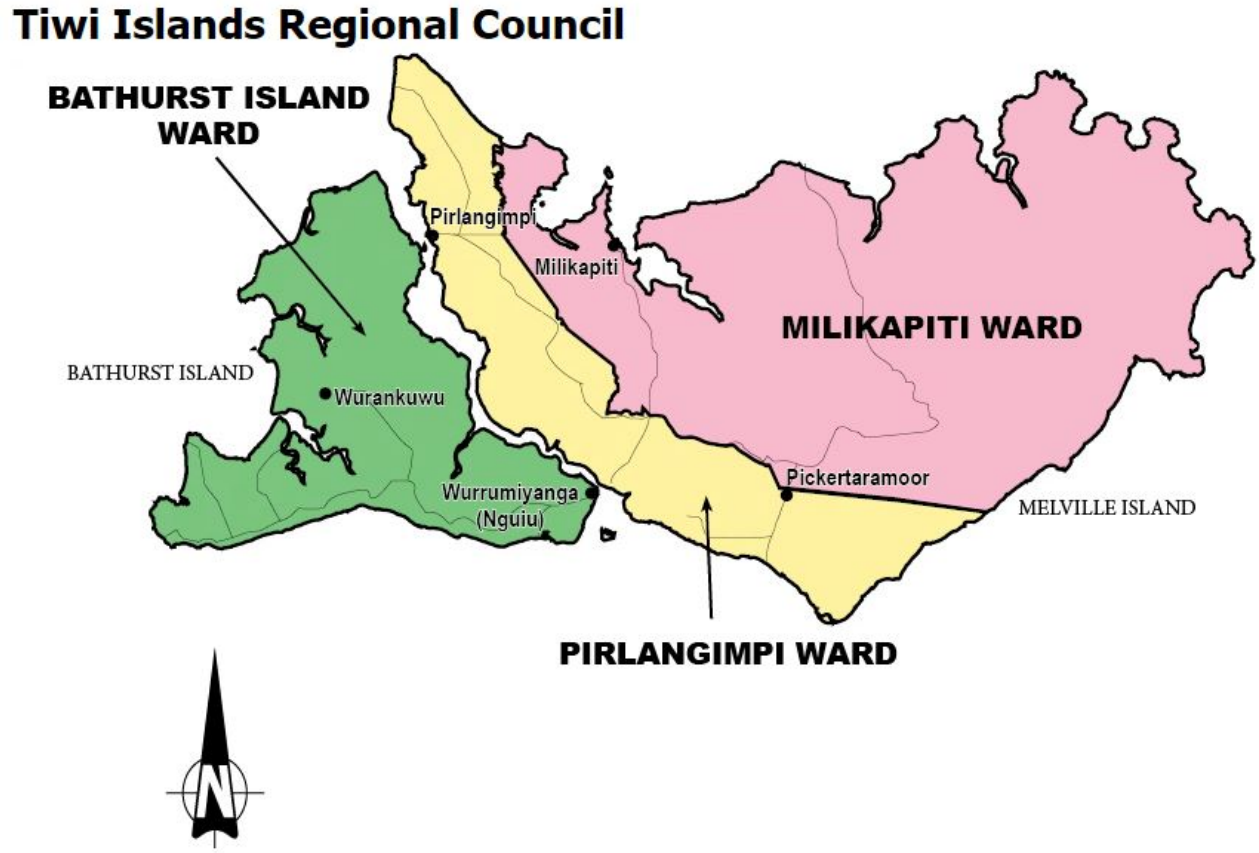
- Council Plans (current and historical)
- Annual Reports and Audited Financial Statements (current and historical)
- Budget, including Schedule of Fees and Charges (current and historical)
- Minutes of Ordinary Meetings of Council
- Council Policies.

VALUES and VISION

"Service for a Tiwi Future" - our Values and Visions:

- Develop and retain employees and emphasise the recruitment of local people
- Provide effective Council services to the Tiwi Communities and other stakeholders
- Management of finances, assets and infrastructure will be responsible, accountable and transparent
- Manage resources in an environmentally sustainable manner, respecting country and culture.
- Improve Council operations through decentralisation of Council services and functions
- Communicate in an open, honest and culturally appropriate way
- Achieve best practice in compliance and governance
- Facilitate the development of socio-economically responsible opportunities on the Tiwi Islands

COUNCIL BOUNDARIES



COUNCILLORS

Milikapiti

Councillor Lynette De Santis

Councillor Connell Tipiloura

Councillor Pius Tipungwuti

Pirlangimpi

Councillor Marius (Pirrawayingi) Puruntatameri

Councillor Regis Pangiraminni

Councillor Therese (Wokay) Bourke

Bathurst

Councillor Francisco Babui

Mayor Gawin Tipiloura

Councillor Kevin Doolan

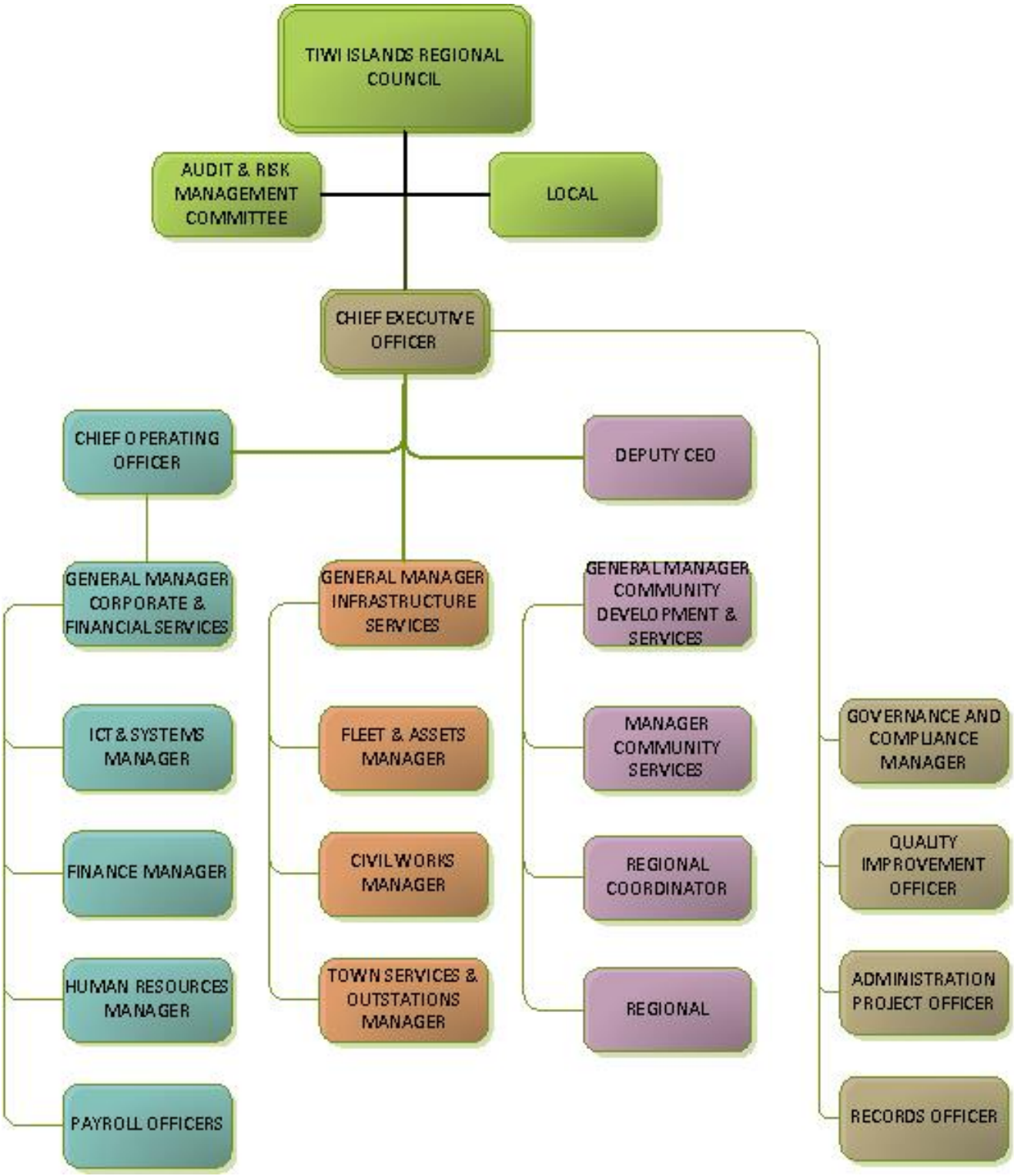
Councillor Leslie Tungutalum

Deputy Mayor Stanley Tipiloura

Councillor Wesley Kerinaiua

COUNCILLORS PORTFOLIOS			
DIRECTORATE	**Wurrumiyanga**	**Pirlangimpi**	**Milikapiti**
Infrastructure & Asset Services			
Fleet & Trade	Stanley Tipiloura	Regis Pangiraminni	Pius Tipungwuti
Civil Works	Stanley Tipiloura	Regis Pangiraminni	Pius Tipungwuti
Town Services & Outstations	Wesley Keriniaua		
Homelands	Wesley Keriniaua		
DIRECTORATE	**Wurrumiyanga**	**Pirlangimpi**	**Milikapiti**
Community Development & Services			
Children's Services	Kevin Doolan Cisco Babui	Therese (Wokay) Bourke	Connell Tipiloura
Sport & Rec and Libraries	Kevin Doolan Lesley Tungutalum	Therese (Wokay) Bourke	Connell Tipiloura
Youth & Community	Kevin Doolan Lesley Tungutalum	Therese (Wokay) Bourke	Connell Tipiloura
Community Safety	Kevin Doolan Wesley Keriniaua	Therese (Wokay) Bourke	Connell Tipiloura
DIRECTORATE	**Wurrumiyanga**	**Pirlangimpi**	**Milikapiti**
Corporate and Finance Services			
ICT & Systems	Gawin Tipiloura	Pirrawayingi Puruntatameri	Lynette De Santis
Finance	Gawin Tipiloura	Pirrawayingi Puruntatameri	Lynette De Santis
Governance & Compliance	Gawin Tipiloura	Pirrawayingi Puruntatameri	Lynette De Santis
Human Resources	Gawin Tipiloura	Pirrawayingi Puruntatameri	Lynette De Santis

CORPORATE STRUCTURE



SERVICE DELIVERY

Local government services and where in the region they are to be delivered.

Services	Council Actions
Maintenance and Upgrade of Council Controlled Parks, Reserves and Open Spaces	**Works Coordinators are employed in each community**
Maintenance and Upgrade of Council Controlled Buildings, Facilities and Fixed Assets	**Key staff employed to identify maintenance requirements across all buildings, facilities and assets and successful funding applications.** **Data collection and cost recovery is assisting with our capacity to repair or replace same.**
Management of Cemeteries	**Town Service teams will be directed to this area**
Lighting for Public Safety including Street Lighting	**Negotiations with PAWA are on-going.**
Local Road Upgrading and Construction	**Road works program developed to ensure main roads and frequently used access roads are maintained.**
Local Roads Maintenance	
Traffic Management on Local Roads	**Whilst funding for this purpose has been restricted it remains a minor but important part of the works program of the civil works crew in all locations**
Fleet, Plant and Equipment Maintenance	**All light vehicles are now included in the Council fleet with operating costs recoverable from users of fleet vehicles.**
Waste Management	**These services are delivered as part of the works program through Town Services.**
Weed Control and Fire Hazard Reduction In and Around Community Areas	**This is undertaken in conjunction with other stake holders particularly the Tiwi Land Council.**
Dog control	**Whilst no financial assistance is provided this is a key aspect of community safety and is effected through the regular provision of veterinarian services to all communities.**
Library and Cultural Heritage Services	**Council provides two Library spaces in Milikapiti and Pirlangimpi, with a part time officer at each location.**

Civic Events	**Council employs officers who promote Council-wide events and assist external agencies when needed**
Local Emergency Services	**Council's role in this is essentially one of co-ordination and participation through other stakeholders, especially NTPFES.**
Training and Employment of Local People in Council Operations	**This is an ongoing role that Council fulfils through staff development, recruitment and succession planning. The Workforce Development Plan provides detail on the processes undertaken.**
Administration of Local Laws (by-laws)	**Whilst no such by-laws currently exist initial discussions have identified Animal control and development/building consents and standards as priorities.**
Public and Corporate Relations	**A key priority in council's plan is its Communication Strategy, good communication and public relations with stakeholder groups and the various tiers of government.**
Customer Relationship Management including Complaints and Responses	**Council has implemented a complaints handling protocol to ensure both proper and appropriate responses to constituent's concerns and issues.**
Governance including Administration of Council Meetings, Elections and Elected Member Support. **Administration of Local Boards, Advisory Boards and Management Committees.**	**The Governance Unit comprising of a manager and officer provides effective leadership in Governance activities to support the strategic direction of Tiwi Islands Regional Council.** **This area is responsible for overseeing the establishment and ongoing implementation of good Governance structures and processes.**
Advocacy and Representation on Local and Regional Issues	**The Regional Council continues to work with Local Authorities as an integral part of our Community Consultation and Engagement strategy.** **Local Authorities exist in each Community, with Local Authority and Skin Groups representatives being sought in the coming year for representation on Council Sub-committees.** **Governance KPI's reflect our endeavour to ensure these core services are addressed.**

SERVICE DELIVERY PERFORMANCE

CHIEF EXECUTIVE OFFICER

CONTINUOUS QUALITY IMPROVEMENT

Objective

To support and mentor all staff to enable the Tiwi Islands Regional Council to meet the requirements for Best Practice as set out in the NT Local Government Act and all other relevant Legislative/Regulatory requirements.

Goals

To work with all staff to actively promote a high level of continuous quality improvement management systems across all programs and work areas within Tiwi Islands Regional Council

Key Performance Indicator	Measure of Success	Achievements
To develop, implement and review standards, systems, policies and procedures throughout the Council	Identified high risk areas in council and develop procedures and processes to minimize risk.	Collected 87 procedures, examining same if approved, standardizing document identification
Review personnel records to ensure that mandatory licenses, trade qualifications, certification relevant to each Employee.	All staff have current licenses, certification tickets and qualifications	Employees list collated, checking currency of licenses, trade qualifications and certification
Facilitate the development and implementation of key indicators along with reportable Key Performance Indicators to ensure Government funded programs continue to be funded	Continuation of council funding to the level currently received	Engaged with Management Team at regular monthly meetings on the proposed direction of the CQI management systems
Engage and liaise with Staff, Management, Elected Members (Council) and Community through procedures such as Client Surveys and Feedback, Client Satisfaction and Client Journey Improvements(for e.g. Childcare and Community Services programs	Engagement with Community, Board and Staff to establish if process and procedures within Council are satisfying Community needs.	Established regular meetings with Council staff and board. Council and Board survey initiated.

RECORD MANAGEMENT

Objective
Record Management is integral to efficient function of Council operations and is the discipline and organisational function of managing records to meet operational business needs, legal accountability requirements and community expectations.

Goals
To work with all staff to maintain adherence to the Records Management policy and the requirements of the Magiq Document's records management system.

Key Performance Indicator	Measure of Success	Achievements
Maintain Records Management Policy/Procedures	Council staff fully aware of records management procedures.	On going communication to council staff via meetings, emails and step by step procedural handouts.
Managing MAGIQ Documents.	Records training schedule developed for all council staff	Sixteen council staff booked into the training schedule
Ensure that all council documents are document controlled	Begun process of standardizing document identification, beginning with 'procedures'	Staff using standardized document control format

GOVERNANCE

The Governance team provides effective leadership in governance activities to support the strategic direction of Tiwi Islands Regional Council. This area is responsible for overseeing the establishment and ongoing implementation of good governance structures and processes.

High level management advice, guidance and support are provided to the Council, Council Committees, Senior Management and staff.

Governance support also extends to each community (Local Authority Members), and ensures ongoing compliance with NT Legislation and Regional Council policies and procedures.

Key Performance Indicators	Measure of success	Achievements
Compliant with Local Government Legislation	Clean compliant audit report from the Local Government Division of the Department of Housing and Community Development.	• Continued focus on the *Local Government Act* for compliance targets and to keep up to date with legislative changes. • Ongoing close liaison with the Department of Housing and Community Development to improve compliance issues.
Council Members are aware of their roles and responsibilities, separation of powers, and meeting attendance	Council Meetings are well attended, Quorums achieved, well structured Agendas with good understanding of reports by all councillors.	• Focus on Governance training for Councillors is an ongoing priority. • Councillor portfolios have been reviewed and are regularly updated and discussed at Council Meetings. • Council Meetings actively attended by all members.
Councillors Portfolios are recognised by Council staff and regular updates are provided by staff to Councillors on their portfolio areas of responsibility	Regular liaison between Councillors and relevant Council staff.	• Councillor Portfolio Meetings were held regularly.

Local Authorities are operating efficiently and working in conjunction with the Regional Council.	Regular meetings of Local Authorities are being held with information shared across communities providing a forum for community engagement	• Continued good working relationship between Council and Communities. • Local Authority have been operating for over three years and settling in well. • Local Authority Meetings actively attended by all members.
Council Policies and procedures are updated regularly to ensure compliance with NT and Federal Legislation.	Policy and procedures due for review during 16/17.	• A number of policies and procedures were reviewed and updated during the year. • The Compliance Review Report identified that some new policies were required which have now been adopted by Council. Further policies under review e.g.: Induction & Probation, Personal & Professional Behaviour, Staff Performance Management, Internal Dispute Resolution, Workplace Bullying, Staff Disciplinary, Motor Vehicle and HR Financial Delegation.

- There was one automatic dismissal of an Ordinary Council Member during 2016-17. (Councillor Irene Tipiloura (Milikapiti Ward) ceased as of the 18 May 2017. By-Election was not required due to the upcoming Local Government Elections set for 25 August 2017 and that Council does not fill the vacancy as per section 39 (5) (a) as the election is less than 3 months from election day. Since the Election, all positions are now filled.
- All Ordinary & Special Council Meetings proceeded as scheduled with a quorum present – some scheduled meeting dates were changed for weather or cultural reasons.
- 27 July 2016 meeting was deferred to 3 August 2016 due to the unavailability of a quorum.
- 28 September 2016 meeting was deferred to 29 September 2016 due to unforeseen circumstances.

- 7 December 2017 Special meeting was deferred to Ordinary Council meeting 14 December 2016.
- 25 January 2017 meeting was deferred to 30 January 2017 due to monsoonal weather Melville Island roads were closed.
- 23 February 2017 meeting was deferred to 28 February 2017 due to the unavailability of the CEO and Mayor attending AIATSIS National Indigenous Research Conference.
- 28 April 2017 meeting was deferred to 21 April 2017 due to a number of reasons such as funerals, unavailability of elected members.
- 25 May 2017 meeting was brought forward to the 18 May 2017 due to CEO and Mayor attending Uluru Voyages Forum.
- 17 August 2017 meeting was cancelled due to sorry business.
- 26 October 2017 meeting was brought forward to the 25 October due to the unavailability of quorum.

PROFESSIONAL DEVELOPMENT AND TRAINING

Course / Conference	Location	Attendees	Dates
Local Government Chief Officers Group Conference	Darwin	Marius (Pirrawayingi) Puruntatameri	13 – 15 July 2016
Australian Institute of Aboriginal & Torres Strait Islander Studies (AIATSIS) Conference	Melbourne	Mayor Lynette De Santis	17 – 20 July 2016
Governance Essentials Course (AICD)	Darwin	Mayor Lynette De Santis	25 – 26 November 2016
Joint Kimberly and Northern Territory Forum & Workshop	Alice Springs	Mayor Lynette De Santis	29– 30 November 2016
LGANT Mayors and President Forum	Alice Springs	Mayor Lynette De Santis	30 November 2016
LGANT Annual General Forum	Alice Springs	Mayor Lynette De Santis	1 – 2 December 2016
Uluru Voyages	Uluru	Mayor Lynette De Santis	22 – 27 May 2017

COUNCILLOR MEETING ATTENDANCE

Note: There were no special meetings held during 16/17 period.

TIWI ISLANDS REGIONAL COUNCIL
COUNCIL MEETINGS – 2016 – 17 F/Y
OFFICIAL ATTENDANCE REGISTER

COUNCILLOR	WARD	Aug 03 ORD W	Aug 31 ORD W	Sep 29 ORD M	Oct 26 ORD W	Nov 23 ORD P	Dec 14 ORD M	Jan 30 ORD W	Feb 28 ORD P	Mar 30 ORD M	Apr 21 ORD W	May 18 ORD P	Jun 29 ORD M
1. Lynette Jane De Santis - Mayor	Milikapiti	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
2. Mariur Puruntatameri - Deputy Mayor	Pirlangimpi	Y	Y	Y	X	Y	Y	Y	Y	A	A	A	Y
3. Anita Maroon (Appointed 28 June 2013)	Milikapiti	Y	Y	Y	X	Y	Y	Y	Y	Y	Y	Y	Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti	Y	Y	A	Y	A	Y	Y	X	A	X	X	
5. Emmanuel Riali	Pirlangimpi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y
6. Therese Bourke	Pirlangimpi	Y	Y	A	A	Y	Y	Y	Y	A	Y	Y	Y
7. Venard Pilakui (Appointed 17 October 2014)	Wurankuwu	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
8. Barry Puruntatameri	Nguiu	A	A	Y	Y	Y	Y	X	A	A	Y	Y	Y
9. Leslie Tungutalum	Nguiu	Y	Y	A	X	Y	Y	Y	Y	Y	A	Y	Y
10. John Naden	Nguiu	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
11. Gavin Tipiloura	Nguiu	Y	Y	Y	Y	A	Y	Y	A	Y	Y	Y	Y
12. Stanley Tipiloura (Appointed 27 April 2016)	Nguiu	A	Y	A	X	A	Y	Y	A	A	A	Y	Y

COUNCILLOR	WARD	Jul 27 LA W	Aug 30 LA P	Sep 28 LA M	Oct 27 LA W	Nov 22 LA P	Dec 13 LA M	Jan 24 LA W	Feb 27 LA P	Mar 29 LA M	Apr 19 LA W	Jun 6 LA P	Jun 28 LA M
1. Lynette Jane De Santis - Mayor	Milikapiti		A	Y	Y	A	Y		A	Y	A	A	Y
2. Mariur Puruntatameri - Deputy Mayor	Pirlangimpi		Y		A	Y			Y			A	
3. Anita Maroon (Appointed 28 June 2013)	Milikapiti			Y			Y			Y			Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti			A			A			A			
5. Emmanuel Riali	Pirlangimpi		Y			Y			Y			A	
6. Therese Bourke	Pirlangimpi		Y			Y			Y			Y	
7. Venard Pilakui (Appointed 17 October 2014)	Wurankuwu	Y			Y			Y			Y		
8. Barry Puruntatameri	Nguiu	Y			Y			Y			Y		
9. Leslie Tungutalum	Nguiu	Y			A			Y			A		
10. John Naden	Nguiu	Y			Y						Y		
11. Gavin Tipiloura	Nguiu	A			Y			Y			Y		
12. Stanley Tipiloura (Appointed 27 April 2016)	Nguiu	A			A			Y			A		

Note 1: Councillors attendance at Local Authority Meetings is only mandatory for their own Ward.

LEGEND	
Meeting Type	**Location**
ORD - Ordinary Meeting	W - Wurrumiyanga (Nguiu)
SP - Special Meeting	P - Pirlangimpi
LA - Local Authority Meeting	M - Milikapiti
SLA - Special Local Authority Meeting	
Attendance	**NT LG Act - Councillor will be automatically disqualified from Council if absent (without approved apology) from two consecutive ordinary meetings.**
Y - Present at Meeting	
A - Apology accepted	
X - Apology not accepted	
C - Meeting cancelled	

LOCAL AUTHORITIES

The Governance team also provides support to the Local Authorities on the Tiwi Islands. The Council has established three Local Authorities at Wurrumiyanga, Pirlangimpi and Milikapiti Communities. These three Local Authorities have now been operating for over 2 and a half years and have been well accepted as a form of Community Consultation through the Council.

Each Local Authority meets on a quarterly basis with additional meetings held during the Council Plan and Budget preparation stage (February to June each year).

A gazette notice was released on 16 June 2017 of the merging of wards which merges Nguiu and Wurankuwu wards to create one ward, with the new name of Bathurst Island Ward. The new ward is to have six elected members. This change was approved by Minister Gerry McCarthy, Minister for Housing and Community Development.

Wurrumiyanga (17 Members)

The membership structure for Wurrumiyanga Local Authority is comprised of the following:

- 6 Council Members representing Bathurst Island Ward
- 11 Ordinary Members representing 4 Skin Groups, Wurankuwu Community and 1 Non-skin
  Warntarringuwi (Sun) 2 Members
  Miyartuwi (Pandanus) 2 Members
  Lorrula (Rock) 2 Members
  Takaringuwi (Mullet) 3 Members
  Wurankuwu Community 2 Members
  Non Skin 1 Member

Pirlangimpi (12 Members)

The membership structure for Pirlangimpi Local Authority is comprised of the following:

- 3 Council Members representing Pirlangimpi Ward
- 9 Ordinary Members representing 4 Skin Groups and 1 Non-skin
  Warntarringuwi (Sun) 2 Members
  Miyartuwi (Pandanus) 2 Members
  Lorrula (Rock) 2 Members
  Takaringuwi (Mullet) 2 Members
  Non Skin 1 Member

Milikapiti (12 Members)

The membership structure for Milikapiti Local Authority is comprised of the following:

- 3 Council Members representing Milikapiti Ward
- 9 Ordinary Members representing 4 Skin Groups and 1 Non-skin
  Warntarringuwi (Sun) 2 Members
  Miyartuwi (Pandanus) 2 Members
  Lorrula (Rock) 2 Members
  Takaringuwi (Mullet) 2 Members
  Non Skin 1 Member

Local Authority Project Funding (LAPF)

Each financial year (commencing 14/15 FY) the Department of Local Government & Community Services provides Council with specific grant funding which can be utilised for Community Projects.

Local Authorities discuss potential projects and recommend final projects final projects to Council for approval. This program has proven to be very popular with each local community allowing specific projects to be undertaken. Specific LAPF project details are available on the Council website.

Completed Local Authority Projects

Wurrumiyanga

Project ID	Project Description	Amount
WLA 14 – 1	Cemetery consultation	$19,100
WLA 14 – 11	Swimming pool filters	$9,089
WLA 15 – 2	Litter reduction – rakes and bags for residents	$4,036
WLA 15 – 5	2016 Bush holiday – transport	$744
WLA 16 – 7	New Years Eve community celebration	$983
WLA 17 – 1	Small mammal protection on Tiwi Islands project	$2,273
WLA 17 – 2	2017 Territory Day Display	$4,545
WLA 17 – 4	ANZAC Day BBQ	$566
WLA 17 – 6	2017 Bush holiday – fuel and incentives	$8,507

Pirlangimpi

Project ID	Project Description	Amount
PLA 14 – 3	Solar lighting at barge landing	$11,000
PLA 14 – 7	Fencing of pool public toilet to make it available out of hours	$1,125
PLA 15 – 1	Eyewash station at swimming pool	$1,400
PLA 15 – 3	Community BBQ areas – contribution to Alcohol Reference Group project	$13,636
PLA 16 – 1	Renovations at the church – painting	$5,200

Milikapiti

Project ID	Project Description	Amount
MLA 15 – 8	Supply and install additional solar led light at the barge landing	$4,600
MLA 16 – 4	Extend existing cemetery	$10,000
MLA 16 – 10	Upgrade outer basketball courts	$5,000
MLA 16 – 11	Sponsorship – basketball team uniform	$2,000
MLA 16 – 13	Purchase of grand stands	$25,000
MLA 17 – 1	Karslake bores and tanks repairs	$9,900

Listed on the following pages are the meeting attendance records for 16/17 financial year for each local authority.

TIWI ISLANDS REGIONAL COUNCIL
WURRUMIYANGA LOCAL AUTHORITY MEETINGS - Jul 2016 - Apr 2017
OFFICIAL ATTENDANCE REGISTER

MEMBER NAME	COUNCILLOR / ORDINARY MEMBER	Rep Group	Date Appointed by Council	Jul 26 ORD W	Oct 27 ORD W	Jan 24 ORD W	Apr 19 ORD W
Barry Puruntatameri	Nguiu Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	Y
Leslie Tungutalum	Nguiu Ward Councillor	Council Rep	Automatic Member	Y	A	Y	A
Stanley Tipiloura	Nguiu Ward Councillor	Council Rep	Automatic Member	A	A	Y	A
John Naden	Nguiu Ward Councillor	Council Rep	Automatic Member	Y	Y	A	Y
Gawin Tipiloura	Nguiu Ward Councillor	Council Rep	Automatic Member	A	Y	Y	Y
Venard Pilakui	Wurankuwu Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	Y
Francisco Babui	Ordinary Member	Warntarringuwi (Sun)	11-Mar-14	Y	Y	Y	Y
Marie Francis Tipiloura	Ordinary Member	Warntarringuwi (Sun)	11-Mar-14	A	Y	A	Y
John Ross Pilakui	Ordinary Member	Miyartuwi (Pandanus)	11-Mar-14	Y	Y	Y	Y
Richard Tungatalum (Chairperson Appointed 23-12-16	Ordinary Member	Miyartuwi (Pandanus)	11-Mar-14	Y	Y	Y	A
Ronald Joseph Tipungwuti	Ordinary Member	Lorrula (Rock)	30-Jul-14	A	Y	Y	A
Jane Marie Puautjimi	Ordinary Member	Lorrula (Rock)	11-Mar-14	A	Y	Y	Y
Bonaventure Timaepatua	Ordinary Member	Takaringuwi (Mullet)	11-Mar-14	A	A	Y	A
Mavis Lear Kerinaiua	Ordinary Member	Takaringuwi (Mullet)	11-Mar-14	Y	Y	Y	Y
Teresita Puruntatameri (Resigned 01-09-2016)	Ordinary Member	Takaringuwi (Mullet)	11-Mar-14	Y	A		
Richard Tipumantumirri	Ordinary Member	Wurankuwu	11-Mar-14	A	A	Y	A
Miriam Agatha Tipungwuti	Ordinary Member	Wurankuwu	11-Mar-14	Y	A	Y	A
Kevin Doolan	Ordinary Member	Non-Skin	11-Mar-14	Y	A	A	Y

LEGEND

Meeting Type	Location
LA = Local Authority Meeting (Ordinary)	W = Wurrumiyanga
SP = Local Authority Meeting (Special)	D = Darwin

Attendance
Y = Present at Meeting
A = Apology accepted
X = Apology not accepted
C = Meeting cancelled

Note 1: Councillors attendance at Local Authority Meetings is only mandatory for their own Ward.

Note 2: Ordinary Meetings are held every three months, with 2 additional (Special Meetings) held between Feb to June each year for input into TIRC Strategic Planning / Budgets.

TIWI ISLANDS REGIONAL COUNCIL
PIRLANGIMPI LOCAL AUTHORITY MEETINGS - Jul 2016 - Jun 2017
OFFICIAL ATTENDANCE REGISTER

MEMBER NAME	COUNCILLOR / ORDINARY MEMBER	Rep Group	Date Appointed by Council	Aug 30 ORD P	Nov 22 ORD P	Feb 27 ORD P	Jun 6 ORD P
Pirrawayingi - Deputy Mayor	Pirlangimpi Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	A
Emmanuel (Manyi) Rioli	Pirlangimpi Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	A
Therese (Wokay) Bourke	Pirlangimpi Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	Y
Francesca Puruntatameri	Ordinary Member	Warntarringuwi	27-May-15	Y	Y	Y	Y
Anne Marie Puruntatameri	Ordinary Member	Warntarringuwi	28-Feb-17	A			
Simona Jane Wonaeamirri	Ordinary Member	Miyartuwi	25-Feb-15	Y	Y	Y	Y
Carol Maria Puruntatameri	Ordinary Member	Miyartuwi	11-Mar-14	Y	Y	Y	Y
Miriam Stassi	Ordinary Member	Lorrula	25-Nov-15	Y	A	A	A
Henry Dunn	Ordinary Member	Lorrula	11-Mar-14	A	Y	A	Y
Regis Pangiraminni (Chair)	Ordinary Member	Takaringuwi	11-Mar-14	Y	Y	Y	A
Patrick Gerard Puruntatameri	Ordinary Member	Takaringuwi	11-Mar-14	Y	Y	Y	Y
Ebony Williams-Costa	Ordinary Member	Non-Skin	24-Sep-14	Y	A	Y	A
Anne Marie Puruntatameri Resigned 22-11-2016	Ordinary Member	Warntarringuwi	11-Mar-14				

LEGEND

Meeting Type	Location
LA = Local Authority Meeting (Ordinary)	P = Pirlangimpi
SP = Local Authority Meeting (Special)	D = Darwin

Attendance
Y = Present at Meeting
A = Apology accepted
X = Apology not accepted
C = Meeting cancelled

Note 1: Councillors attendance at Local Authority Meetings is only mandatory for their own Ward.

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TIWI ISLANDS REGIONAL COUNCIL
MILIKAPITI LOCAL AUTHORITY MEETINGS - Jul 2016 - Jun 2017
OFFICIAL ATTENDANCE REGISTER

MEMBER NAME	COUNCILLOR / ORDINARY MEMBER	Rep Group	Date Appointed by Council	Sep 28 ORD M	Dec 13 ORD M	Mar 29 ORD M	Jun 28 ORD M
Lynette De Santis - Mayor	Milikapiti Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	Y
Anita Moreen	Milikapiti Ward Councillor	Council Rep	Automatic Member	Y	Y	Y	Y
Irene Tipiloura (Automatically dismissed as of 18/6/17)	Milikapiti Ward Councillor	Council Rep	Automatic Member	A	A	A	X
Trevor Wilson	Ordinary Member	Warntarringuwi (Sun)	16-Dec-15	Y	A	Y	A
Mary E Moreen	Ordinary Member	Warntarringuwi (Sun)	11-Mar-14	Y	Y	Y	Y
Thomas Puruntatameri	Ordinary Member	Miyartuwi (Pandanus)	11-Mar-14	Y	Y	Y	A
Connell Tipiloura	Ordinary Member	Miyartuwi (Pandanus)	11-Mar-14	Y	A	A	Y
Pius Tipungwuti	Ordinary Member	Lorrula (Rock)	11-Mar-14	Y	Y	Y	Y
Loretta Cook	Ordinary Member	Lorrula (Rock)	11-Mar-14	A	Y	A	Y
Malcolm Wilson	Ordinary Member	Takaringuwi (Mullet)	24-Jun-15	A	Y	Y	Y
Christine Joran	Ordinary Member	Takaringuwi (Mullet)	11-Mar-14	Y	Y	A	Y
Andrew Lyons	Ordinary Member	Non-Skin	29-Jun-16	Y	A	Y	A

LEGEND

Meeting Type	Location
LA = Local Authority Meeting (Ordinary)	M = Milikapiti
SP = Local Authority Meeting (Special)	D = Darwin

Attendance
Y = Present at Meeting
A = Apology accepted
X = Apology not accepted
C = Meeting cancelled

Note 1: Councillors attendance at Local Authority Meetings is only mandatory for their own Ward.

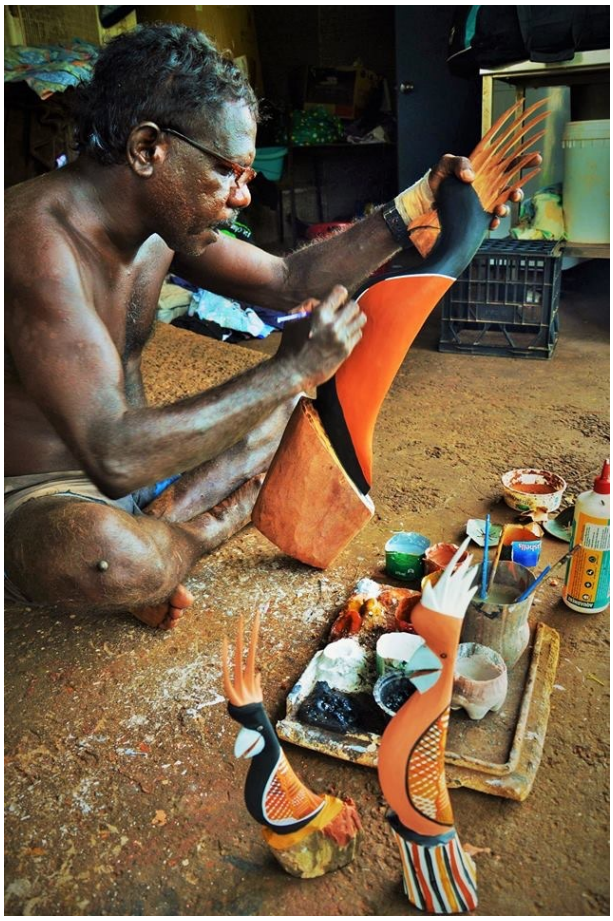
Note 2: Ordinary Meetings are held every three months, with 2 additional (Special Meetings) held between Feb to June each year for input into TIRC Strategic Planning / Budgets.

AUDIT AND RISK MANAGEMENT COMMITTEE

During the 2016/17 period Council established the Audit and Risk Management Committee (ARMC) consisting of two independent members and three elected members.

Meetings were held on the following dates.

21 February 2017 – Darwin – Informal meeting
16 May 2017 – Wurrumiyanga
15 August 2017 – Wurrumiyanga



HUMAN RESOURCES

Human Resources provide strategic leadership to encourage best practice in the management of the staff of the Tiwi Islands Regional Council. It supports a distributed environment through leadership, policy development, operational services, consultancy and advice.

Areas covered include – recruitment and appointment, payroll functions, training and staff development, Workplace Health and Safety and mentoring.

Goals

- Improve quality assurance through development of streamlined procedures and processes in Human Resources and Payroll,
- Payroll processing within three days of the end of pay period,
- Improve the Work, Health & Safety & Risk Management capacity of the organisation.

Key Performance Indicators	Measure of success	Achievements
Maintain organisational structure and record changes to demographics	Point in time update of the organisational structure as changes occur during the year. Monthly report on new staff, terminations and, recruitment status for vacancies, and demographics by locality for gender, age and Tiwi staff.	Regular reports to Council and other agencies as requested on staff demographics.
Key Performance Indicators	**Measure of success**	**Achievements**
Payroll is completed on time and HR data is current and accurate	100% of timesheets received are processed	All timesheets submitted have been processed for the fortnightly payroll run within 4 days of pay period ending
Workplace Health and Safety Committee meetings organised	6 WHS Committee meetings per year.	WHS meetings restarted this year after a short break

Staff Development	Report the type and number of courses run and number of participants	Each directorate organises their own training. Human Resources assist when requested.

8/06/2016

Community	Wurrumiyanga	Pirlangimpi	Milikapiti	Darwin	Total	%
Total	78	31	25	7	141.00	%
M	46	14	14	4	78.00	55%
F	32	17	11	3	63.00	45%
Tiwi	63	28	21	0	112.00	79%
Non Tiwi	15	3	4	7	29.00	21%
FT	55	18	14	5	92.00	65.2%
PT	9	10	9	1	29.00	20.6%
Casual	14	3	2	1	20.00	14.2%
<25	6	4	8	0	18.00	12.8%
25 - 40	31	14	10	3	58.00	41.1%
>40	41	13	7	4	65.00	46.1%

July 2017

	Wurrumiyanga	Pirlangimpi	Milikapiti	Darwin	Total	%
Total	86	33	28	7	154	
M	57	15	17	3	92	60%
F	29	18	11	4	62	40%
Tiwi	72	32	26	0	130	84%
Non Tiwi	14	1	2	7	24	16%
FT	48	16	14	5	83	53.9%
PT	12	9	7	1	29	18.8%
Casual	26	8	7	1	42	27.3%
<25	7	4	9	0	20	13.0%
25 - 40	38	16	11	3	68	44.2%
>40	41	13	8	4	66	42.9%

Highlights:

- HR forms have been updated
- Workplace Health and Safety Committee meetings have commenced and recorded.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

ICT provides services to all of the Council, and covers a wide range of areas crucial to the Council's business and operations. Mobile phones, satellite phones, laptops, desktops, printers, projectors, cameras, routers, switches and IP Phones are some of the hardware provisioned, managed, maintained, updated and serviced by this department. We provide services to all staff and Councillors such as password recovery and reset, email, mobile, satellite and land line phones, printing, file management, computer security, software purchase and update, internet connectivity, IT and E-Waste policy, and multi-media and event support.

Key Performance Indicator	Measure of Success	Achievements
Reduce overall Communications costs.	Reduced communications costs Reduced Telstra monthly bill End to end service provision	Average monthly Communications bill reduced by 5%
Maintain, upgrade and manage the replacement of all	Smooth functioning of all ICT assets. Regular inspections.	Asset register for all ICT equipment maintained. Asset register shared with finance to

Council ICT equipment,	Regular turnover of out of warranty ICT equipment.	manage ICT Allocations and ICT budget costs
Maintain and develop Council communications	Increased public profile of TIRC. Engagement of local businesses in TIRC communications projects. Compliance with NTG. Regulations.	Regular updates to website, regular posting to Tiwi Islands Facebook pages.

Highlights:

- New Telstra network installed into each office – the first major upgrade since 2008.
- Introduction of IP Telephony and video conferencing technology in each office
- Installation of Smart TV in conference rooms at all Council offices
- End to end single service provider for all Council offices on the Islands (Wurrumiyanga Office network previously involved TIRC, Telstra as connectivity provider, NTG via NEC as maintenance and service provider on routers and switches and CouncilBIZ as contact for outages and billing.)
- Working with SeaSwift, Keep Australia Beautiful NT and TechCollect to manage the recycling of e-waste off the islands.

COMMUNITY ENGAGEMENT

Council's community engagement team support participation by Tiwi Island residents in the development, delivery and presentation of culturally appropriate and safe events, including Australia Day, ANZAC Day, Territory Day, Tiwi islands Football League Grand Final and NAIDOC Week.

Key Performance Indicator	Measure of Success	Achievements
Organise Community Events	Increase organisations participation. Increase audience attendance	• This was achieved
Organise performances	Increase organisations participation. Increase audience attendance	• This was achieved
Promotion of Tiwi Islands events and Brand.	Increased number of printed articles. Monitor and grow electronic hit	• This was achieved

Continue developing Events Risk Assessment (RA)	Signed off by HR. All risks are minimised	• This was not achieved
Events Facilities	All events held at TIRC facilities	• This was achieved

Highlights:

- TIFL grand-final showcased skills in youth, women's and men's games.

OFFICE ADMINISTRATION

Regional Council administration offices deliver information and services to community residents on a daily basis. Staff also provides regular information and support to Elected Members, General Managers and Council staff from other business units.

The administration office also provides assistance to external agencies and provides information when requested. The Office Managers provide support services to the Local Authority operations and its members.

Travel services are processed in the Pirlangimpi and Milikapiti offices for whole of Council, on a shared basis to ensure continual back up and service delivery. Both offices provide a mail

distribution point for their communities. The Milikapiti office also supports the provision of fuel to the community.

Australia Post Services at Wurrumiyanga are managed by the Officer Manager in Wurrumiyanga.

KEY PERFORMANCE OUTCOMES

Key Performance Indicators	Measure of success	Achievements
Office open and functioning	Count days each office has an unplanned closure, aim <5 days per year.	This has been achieved.
Budgets maintained and financial actions recorded	Provide monthly reports on variance to budget report on variances >10%, savings identified and re-assigned to offset any shortfalls	This has been achieved.
Local Authority meetings supported	Number of Local Authority meetings supported at community location against number of meeting scheduled	This has been achieved.

Highlights:

- Milikapiti Council staff, School staff and students and Tiwi Islands Training Employment Board participated on the 19th May 2016 in a Clean up day organised by the Alcohol Reference Group, food, refreshments and prizes donated from Milikapiti store and Sport and Social Club.
- Installation of new network – Virtual Meeting room set up and Business Media Phones handsets.
- Implementation of monthly Managers and Co-ordinators meeting
- Staff participation in White Ribbon Day march – 'Say no to Family Violence'

INFRASTRUCTURE AND ASSET SERVICES

The Regional Council's Infrastructure Department provides a variety of services across the Tiwi Islands and was led by the Director of Infrastructure. During 2015/16, this role was undertaken by three people, with an internal restructure in December 2015 changing the role's title to General Manager Infrastructure & Asset Services. The role provided executive leadership within the department and oversees the activities of the key business units within the department through their corresponding managers. The General Manager position is at time of print vacant.

CIVIL WORKS

Civil Works crew are located in all three communities, working primarily on road repairs and maintenance, and waste management at the rubbish tips. The Civil Works area also undertakes a range of other activities, including drainage works, earthworks and providing assistance with burials. The different crews come together to work on bigger projects, as required, on both islands. The different crews liaise daily with the Civil Works Manager and, when not required for Civil Works activities, work under the direction of the local Town Services Works Coordinator.

Key Performance Indicator	Measure of Success	Achievements
Road network is maintained	Roads remain open and in good condition throughout the year.	No road closures during the year. Reduced speed limits on Melville Island during the wet season, from 90 kmh to 40 kmh, helped to ensure the road remained open and trafficable throughout the year. All main gravel roads had one form up grade and one scratch grade, with some sections of road having a 'grade water and roll'. Bush roads received one scratch grade, just before the bush holiday season in June.
Upgrade works are completed to meet relevant	Projects are completed on time and budget to	Upgrade works focussed primarily on improving poor drainage areas through

standards	relevant standards.	installation of pipe culvers and headwalls. Improved safety on the Ranku Road was achieved with installation of marker posts.
R2R works are costed and acquitted	Programs are costed, completed and acquitted with no carry forwards or outstanding acquittals.	The acquittals for completed R2R projects have been finalised. R2R funds were drawn down near the end of the 2015/16 year in preparation for pavement rehabilitation and resealing works in Wurrumiyanga, which will be undertaken in the 2016/17 financial year.

Highlights:

- Roads remained trafficable and in fair to good condition throughout the year.
- MOU in place with Tiwi Plantations to ensure maintenance of the road network at Three Ways, on Melville Island during plantation harvesting activities.
- On-going discussions with the NT Government regarding improvements to connector roads on Melville Island that service Pirlangimpi, Milikapiti, Pickataramoor and Paru.
- Purchase of a D6 Bulldozer to augment road maintenance and contract work capabilities.

TOWN SERVICES

Town Services provides functions including maintenance of public parks, gardens and sporting ovals; drainage, waste collection and servicing of public toilets in all communities. Works Coordinators manage the day to day activities within their community and liaise daily with the Town Services Manager. In Wurrumiyanga Town Services also manage the Inter Island ferry and passenger boat services.

Key Performance Indicator	Measure of Success	Achievements
Meet National Compliance of marine services operations	Full compliance with National Marine Safety Board Regulations.	The three Council vessels continue to meet the Maritime Survey standard. Council provided regular barge/ferry services to the community however there was some downtime due to ferry maintenance requirements
Regular waste collection service	Waste collected twice weekly without interruption.	Two rubbish trucks are based in both Wurrumiyanga and Milikapiti with one based in Pirlangimpi; however ongoing breakdowns / vehicle damage have meant intermittent interruptions to the collection service in Wurrumiyanga and Milikapiti
Improve the appearance of communities	Public areas maintained throughout the wet season	Generally achieved in Pirlangimpi and Milikapiti, however it was very difficult to sustain within Wurrumiyanga due to ongoing breakdowns / vehicle damage of mowing / slashing equipment.

Highlights:

- Three new Tiwi works coordinators in Wurrumiyanga, Pirlangimpi and Milikapiti
- Staff completed Heavy Rigid Licences training, First Aid Training and Trauma and First Response Training with Care Flight
- New shelters and fencing at Wurrumiyanga Oval
- Completed new fencing of Wurrumiyanga Airport

AIRPORT INSPECTIONS AND MAINTENANCE

Airport Services provides inspections and maintenance services to the Department of Lands and Planning under contract. The services are performed by Airport Reporting Officers at each of the three communities and include daily inspections of the airstrip and immediate surrounds, maintenance of furniture and lighting, vegetation control such as grass slashing within the fenced area and other vegetation (tree) removal along approach and departure areas and emergency response.

Key Performance Indicator	Measure of Success	Achievements
Daily inspections	Daily log shows 100% compliant	Achieved
Reporting additional inspections	No work is performed outside of normal daily duties without finance being provided the details of who requests the assistance and time spent on the request.	No callouts at the three airports.
Maintenance completed	Maintenance completed as per agreed service schedules	Slashing, lights and fence repairs carried out as required by agreed service schedules.

Highlights

Two new windsocks installed at Bathurst Island airport

New windsock installed at Snake Bay airport

New Airport Frequency Response Unit control panel installed at Bathurst Island airport

Airport Reporting Officer training for 10 staff

FLEET SERVICES

Fleet Services operate workshops in all three communities, with the Fleet & Building Services Manager based in Wurrumiyanga. The workshops perform repairs and maintain all Council's light vehicles, plant and equipment, including light engines and lawn mowers. All workshops are capable of performing private works but Council assets take preference.

Fleet Services 'own' all of Council's vehicles and plant, excluding a few specially funded program vehicles, and hires these assets to other council business units on a daily, weekly or monthly basis. Daily and weekly rentals were mainly pool vehicles used by business units that did not have an annual vehicle allocation; whilst monthly rentals were for business units with allocated vehicles. Daily and weekly rentals were also required to pay for fuel, whilst the monthly rental charge included fuel.

Fleet Services were also responsible for buying and disposing of vehicles; and ensuring that all vehicles and plant were registered and in a roadworthy condition. This area was responsible for ensuring that there was always fuel available for Council use, fuel available for retail sales in Milikapiti and ensuring that fuel was ordered and delivered to the generator at Wuranku.

From a Council budgeting perspective, the workshops were separated into Local Authority areas whilst other fleet services were operated as a regional unit.

Key Performance Indicator	Measure of Success	Achievements
To have fully staffed and fully equipped workshops in each community with competent mechanics.	Less wrong diagnosis, less down time, and quicker turn around due to the right tools.	Wurrumiyanga workshop was fully staffed and equipped throughout the year. Milikapiti workshop was consistently staffed all year, although there was some change of staff Staffing of Pirlangimpi workshop has seen a rapid turnaround of mechanics mostly due to person reasons
The disposal of all obsolete and surplus plant, equipment.	A significantly reduced fleet.	Fleet has managed the disposal and purchase of Council vehicles over this period. Fleet disposed of dome plant

Key Performance Indicator	Measure of Success	Achievements
Bi-annual turn over of light vehicle fleet.	A one time turnover of light vehicles and have modern up to date fleet with less maintenance costs.	Six new light vehicles purchased in 15-16 will be due for replacement in 17-18 depending on access to funds

FIXED ASSETS

Fixed Assets includes the repair and maintenance to Council facilities, staff housing and commercially leased buildings, as well as the operation of accommodation facilities used by staff travelling to other communities and hired out to contractors and other external parties.

Key Performance Indicator	Measure of Success	Achievements
Response times to repairs	Repairs and maintenance delivered efficiently	Repairs across all aspects of building maintenance, including plumbing, electrical and carpentry, are undertaken as soon as possible; however delays are sometimes experienced due to significant time lags experienced with materials needing to be obtained from the mainland.
Council facilities hired to contractors and visitors to the islands	80% of accommodation hired over the year	This was achieved

Highlights:

- Renovation of two staff houses in Milikapiti
- New linen purchased for Wurrumiyanga Motel
- Conversion of staff house in Wurrumiyanga to accommodate visitors including Sydney University students

OUTSTATIONS, including MUNICIPAL & ESSENTIAL SERVICES and HOUSING MAINTENANCE

Providing services to the Outstations within Council's region, including delivery of municipal and essential services, is undertaken by Council's Outstations officers. They provide maintenance to essential service infrastructure such as bores, water tanks, water lines, generators, solar power systems and septic systems. Infrastructure and housing assets were inspected during the year and maintenance was completed as required. Generally the housing repairs and maintenance work was completed by the Outstations officers, however other tradesmen were utilised as necessary.

Outstations supported are Wuranku, Four Mile Camp, Paru, Takapirimili, Condor Point and Pitirimirra

Key Performance Indicator	Measure of Success	Achievements
Response times to repairs and maintenance	Repairs and maintenance delivered efficiently- minimal interruption to residents	Delays in materials delivery for repairs and replacement of equipment at Ranku and Paru.
Minimum inspections are completed	Practical component of grant acquittal completed.	Acquittals completed for grants in arrears, but some acquittals still to be completed..

Highlights:

- Replaced water tanks in Paru.
- New water pumps installed at Paru and Wuranku
- Updated the generator at Wuranku
- New fencing completed around Wuranku Bore Pump

PROJECT MANAGEMENT

Projects undertaken by Town Services Project Team included repairs and maintenance to Council facilities and staff housing, delivery of asset based grants (ABA / Special Purpose Grants and Community Infrastructure Grants), commercial works, HMP Fencing and Outstation housing repairs and maintenance. Some funding comes from grants and some from Local Authorities.

Key Performance Indicator	Measure of Success	Achievements
Projects completed within budget	No overspend on projects	60% of projects completed within budget
Deliver and acquit all grants within specified time frame	Grants delivered and acquitted within specified time frames	Although a number of projects were delivered within the specified timeframe, a significant number of community based projects remained incomplete at the end of the year. Council employed additional staff to assist with grant acquittals which has seen improvement in this area.
Responding to community requests for improvements to community infrastructure	Local Authority Projects managed by Council	Shade sails at Wurrumiyanga cemetery Barge Landing lights at Milikapiti and Pirlangimpi Pirlangimpi Pool shade Bench seating at Milikapiti airport

Highlights

- Engaged with TITEB to undertake construction and installation of bench seating at Milikapiti Airport
- Two new projects teams established at Milikapiti and Wurrumiyanga
- 85% Tiwi employment

COMMUNITY SUPPORT

The Community Support directorate is responsible for the provision of services through business units including

- Broadcasting,
- Office Administration (including Post Offices),
- Sports, Recreation and Libraries,
- Children's Services (including Families as First Teachers and School Meals Program),
- Youth Diversion,
- Community Safety
- Centrelink agencies (in Pirlangimpi and Milikapiti)

BROADCASTING

Communicating locally based messages in regards to health, education, local government and cultural information in local dialects, in a culturally appropriate way.

Key Performance Indicator	Measure of Success	Achievements
Employment of three Indigenous people	• All position filled	• This was part achieved, with 2/3 staff employed for the whole period and the third for the last two months of the period
Broadcast/Promote Tiwi Islands events and key messages	• Stakeholder engagement • Local messages broadcasted	• This was achieved
Establish an MOU with TEABBA	• MOU signed by both parties	• This was achieved

Highlights:

- Achieving employment of three staff.
- Broadcasting of Government and Community notices / announcements.

SPORT AND RECREATION AND LIBRARIES

The Tiwi Islands Sports and Recreation team provides sports and active recreational activities for all Tiwi residents. Sport and Recreation operate throughout all three communities on the Tiwi Islands.

Libraries in Milikapiti and Pirlangimpi provide a comfortable area for children and adults to read for pleasure or for information in a variety of topics. Libraries are well stocked with books and magazines suitable for all ages. Computers provided allow users to access through the Internet, a wide range of services including Research stations, Internet Banking, Desktop publishing and movie and photo editing..

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
The number of participants and activity	Participation numbers are 165 per month	• This has been achieved
Employment of Indigenous people	90% of employees are Indigenous	▪ This has been achieved with Indigenous representation being 100%.
Increase revenue	50% increase of revenue from last recorded 2015/16 figures	▪ This has been part achieved through pool and oval bookings
Workforce Training and Development	All staff participate in annual performance review and agree to undertake one training session per year	▪ This has been part achieved ▪ Staff participated in four training opportunities.
Increase in patronage	10% increase of patronage from the 15/16 figures	▪ Target partly achieved due to repairs and vacancy (Pirlangimpi)
Workforce Development	Annual performance review and agree to undertake one training session per year is made.	▪ Partly Achieved, two of the Librarians attended training.

Highlights:

- Sport & Recreation Officers completed various training courses including officiating and coaching in AFL, Rugby League, Touch Footy and reaccredited and Pool Life Guard.
- New Sports introduced being, Rugby League, Touch Footy and Athletics.

CHILDREN'S SERVICES

Regional Children's Service operates programs across 3 communities, these include:

- Long Day Care Centre at Wurrumiyanga – Jirnani Child Care Centre
- Two Crèche Services on Melville Island at Pirlangimpi and Milikapiti.
- Outside School Hours Care at Wurrumiyanga, Pirlangimpi and Milikapiti
- Families as First Teachers (Wurrumiyanga only)
- Pirlangimpi School Meals Program

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Working With Children	• Increase in delivery and participation in activities from previous year	▪ This is achieved with an increase in participation at our childcare centres and OSHC Programs.
Keep children's cultural identity strong	• Elders are teaching children to sing	• This is achieved with our staff teaching the children to sing and dance.
Working with families and the community	• Increased participation of Informed parents	▪ This is achieved with more parents attending activities holding information days, posting notices about activities and distributing parent letters.
Indigenous Employment	• 50% of staff are Indigenous	▪ This is achieved with
Meals Program	• Customer satisfaction	▪ This has been achieved

Highlights:

- Children's Service employees are all enrolled to complete a Diploma in Early Childhood Education and Care.
- 100% of employee Indigenous.

YOUTH AND COMMUNITY

Youth and Community provides a single point of contact for the effective and culturally appropriate formal and pre-court (Informal) diversion programs for Tiwi Youth, and provides a link between NT Police and referred youth from the Tiwi Islands communities. The aim of the Tiwi Islands Youth Diversion is to assist young Tiwi people using a cultural intervention model to divert young people away from the judicial system.

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Providing diversionary activities to you at risk of entering the youth justice system	• School visits delivering 'positive message' session • Increased attendance and participation at school • Links with stakeholders to provision supervised activities/programs	▪ This has been part achieved. ▪ This has been part achieved. ▪ This has been achieved with links to TITEB and business units within TIRC
Provide case management support of youth referred to a pre-court program	• Maximum of 40 youth to receive diversion	▪ This has been achieved, although the number of clients (formal and informal) was not 40.
Reintegration support for youth returning from detention centre, boot camps or community supervision	• Maximum of 16 youth to receive support to reintegrate	▪ This was not required due to having no children return from Boot Camp Program, detention centre or referred for community supervision.

COMMUNITY SAFETY

The Community Safety Service assists communities to take responsibility in the prevention of anti-social, harmful, destructive and illegal behaviours by offering community patrolling and safe transport to protect vulnerable people.

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Employment of Indigenous persons	• 90% representation are Indigenous	▪ This has been achieved
Community Patrols	• 5 patrols per week	▪ This has been achieved
Community and stakeholder collaboration	• One meeting in each quarter of the year.	▪ This has been partly achieved, with two meeting held in the period.
Reporting	• Departmental reports compiled accurately and submitted in a timely manner	▪ This has been achieved
Workforce Development	• All staff participate in annual performance review and agree to undertake one training session per year	▪ This has been partly achieved with the Manager receiving an annual performance review

Highlights:

- Letters of appreciation from Pirlangimpi Police and Assistant Commissioner Darwin Metropolitan Service for assistance given.

CENTRELINK AGENCIES

Provide a basic access, support and assistance service to Centrelink Customers, including referral services for specialist assistance.

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Maintain a high level of service	• Customer satisfaction	▪ This has been achieved
Workforce development.	• Annual performance review and agree to undertake one training session per year	▪ This has been part achieved, with the Manager receiving an annual performance review. ▪ Staff have participated in training with Dept Human Services.

Highlights:

- High level of service delivery and a year free of customer complaint
- 100% staff retention

FINANCE

Finance is responsible for the smooth operation of the Regional Council through direction, control and administration of the financial activities of the Tiwi Islands Regional Council and to provide the Chief Executive Officer and the Council with financial assessments and information that will ensure planning and budgeting activities meet the Council's goals.

The finance section functions can be divided into two main areas;

1.Financial Accounting (Accounts Payable, Accounts Receivable, Property and Rating, Internal and External Audit)

2.Management Accounting/Grants and Contracts

The Finance Team has had continued to focus on areas aimed primarily at rectifying previous audit issues and clearing the backlog of financial grant acquittals. The monthly financial reporting to Council has also refined during the year with regular commentary and feedback from the Department of Local Government & Community Services assisting finance staff with refining and improving the overall financial reporting to Council.

The Budget Module of Technology 1 Financials (which was implemented late in 2013/14) has also been an excellent tool which has enabled the Finance Team to support the CEO to drive better efficiencies during 2016/17 in the overall management of program budgets and in internal cost allocations. Further refinements are planned during 2017/18 with the financial reporting now able to provide additional financial reports to Council in better managing Grant Funding (Tied) and Own Source (Untied) Funding.

Financial sustainability for the Council into the future remains our No.1 priority and 2016/17 has been a successful year in stabilizing the overall financial position of Council.

Key Performance Indicator	Measure of Success	Achievements
Decrease over 90 days trade debtors	Total of 90 days or more outstanding equates to less than 15% of total trade debtors	Total of 90 days or more outstanding was 4% of total trade debtors, a reduction from 11% last year
Decrease over 90 days trade creditors	Total of 90 days or more outstanding equates to 20% or less of total trade creditors	Total of 90 days or more outstanding was 13% of total trade creditors.

AUDITED FINANCIAL STATEMENTS 2017

Private and confidential

Ref:T0040/MLC:AW

24 November 2017

The Council
Tiwi Islands Regional Council
PMB 267
Winnellie NT 0822

Attention: Marion Scrymgour

Dear Council Members

2017 Audit of Tiwi Islands Regional Council

In order to carry out our duties and responsibilities as auditors, Merit Partners is required by ASA 260 "Communication of Audit Matters to Those Charged With Governance" ("ASA 260"), to communicate to you setting out the following matters in respect of the audit of the Tiwi Islands Regional Council (the "Council").

Our fieldwork is complete and we have issued a disclaimer of opinion and an emphasis of matter regarding going concern dated 24 November 2017.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs in the audit report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient and appropriate documentary evidence to support the following balances in the statement of financial position as at 30 June 2017 as the Council was unable to provide information concerning these balances in the financial report:

- Inventories of $405,886 under Other Assets in the statement of financial position as at 30 June 2017;
- Unexpended grants of $1,481,339 in the statement of financial position as at 30 June 2017.

We were also unable to perform alternative means concerning the inventory balance and unexpended grants as at 30 June 2016.

We were unable to obtain sufficient and appropriate evidence over Property, Plant and Equipment, including prescribed buildings of $16,558,525 and prescribed infrastructure of $2,717,489. These assets are carried 'at revaluation' within Note 8 to the financial statements. As no independent valuations have been obtained on these assets, we were unable to determine if their carrying value reflect current market conditions.

We have been unable to confirm the completeness of information provided regarding the identification of related party transactions. As such, our audit testing for the amounts disclosed within Note 17 were limited to vouching the information supplied by management.

As a result of these matters, we were unable to determine whether any adjustments might have found necessary in respect of inventory, non-current assets, unexpended grant balances, and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

Emphasis of Matter Regarding Going Concern

Without further modifying our opinion, we draw attention to Note 1 Economic Dependency and Going Concern in the financial report which indicates that the Council incurred an operational deficit after depreciation of $2,371,795 for the year ended 30 June 2017 (2016: Deficit of $308,149).

At the date of this report, the Council has and is undertaking reforms in relation to its operations and governance to improve its cash requirements and financial position. The future operations of the Council depend upon the continued funding from government, the outcome and the successful implementation of the reforms, and its ability to source other funds to address its net current liabilities position and negative cash flow position. As the outcome of the reforms is not yet determinable and along with the other matters set forth in Note 1 Economic Dependency and Going Concern, there exists a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

Audit Risks

Our role as auditor requires a thorough assessment of audit risk across the Council's business. This includes discussion with management, an assessment of prior year issues, remaining abreast of your business and continuously looking forward at changes on the horizon and their impact on the business.

Inherent Uncertainty Regarding Going Concern

The ability of the Council to continue as a going concern is dependent upon continued funding and support from the Australian and Northern Territory Governments.

It is noted that the Council incurred an operational deficit before depreciation of $303,632 for the year ended 30 June 2017. After depreciation, the Council recorded a deficit for the year of $2,371,795.

At the date of the audit report, the Council has and is undertaking reforms in relation to its operations and governance to improve its cash requirements and financial position. The future operations of the Council depend upon the continued funding from government, the outcome and the successful implementation of the reforms, and its ability to source other funds to address its net current liabilities position and negative cash flow position. As the outcome of the reforms is not yet determinable and along with the other matters set forth in Note 1 Economic Dependency and Going Concern, there exists a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Council should continue to actively monitor its cashflow to ensure it is able to meet its debts as and when they fall due. Action should be taken to address the profitability of the Council. By implementing annual budgets and cash flow forecasts the Council can have a financial plan in place that will assist with cash flow management.

Non-compliance with the Local Government Act and Local Government (Accounting) Regulations

Several instances of non-compliance with the Local Government Act and the Local Government (Accounting) Regulations were noted during the conduct of the audit.

As required under Australia Auditing Standards, we report the following instances of non-compliance with the Local Government Act and the Local Government (Accounting) Regulations:

- The financial statements do not include information as required under
  - Part 7 Section 15(2)(a) of the Local Government (Accounting) Regulations which requires details of rates levied for the financial year;
- The audit for the year ended 30 June 2017 was not completed and the audited financial statements were not submitted to the Northern Territory Grants Commission, on or before 15 November 2017 as required by Part 7 Section 17(1)(a) of the Local Government (Accounting) Regulations.
- The Council has not developed nor maintained a long-term financial plan, as required by Section 126 of the Local Government Act.
- The Council has not established and maintained a fraud protection plan, as required by Section10 of the Local Government Act (Accounting) Regulations.

Please refer to Appendix B for more details.

As required under S135(2) of the Local Government Act, we will be providing a report to the Minister on the non-compliance matters noted.

Unexpended grants

We were unable to obtain sufficient and appropriate evidence to support the balance of unexpended grants of $1,481,339. We were therefore unable to determine if any adjustments were necessary in respect of the recording of this balance.
This has resulted in a modification to our audit report. Please refer to Appendix B for more details.

Inventory

We were unable to obtain sufficient and appropriate documentary evidence to support the value of inventory as at 30 June 2017, such as detailed stock listings and supplier invoices. We were also unable to perform alternative procedures to support the inventory balance. As a result of these matters, we were unable to determine whether the amount of inventory as stated in the financial report totalling $434,495 is fairly stated.
This has resulted in a modification to our audit report. Please refer to Appendix B for more details.

Property, Plant and Equipment

We were unable to obtain sufficient and appropriate evidence over Property, Plant and Equipment, including prescribed buildings of $16,558,525 and prescribed infrastructure of $2,717,489. These assets are carried ‘at revaluation’ within Note 8 to the financial statements.
As no independent valuations have been obtained on these assets, we were unable to determine if their carrying value reflect current market conditions.

Assessment of control environment

As part of our audit of the financial statements, we obtained an understanding of internal control sufficient to plan our audit and determine the nature, timing and extent of testing performed. Although our audit was not designed to express an opinion on the effectiveness of internal control we are required to communicate to you significant deficiencies in internal control.

Our audit procedures do not address all internal control and accounting procedures and are based on selective tests of accounting records and supporting data and have not been designed for the purposes of making detailed recommendations. As a result our procedures would not necessarily disclose all weaknesses in the Council's internal control environment, and you should not assume that there are no additional matters that you should be aware of in meeting your responsibilities.

The matters reported in Appendix B – Audit Recommendations are limited to those deficiencies that we identified during the audit and that we concluded are of sufficient importance to merit being reported to you.

The following table summarises the key issues and their risk ranking.

Key Issues	High Risk	Moderate Risk	Low Risk
Audit Preparedness	✓		
Non-Compliance with Local Government Act and Local Government (Accounting) Regulations	✓		
Grant Acquittals	✓		
Valuation of Property, Plant and Equipment		✓	
Stocktake Issues		✓	
Ageing of Rates Balances		✓	
Cash Handling		✓	
Vendor Listing Review		✓	
Credit Card Reconciliation Not Approved		✓	
Bank Signatories		✓	
Policy Review			✓

Status of 2017 audit recommendations – Matters to be Closed

Description of Significant Deficiency	Update in 2017 Audit
Confidential Meeting Minutes Not Signed	No such issues were raised during the current year.
Minimum Quotes Not Received	No such issues were raised during the current year.
Financial Statement Close Process	No such issues were raised during the current year.

Status of 2017 audit recommendations – Matters in Progress or Unresolved

Audit Preparedness	A similar issue has been raised for the current period, on the basis that reporting and filing deadlines were not met.
Stocktake Issues	Although improvements were noted from the prior year audit, there remain areas of weakness. Please refer to Appendix B for further information.
Non-compliance with Local Government Act and Local Government (Accounting) Regulations	Similar issues have been raised during the current financial year.
Grant Acquittals	At the time of writing this letter, no grant acquittals have been completed for the year ended 30 June 2017. This has been raised as a management letter point for the current year.
Ageing of Rates Balances	These balances are covered by a general provision for 80.5%. There is however a large amount of rates balances that relate to periods prior to the 2016/17 financial year, that should either be specifically written off, or have a proper payment plan in place.

Summary of Audit Adjustments

No audit adjustments have been made during the course of the audit.

Summary of Uncorrected Misstatements

The following is a summary of the uncorrected misstatements identified during the course of the audit.

Description	Line item	Balance sheet effect		Income statement effect	
		Dr	Cr	Dr	Cr
June 2017 Airport Landing Fees that were not recorded in June 2017 but in July 2017.	6221 – User Charge Fee Inc				60,991
	1394 – Accrued Receivables Manual	60,991			
TOTAL ADJUSTMENTS		**60,991**	**0**	**0**	**60,991**

Written Representations from Management

We have received a letter of representation from management.

Independence

We confirm that we have complied with the Australian professional ethical pronouncements, and in our professional judgment, the engagement team and Merit Partners are independent.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that you consider the facts of which you are aware and come to a view. Should you have any specific matters that you wish to discuss, please contact us.

ASA 260 requires us to communicate with you on a timely basis on all significant facts and matters that bear upon our independence and objectivity. The aim of these communications is to ensure full and fair disclosure by us to those charged with governance on matters in which you have an interest.

Listed in Appendix A are Merit Partners key firm-wide policies and processes to maintain independence and objectivity.

This letter has been prepared for the sole use of the Council members, management and others within the Council. It must not be disclosed to a third party or quoted to or referred to without our written consent. No responsibility is assumed by Merit Partners to any other person.

Finally we would like to take this opportunity to thank your staff for the co-operation we have received throughout our audit. If there are any further matters which you wish to discuss concerning our audit, please do not hesitate to call us.

Yours faithfully

MunLi Chee
Director

Appendix A

Merit Partners has policies and procedures that instil professional values as part of Firm culture and ensure the highest standards of objectivity, independence and integrity are maintained. Listed below are some of the key policies and processes in place within Merit Partners for maintaining objectivity and independence:

Financial Interests	Our Partners and client facing (technical) staff are prohibited from investing in any audit client. Our partners and staff are required to confirm their compliance each year with our Firm's independence policies.
Training	Our partners and staff are required to undergo regular mandatory training on our independence and ethical policies and processes.
Consultation	The Firm requires that the audit team consult with a second independent partner on complex accounting and auditing matters.
Non-audit Services	Our audit engagement partners must approve any non-audit services offered to their clients. This allows them to: • ensure the objectives of the proposed engagement are not inconsistent with the objectives of the audit of the financial statement; • identify and assess any related threats to our objectivity; and • assess the effectiveness of available safeguards to eliminate such threats or reduce them to an acceptable level. Where no satisfactory safeguards exist we do not carry out the non-audit service.
Ethics	Our code of conduct provides an ethical framework on which we base our decisions and our actions—as individuals and as members of Merit Partners.

Appendix B

The following table summarises the key issues and their risk ranking.

Key Issues	High Risk	Moderate Risk	Low Risk
Audit Preparedness	✓		
Non-Compliance with Local Government Act and Local Government (Accounting) Regulations	✓		
Grant Acquittals	✓		
Valuation of Property, Plant and Equipment	✓		
Stocktake Issues	✓		
Ageing of Rates Balances		✓	
Cash Handling		✓	
Vendor Listing Review		✓	
Credit Card Reconciliation Not Approved		✓	
Bank Signatories		✓	
Policy Review			✓

Overview of Risk Ranking System

Though we have rated each finding individually on a stand alone basis, you should also assess the collective impact of these matters, together with other findings from within your organisation.

High Needs significant improvement	**Immediate corrective action is required.** These recommendations relate to a serious weakness which exposes the organisation to a material extent in terms of achievement of corporate objectives, financial results or otherwise impair the Council's reputation.
Moderate Needs substantial improvement	**Corrective action is required,** generally within 6 months. A control weakness, which can undermine the system of internal control and/or operational efficiency and should therefore be addressed.
Low Needs some improvement	**Corrective action is required,** generally within 6 to 12 months. A weakness which does not seriously detract from the system of internal control and/or operational effectiveness/efficiency but which should nevertheless be addressed by management**.**

Disclaimer

Issues identified are only those found within the course of the audit for year ended 30 June 2017. Recommendation issues are intended solely for the use of Council's management. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Council's or for any purpose other than that for which it was prepared.

Observation	Effect	Risk category	Recommendation	Management Response
Audit Preparedness During the course of our audit the following were noted: • The financial statements were not available on the day the audit was scheduled to commence. • Many of the requested supporting documentation items within the balance sheet and income statement were not provided on the day the audit was scheduled to commence. • A number of client adjustments were yet to be accounted for.	The audit completion process was delayed which compromised our ability to conduct the audit and meet the originally agreed deadline. Non-compliance with Section 17 of the Local Government (Accounting) Regulations which requires the audited financial statements to be submitted to the NT Grants Commission on or before 15 November.	**High**	Evaluation of the Council's present practice of closing the books will greatly help ensure both the timeliness and reliability/quality of financial information. The Council may consider the following to improve the process: • Review journal entries recorded in the books. All journal entries recorded in the books should be properly analysed and reviewed by the appropriate officer to come up with accurate account balances. The review process should be properly implemented to reduce time in analysing the accounts and facilitate closing the books. • Map the existing closing process to identify redundancy and bottlenecks. Mapping is important to gain an understanding of the process before changes are made. Use this understanding to improve performance. • Distribute the workload throughout the month by closing the general ledger more frequently. The Council may	

Observation	Effect	Risk category	Recommendation	Management Response
			consider closing their books semi-monthly and performing selected account analyses. This closing procedure will not only ensure that the workload is distributed to reduce month-end work, but will also prevent the accumulation of input data (e.g. journal entries, vouchers, etc.). • Consider entries or activities that could be performed ahead of the month-end to relieve the "crunch". Certain entries can be recorded even at the start of the month, thus reducing the work to be done at month-end. Examples of these entries are charges to depreciation and reversal of unexpended payables, among others. • Identify activities that contribute to late reporting and regard it as a quality problem. To stress the importance of timely closing, the Council should analyse the causes of the delay and should consider such a quality problem. Steps that will prevent the delays from happening again must be identified, and subsequently be implemented. • Create a "bonus" system that	

Observation	Effect	Risk category	Recommendation	Management Response
			rewards the achievement of cost, quality and time objectives (a bonus system can be non-financial). Rewards linked to performance in the closing process stimulate on-time performance and demonstrate that an on-time close is a management priority. The performance measures and accountability systems should be established for the process. This information will be needed to evaluate the individual performance.	
Non-Compliance with Local Government Act and Local Government (Accounting) Regulations The following matters were noted during the conduct of the audit: • The Council has not prepared nor maintained a long-term financial plan. Plans to develop one are written within section 1.4.2 of the 2016-17 Regional Plan & Budget, although no evidence of this has been observed. This is a departure from Section 126 of the Local Government Act. • The audit for the year ended 30 June 2017 was not completed and the audited financial statements submitted to the NT Grants Commission on or before 15 November 2017 as required by Section 16 of the Local Government Act (Accounting) Regulations.	The Council is in breach of the Local Government Act and Local Government (Accounting) Regulations.	**High**	The Council should ensure that it maintains proper accounts and records and appropriate policies and procedures that complies with the Local Government Act and the Local Government (Accounting) Regulations. The Council should also conduct regular reviews and self-audits that will identify any irregularities or deficiencies in a timely manner.	

Observation	Effect	Risk category	Recommendation	Management Response
The delay in the audit was compounded by the fact that initially requested documents were not provided, nor were the financial statements. This indicates that the Council has failed to maintain proper accounts and records as required by Section 129 of the Local Government Act. The Council has also resultantly failed to distribute its annual report by the required deadline, as required by Section 33 of the Local Government Act (Accounting) Regulations. • The Council has not established and maintained a fraud protection plan as required by Section 10 of the Local Government Act (Accounting) Regulations. • It was also noted that the financial statements lacked details of rates levied for the financial year, as required by Section 15 of the Local Government (Accounting) Regulations.				
Grant Acquittals At the time of writing this letter, no grant acquittals have been completed in relation to the year ending 30 June 2017. It was also noted that there are a number of unspent funds for the period ended 30 June 2017 which suggests that either the intended service has not been undertaken, or the quality of intended service is compromised, and an inefficient use of funds provided.	Non-compliance with funding agreements which may result in repercussions with funding bodies and delays in receipts of future grants. Unspent funds may be recalled which would be detrimental to the Council's objectives.	**High**	It is recommended that the grant acquittals are provided at the same time as the audit, so as to ensure a more efficient process for both engagements whilst meeting the reporting deadlines in the respective funding agreements. The Council needs to consider strategies to efficiently utilise the grant funds provided to ensure the quality of service delivery is not	

Observation	Effect	Risk category	Recommendation	Management Response
Additionally, we were advised by management that there are a number of grants in deficit for the current year.			compromised and that funds are utilised efficiently and effectively for the benefit of the community.	
Valuation of Property, Plant and Equipment During audit testing it was noted that no independent valuations have been undertaken over the carrying amounts of prescribed buildings or prescribed infrastructure since 2010. These are currently included within the Council's balance sheet with carrying values of $16,558,525 and $2,717,489 respectively, and are disclosed 'at revaluation'.	AASB 116 Property, Plant and Equipment recommends that such items are revalued 'every three or five years'. Due to the significant elapse in time since the most recent valuation, the current carrying values of these assets may inappropriate and not reflective of current market conditions.	**High**	It is recommended that regular independent revaluations are performed over the carrying values of prescribed buildings and prescribed infrastructure to be compliant with the Australian Accounting Standard.	
Stocktake Issues After attending the year-end inventory count, the following issues were noted in respect of the procedures put in place: • Minor variances were noted in the stock count as a result of sales of items made whilst the count was taking place. • When performing the count from floor to sheet, two variances arose as a result of fuel stock not being recognised within the counted stock sheets.	The issues noted represent a lack of control and a departure from the stock take instructions provided. There is also a risk that the stock listing as at the year-end is incomplete (the at, not including all stock held by the Council). Furthermore, there is a risk of fraud due to items not	**High**	It is recommended that proper stocktake instructions are issued to staff prior to the count, and are strictly adhered to. Suggested controls to implement include: • Ensure the stock count is supervised by a senior member of staff; • Ensure the count is performed	

Observation	Effect	Risk category	Recommendation	Management Response
	being reported on the stock sheet.		by someone independent to that particular department; • Perform sample test counts of items already checked in order to verify the correctness of the count; • Ensure there is no movement of inventory items occur during the count. If there is, this should be clearly segregated from other areas; • Apply a tagging system to ensure that items are not double counted, and that all have been included.	
Ageing of Rates Balances It was noted during the testing of rates receivable that many of these balances were fairly old, with some of these dating as far back as 2010/11. There was however a general provision in place of 80.5% in respect of these balances.	There may be certain balances on there that are non-recoverable, overstating the amounts recognised within trade receivables.	**Moderate**	It is recommended that a proper repayment plan is made in respect of these balances or they are specifically written off.	
Cash Handling During our audit work, we noted that there are currently no formal procedures over cash sales incurred at the community offices. We observed that there is currently no daily reconciliation signed by the Administration Officer or Administration Leader.	The lack of formal policies and procedures over the handling of cash does open up the possibility for fraudulent offences to take place. This could potentially	**Moderate**	It is recommended that the Council develops a formal policy over the handling of cash. Suggested controls over cash handling are as follows:	

Observation	Effect	Risk category	Recommendation	Management Response
It was evidenced that during the fortnightly cash deposit process, a reconciliation report is prepared by the Administration Leader. However, this document is also not reviewed by any officers.	understate income and cash balances, and increase the fraud risk to the Council.		• Daily reconciliations from till float to ledger • CCTV operating over areas where cash is located • Regular deposits of cash to be made • Segregation of duties between person collecting funds, person depositing funds, and person reconciling account • Sign in codes and locks to be installed over tills and areas where cash is kept.	
Vendor Listing Review It was noted during our audit, that the current vendor listing within the Council's accounting software has not been formally reviewed by an appropriate officer. The Finance Officer creates new vendors or changes in existing vendor details. All supporting documents relating to the new vendors or changes in vendor details are filed under the vendor profile in the system.	There are possibilities that the vendor listings within the accounting software may include dormant vendors or outdated vendor details.	**Moderate**	It is recommended that changes to vendor details are approved and regularly reviewed by an appropriate level of management.	
Credit Card Reconciliation Not Approved During our walkthrough of the credit card process, we noted that the reconciliation as prepared by management was not approved by the CEO. The reconciliation in question was for Cardholder Ms RA De Santis, relating to the month of May 2017.	It is a requirement under the Council's Credit Card Policy that reconciliations must be reviewed by the CEO. The lack of review or approval creates	**Moderate**	All reconciliations should be approved in accordance with the Council's policies.	

Observation	Effect	Risk category	Recommendation	Management Response
	opportunities for unauthorised expenses to occur.			
Bank Signatories The bank confirmation received from Commonwealth Bank at 30 June 2017 identified a former employee as an account signatory. This was in respect of account numbers 590110703594 and 590110708408. The employee in question was Bruce Moller (General Manager – Finance and Compliance).	The Council is exposing itself to an increased risk of fraud.	**Moderate**	The bank should be informed immediately of any person/s ceasing to be an authorised signatory to the account.	
Policy Review During our audit work, it was noted that the Accounting Policy has not been reviewed since February 2014. Additionally, we noted that the Financial Delegations Policy is not in line with the Council's current practices. The following exceptions were noted in respect of this: • The Compliance and Financial Services Officer is included as a signatory for EFT payments. However, she has been excluded from the list 'To authorise and make payments' within the Policy. • Following the departure of the Finance & Compliance General Manager, the Finance Manager is delegated to authorise purchase requisitions of up to $50,000. However, his delegation within the Financial Delegation's Policy is limited to just $10,000.	Current policies may not be applicable in light of current risks from both an internal and external perspective.	**Low**	It is recommended that internal policies are reviewed and updated in accordance with established timeframes and requirements to ensure that they remain relevant and address current risks.	

TIWI ISLANDS REGIONAL COUNCIL

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

TIWI ISLANDS REGIONAL COUNCIL

General Purpose Reports and Associated Schedules
for the year ended 30 June 2017
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merit
chartered accountants

Independent auditor's report to the members of Tiwi Islands Regional Council

Disclaimer of Opinion

We were engaged to audit the accompanying financial report of Tiwi Islands Regional Council ("the Council"), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes and the Chief Executive Officer's certification.

We do not express an opinion on the accompanying financial report of the Council. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

1. We were unable to obtain sufficient and appropriate documentary evidence to support the following balances in the statement of financial position as at 30 June 2017 as the Council was unable to provide information concerning these balances in the financial report:

- Inventories of $405,886 under Other Assets in the statement of financial position as at 30 June 2017;
- Unexpended grants of $1,481,339 in the statement of financial position as at 30 June 2017.

We were also unable to perform alternative procedures concerning the inventory balance and unexpended grants as at 30 June 2017.

2. We were unable to obtain sufficient and appropriate evidence over Property Plant and Equipment which includes prescribed buildings of $16,558,525 and prescribed infrastructure of $2,717,489, both of which are carried 'at revaluation' within Note 8 to the financial statements. As no independent valuations have been obtained on these assets, we were unable to determine if their carrying values reflect current market conditions.

3. We have been unable to confirm the completeness of information provided regarding the related party transactions. As such, our audit testing for the amounts disclosed within Note 17 were limited to the amounts recorded in the financial records.

As a result of these matters, we were unable to determine whether any adjustments might have found necessary in respect of inventory and unexpended grant balances, and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

Emphasis of Matter Regarding Going Concern

Without further modifying our opinion, we draw attention to Note 1 Economic Dependency and Going Concern in the financial report which indicates that the Council incurred an operational deficit after depreciation of $2,371,795 for the year ended 30 June 2017 (2016: Deficit of $308,149). At the date of this report, the Council has and is undertaking reforms in relation to its operations and governance to improve its cash requirements and financial position. The future operations of the Council depend upon the continued funding from government, the outcome and the successful implementation of the reforms, and its ability to source other funds to address its net current liabilities position and negative cash flow position. As the outcome of the reforms is not yet determinable and along with the other matters set forth in Note 1 Economic Dependency and Going Concern, there exists a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 2008, and have determined the accounting policies used as described in Note 1 are appropriate to meet the needs of the Council. The Chief Executive Officer is also responsible for controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to conduct an audit of the Council's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Council in accordance with the independence requirements of the Australian professional accounting bodies. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

Report on Legal and Regulatory Requirements

We report the following instances of non-compliance with the Local Government Act and the Local Government (Accounting) Regulations:

- The financial statements do not include information as required under
  - Part 7 Section 15(2)(a) of the Local Government (Accounting) Regulations which requires details of rates levied for the financial year;
- The audit for the year ended 30 June 2017 was not completed and the audited financial statements were not submitted to the Northern Territory Grants Commission, on or before 15 November 2017 as required by Part 7 Section 17(1)(a) of the Local Government (Accounting) Regulations;
- The Council has not developed nor maintained a long-term financial plan, as required by Section 126 of the Local Government Act;
- The Council has not established and maintained a fraud protection plan, as required by Section 10 of the Local Government Act (Accounting) Regulations.

Merit Partners

Merit Partners

MunLi Chee
Director

Darwin

24 November 2017

PMB 267 Winnellie NT 0822
info@tiwiislands.nt.gov.au
www.tiwislands.org.au
ABN 61 507 431 031

CHIEF EXECUTIVE OFFICER'S STATEMENT

I, Marion Scrymgour, the Chief Executive Officer of the Tiwi Islands Regional 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 and the Local Government (Accounting) Regulations (with the exception of those matters described in the modified audit report) so as to present fairly the financial position of the Council for the year ended 30 June 2017 and its results for the year then ended; and

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

Signed by: Date: 24/11/17

Marion Scrymgour
Chief Executive Officer

Wurrumiyanga **8970 9500** | Pirlangimpi **8970 9600** | Milikapiti **8978 3958** | Darwin **8919 0405**

TIWI ISLANDS REGIONAL COUNCIL

Statement of Comprehensive Income
for the year ended 30 June 2017

	Notes	2017	2016
REVENUE		**$**	**$**
Grants and contributions provided for operating purposes	**3e**	7,961,781	8,903,934
Other Operating Revenue	**3d**	2,358,188	1,286,122
User Charges and Fees	**3b**	1,239,233	1,435,857
Rates and Annual Charges	**3a**	1,390,902	1,170,976
Interest Revenue	**3c**	32,966	28,565
Contributions and Donations	**3f**	3,100	1,000
TOTAL REVENUE		**12,986,170**	**12,826,454**
EXPENSES			
Employee Costs	**4a**	7,848,755	7,159,782
Materials and Contracts	**4e**	5,201,894	3,489,236
Interest Charges	**4b**	6,105	5,620
(Profit)/Loss from Disposal of assets	**4f**	(27,214)	(23,865)
Other Operating Expenses	**4d**	584,804	632,711
TOTAL EXPENSES		**13,614,344**	**11,263,484**
SURPLUS/(DEFICIT) BEFORE DEPRECIATION AND CAPITAL GRANTS		**(628,174)**	**1,562,970**
Grants & Contributions provided for: Acquisition of assets (Capital Grants Revenue)	**3e**	324,542	275,638
OPERATIONAL SURPLUS/(DEFICIT) BEFORE DEPRECIATION AND ASSET CLASSIFICATION		(303,632)	1,838,608
Depreciation	**4c**	2,068,163	2,146,757
DEFICIT BEFORE INCOME TAX EXPENSE		**(2,371,795)**	**(308,149)**
Income Tax Expense		-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		**(2,371,795)**	**(308,149)**

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

TIWI ISLANDS REGIONAL COUNCIL

Statement of Financial Position
as at 30 June 2017

	Notes	2017	2016
CURRENT ASSETS		**$**	**$**
Current Operating Accounts & Cash on Hand	**5, 10a**	3,495,555	3,101,257
Trade and Other Receivables	**6**	588,019	297,160
Other Assets	**7**	434,495	345,658
TOTAL CURRENT ASSETS		**4,518,069**	**3,744,075**
NON CURRENT ASSETS			
Buildings Prescribed	**8a&b**	16,558,525	17,864,878
Infrastructure Prescribed	**8a&b**	2,717,489	2,904,948
Plant	**8a&b**	1,083,310	1,252,443
Equipment	**8a&b**	193,096	183,695
Motor Vehicles	**8a&b**	373,288	351,073
Work in Progress	**8a&b**	125,322	107,920
TOTAL NON CURRENT ASSETS		**21,051,030**	**22,664,957**
TOTAL ASSETS		**25,569,099**	**26,409,032**
CURRENT LIABILITIES			
Trade and Other Payables	**9a**	929,940	1,465,655
Current Provisions	**9c**	852,771	899,926
Other Current Liabilities	**9b**	1,739,687	22,729
Unexpended Grant Liability	**9b**	1,481,339	1,118,635
TOTAL CURRENT LIABILITIES		**5,003,737**	**3,506,945**
NON CURRENT LIABILITIES			
Non Current Provisions	**9d**	257,426	222,356
Non Current Borrowings	**9e**	666,667	666,667
TOTAL NON CURRENT LIABILITIES		**924,093**	**889,023**
TOTAL LIABILITIES		**5,927,830**	**4,395,968**
NET ASSETS		**19,641,269**	**22,013,064**
EQUITY			
Total Equity		19,641,269	22,013,064
TOTAL EQUITY		**19,641,269**	**22,013,064**

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

TIWI ISLANDS REGIONAL COUNCIL

Statement of Changes in Equity
for the year ended 30 June 2017

	Note	Retained Earnings	Asset Revaluation Reserve	Other Reserves	Total Equity
			$	$	$
Balance at 1 July 2015		(9,679,577)	31,965,790	35,000	22,321,213
Deficit for the year		(308,149)	-		(308,149)
Transfers between equity		(126,571)	-	126,571	-
Balance at 30 June 2016		(10,114,297)	31,965,790	161,571	22,013,064
Deficit for the year		(2,371,795)	-	-	(2,371,795)
Transfers between equity	16	(11,292)	-	11,292	-
Balance at 30 June 2017		**(12,497,384)**	**31,965,790**	**172,863**	**19,641,269**

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

TIWI ISLANDS REGIONAL COUNCIL

Statement of Cash Flows
for the year ended 30 June 2017

	Notes	2017	2016
Cash Flows from Operating Activities		$	$
Receipts			
Receipts from rates & annual charges		1,355,496	1,190,195
Receipts from user charges & fees		1,239,233	1,435,857
Interest received		32,966	28,565
Grants & contributions		8,289,424	9,180,572
Other operating receipts		2,102,734	1,215,666
		13,019,853	13,050,855
Payments			
Payments to employees		7,860,839	7,418,395
Payments for materials & contracts		3,655,691	2,560,418
Payments of interest		6,105	5,621
Other operating payments		675,898	686,876
		12,198,533	10,671,310
Net Cash Flows generated from/(used in) Operating Activities	**10b**	821,320	2,379,545
Cash Flows from Investing Activities			
Receipts			
Proceeds from sale of assets		73,923	116,571
		73,923	116,571
Payments			
Purchase of assets		500,945	467,409
		500,945	467,409
Net Cash Flows (used in)/generated from Investing Activities		(427,022)	(350,838)
Cash Flows from Financing Activities			
Payments			
Repayment of Borrowings		-	-
		-	-
Net Cash Flows used in Financing Activities		-	-
NET INCREASE/(DECREASE) IN CASH HELD		394,298	2,028,707
Cash at Beginning of Reporting Period		3,101,257	1,072,550
Cash at End of Reporting Period	**10a**	3,495,555	3,101,257

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

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 Regional Council (the Council).

The Local Government Reporting Entity Tiwi Islands Regional Council is established under the Northern Territory Local Government Act and has its principal place of business at 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 Regional, and accountability of the resources entrusted to it.

Economic Dependency and Going Concern

The financial report has been prepared on the going concern basis, which assumes that the Council will be able to realise its assets and discharge its liabilities in the normal course of business.

The Council has an operational deficit before depreciation of $303,632 for the year ended 30 June 2017 (2016: operational surplus before depreciation of $1,838,608). After depreciation, the Council recorded a deficit for the year of $2,371,795 (2016: Deficit of $308,149).

The ability of the Council to continue as a going concern is dependent on its ability to implement the following:

- Appropriately cost contracts and agreements taking indirect costs into consideration;
- Establish robust budgets and manage financial performance in line with those budgets;
- Enhance internal financial processes to enable effective debt recovery;
- Ensure that corporate cost structures are financially efficient and funded from current year operations; and
- Investigate other opportunities for self-generated income.

The Council is dependent on Government funding for the majority of its revenue used to operate the business. The future operations of the Council depend upon the continued funding from the Government, the outcome and the successful implementation of the above reforms. As the outcome of the reforms is not yet determinable and due to the other matters set forth above, there exists material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and therefore the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

At the date of this report, the Council members have no reason to believe the Government will not continue to support the Council and, acknowledging the uncertainly disclosed above, are of the opinion that the Council will be able to continue as a going concern for the ensuing 12 months from the date of this report.

1. Summary of Accounting Policies (Cont.)

Basis of Accounting

Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements of the *Local Government Act*, the *Local Government (Accounting) Regulations* and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Council is a not-for-profit entity for financial reporting purposes.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ended 30 June 2017. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

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, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of financial statements are presented below and have been consistently applied unless otherwise stated.

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

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. 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.

1. Summary of Accounting Policies (Cont.)

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 enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues. 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 in the statement of comprehensive income when the Council obtains control over or the right to receive the grant, donation or other contribution, it is probable that the economic benefits gained from the grant, donation or other contributions will flow to the Council and the amount can be measured reliably. 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

The 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 banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

Financial Assets

(i) Loans and Receivables

The 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 instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised as expenses in profit or loss immediately. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method less impairment.

1. Summary of Accounting Policies (Cont.)

(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.

<u>As lessee</u>

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 Council'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.

1. Summary of Accounting Policies (Cont.)

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

As the Council does not own any land, the 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, Milikapiti and Wurankuwu. It is envisaged Pirlangimpi community will adopt township leasing in due course. It is proposed that in future periods the 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 Regional 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.

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 Council does not believe that there is any significant increment or decrement to the valuation carried out in 2010. Hence the property has been valued at 2010 valuation amounts and depreciated accordingly. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting period.

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of assets. 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.

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 useful lives which are reviewed each reporting period.

The estimated useful lives used for each class of depreciable assets are:

Buildings/ Other Structures	10 - 25 Years
Plant and Equipment	1 - 25 Years
Motor Vehicles	3 - 5 Years

Valuation

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

1. Summary of Accounting Policies (Cont.)

Impairment of Assets

At the end of each reporting period, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss

Financial Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to the 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.

<u>Employee benefits expected to be settled within 12 months:</u>

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.

<u>Employee benefits not expected to be settled within 12 months:</u>

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 Council in respect of services provided by the employees up to reporting date.

(iv) Superannuation

The Council pays fixed contributions into independent entities in relation to the nominated accounts by individual employees. The Council has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that relevant employee services are received.

(v) Unexpended Grant Funds

Grant funding has been treated in the accounts according to the provisions of AASB 1004 Contributions. Where funds are provided on the condition that the Council 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.

1. Summary of Accounting Policies (Cont.)

Budget Information

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

Taxation
The 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

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2a. Functions

As required by Section 15 (d) of *the Local Government (Accounting) Regulations*, the income derived from each function, the expenditure that can be reliably attributed to each function and the comparison between the budgeted and actual result for the financial year for each Council function are as follows:

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

2a Functions (Cont.)

	01 General Public Services		02 Public Order & Safety		03 Economic Affairs		04 Environmental Protection		05 Housing	
OPERATING REVENUES	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**
Income Rates General	872,417	887,405	-	-	-	-	-	-	-	-
Income Rates Waste	-	-	-	-	-	-	506,196	503,497	-	-
Income Council Fees and Charges	225,750	265,657	-	-	822,051	746,088	11,404	14,327	299,033	206,038
Income Operating Grants Subsidies	2,044,795	1,707,190	1,297,046	1,028,256	3,704,957	3,466,763	-	-	413,474	27,934
Income Investments	24,000	27,266	-	3,839	-	-	-	-	-	-
Income Contributions Donations	-	-	-	-	-	-	-	-	-	-
Income Reimbursements	121,744	128,108	-	9,461	-	-	-	-	-	273
Income Agency & Commercial Serv	796,568	698,122	-	136	2,277,839	1,164,207	2,805	2,805	162,256	196,467
Income Capital Grants	-	114,146	-	-	-	210,396	-	-	246,000	-
Inc Sale of Assets	-	66,724	-	7,199	-	-	-	-	-	-
TOTAL REVENUES	**4,085,274**	**3,894,618**	**1,297,046**	**1,048,891**	**6,804,847**	**5,587,454**	**520,405**	**520,629**	**1,120,763**	**430,712**
OPERATING EXPENSES										
Employee Expenses	5,103,473	4,611,993	855,163	671,398	498,345	797,546	-	-	646,140	715,952
Contract and Material Expenses	1,961,786	893,055	60,943	16,627	3,855,115	1,888,312	1,000	2,856	899,190	436,866
Utility expenses	128,823	94,820	33,005	25,487	50,092	87,222	-	-	70,760	66,595
Fuel Expenses	401,700	400,971	10,000	-	-	16,433	-	-	50,000	39,338
Finance Expenses	5,296	6,105	-	-	-	-	-	-	-	-
Communication Expenses	320,152	353,374	6,300	238	29,336	67,254	1,700	860	18,890	35,965
Depreciation	2,103,724	2,068,163	-	-	-	-	-	-	-	-
Asset Expense	3,000	46,709	-	-	-	-	-	-	-	-
Training	96,490	20,157	71,000	59,671	2,000	2,196	-	-	1,500	1,849
Travel and Accommodation	123,623	104,960	25,789	6,471	4,750	53,239	-	-	900	5,193
Councillor/ Local Authority exp	334,145	314,901	-	-	-	-	-	-	-	-
Miscellaneous Expenses	555,135	416,418	15,107	1,942	111,145	31,529	3,206	3,945	31,000	857
TOTAL EXPENSES	**11,137,347**	**9,331,626**	**1,077,307**	**781,834**	**4,550,783**	**2,943,731**	**5,906**	**7,661**	**1,718,380**	**1,302,615**
NET SURPLUS / (DEFICIT)	**(7,052,073)**	**(5,437,008)**	**219,739**	**267,057**	**2,254,064**	**2,643,723**	**514,499**	**512,968**	**(597,617)**	**(871,903)**
NET CARRYING VALUE OF ASSETS	**-**	**6,961,560**	**-**	**134,034**	**-**	**1,413,214**	**-**	**131,628**	**-**	**6,107,249**

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements
for the year ended 30 June 2017

2a Functions (Cont.)

	06 Health		07 Recreation, Culture and Religion		08 Education		09 Social Protection		Total	
OPERATING REVENUES	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**	**2017 Budget**	**2017 Actual**
Income Rates General	-	-	-	-	-	-	-	-	872,417	887,405
Income Rates Waste	-	-	-	-	-	-	-	-	506,196	503,497
Income Council Fees and Charges	-	-	1,563	6,473	-	650	-	-	1,359,801	1,239,233
Income Operating Grants Subsidies	-	-	852,840	603,603	403,258	244,506	1,376,744	883,529	10,093,114	7,961,781
Income Investments	-	-	-	1,598	-	254	-	9	24,000	32,966
Income Contributions Donations	-	-	-	3,100	-	-	-	-	-	3,100
Income Reimbursements	-	-	-	45	-	-	-	2,000	121,744	139,887
Income Agency & Commercial Serv	-	-	-	389	139,000	153,308	-	2,867	3,378,468	2,218,301
Income Capital Grants	-	-	-	-	-	-	-	-	246,000	324,542
Inc Sale of Assets	-	-	-	-	-	-	-	-	-	73,923
TOTAL REVENUES	**-**	**-**	**854,403**	**615,208**	**542,258**	**398,718**	**1,376,744**	**888,405**	**16,601,740**	**13,384,635**
OPERATING EXPENSES										
Employee Expenses	-	-	441,609	300,079	277,675	159,743	686,497	592,044	8,508,902	7,848,755
Contract and Material Expenses	-	36,235	137,107	54,522	59,492	24,150	121,369	65,895	7,096,002	3,418,518
Utility expenses	-	-	47,503	73,001	6,691	3,793	49,700	35,044	386,574	385,962
Fuel Expenses	-	-	-	-	-	-	-	-	461,700	456,742
Finance Expenses	-	-	-	-	-	-	-	-	5,296	6,105
Communication Expenses	-	372	3,361	3,558	4,000	1,641	4,352	2,990	388,091	466,252
Depreciation	-	-	-	-	-	-	-	-	2,103,724	2,068,163
Asset Expense	-	-	-	-	-	-	-	-	3,000	46,709
Training	-	-	11,705	13,630	3,000	-	19,000	3,865	204,695	101,368
Travel and accommodation	-	-	6,900	11,226	8,111	5,961	33,582	435	203,655	187,485
Councillor/ Local Authority exp	-	-	-	-	-	-	-	-	334,145	314,901
Miscellaneous Expenses	-	-	115,576	342	567	380	8,960	57	840,696	455,470
TOTAL EXPENSES	**-**	**36,607**	**763,761**	**456,358**	**359,536**	**195,668**	**923,460**	**700,330**	**20,536,480**	**15,756,430**
NET SURPLUS / (DEFICIT)	**-**	**(36,607)**	**90,642**	**158,850**	**182,722**	**203,050**	**453,284**	**188,075**	**(3,934,740)**	**(2,371,795)**
NET CARRYING VALUE OF ASSETS	**-**	**-**	**-**	**4,593,138**	**-**	**1,355,595**	**-**	**229,290**	**-**	**20,925,708**

2b. Component Functions

The activities relating to the Regional functions 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, hoarding 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.

	2017	2016
	$	$
3. Operating Revenue		
a RATES AND CHARGES		
Ordinary Rates		
General Rates	887,405	754,598
Total Ordinary Rates	**887,405**	**754,598**
Annual Charges		
Domestic Waste Charges	503,497	416,378
Total Annual Charges	**503,497**	**416,378**
Total Rates & Annual Charges	**1,390,902**	**1,170,976**
b USER CHARGES & FEES		
User Charge Fee Income	811,386	750,992
Property Lease Rental Fee Income	329,103	331,711
Equipment Hire Income	78,364	337,094
Other Charges & Fees	20,380	16,060
Total User Charges & Fees	**1,239,233**	**1,435,857**
c INTEREST		
Interest on Investments	32,966	28,565
Total Interest Revenue	**32,966**	**28,565**
d OTHER OPERATING REVENUE		
Reimbursements	135,976	107,327
Service Fee Income	2,434	3,528
Sales Income	748,198	705,976
Contract Fees	1,422,249	384,419
Employment Related Outcome Payments	3,250	-
Other Operating Revenue	46,081	84,872
Total Other Operating Revenues	**2,358,188**	**1,286,122**
e GRANTS		
Commonwealth Special Purpose Funding		
Jirnani Day Care Centre	310,667	775,868
Child Services Pirlangimpi	126,014	277,552
Pirlangimpi School Meals Program	104,911	104,911
Creche Milikapiti	200,000	200,000
After School Care Wurrumiyanga	111,571	391,390
After School Care Pirlangimpi	68,846	217,718
After School Care Milikapiti	57,580	191,785
Community Safety Regional	1,053,626	1,053,626
ISRP - Indigenous Sport & Recreation Program Regional	345,000	345,000
ISRP - Jobs Creation Package Regional	-	-
NT Jobs Packages (Broadcasting) Regional	89,849	89,849
Roads (R2R)	1,567,384	963,570
NAIDOC Activities	8,000	12,790
Remote Aviation Programmes	-	53,905
Total Commonwealth Special Purpose Funding	**4,043,448**	**4,677,964**

	2017	2016
	$	$
3. Operating Revenue (Cont.)		
Operational Funding		
NT FAA Operating Grant	1,333,387	1,263,612
FAA Roads	938,781	942,281
General Purpose	429,598	413,470
Total Operational Funding	**2,701,766**	**2,619,363**
NT Special Purpose Funding		
Youth Diversion Scheme	225,000	225,000
Active Remote Communities Sport & Recreation Regional	127,000	107,000
Library	63,165	63,165
Outstations Essential Services	64,619	337,661
Outstations Converted Jobs Program	-	60,728
Matching Funds Salary Income	531,000	531,000
Outstations Housing Maintenance	27,934	149,577
NTDRP – Milikapiti Rec Hall Community Shelter	-	-
Homelands Extra Allowance	-	67,600
Family as First Teachers DET	271,227	263,636
Road Reseal Project Wurrumiyanga - Consultancy (Phase 1)	-	27,126
Imparja Cup	-	-
Foreshore Drain Wurrumiyanga	-	200,000
Australia Day	1,363	1,091
Family Nutrition Project- Wurrumiyanga	-	25,000
Early Intervention Youth Boot Camp	18,422	-
BNT Women's Basketball	-	-
Local Authorities Wurrumiyanga	219,206	219,206
Local Authorities Pirlangimpi	55,334	55,334
Local Authorities Milikapiti	69,004	69,004
Regional & Remote Communities	24,000	-
HSTAC	10,640	-
NDRRA – Paru Road	-	-
NDRRA – 17 Mile Bend	-	-
Seniors Month	-	-
Talent Quest & Karaoke Night Pirlangimpi	-	-
Imparja Substance Abuse Video	-	-
Keep Australia Beautiful – Recycling	-	-
Refurbish Aerodrome Ablution Blocks	-	82,036
MESSPG – Paru Pontoon	-	31,393
MESSPG – Paru Water Tank	-	43,636
MESSPG – Telecommunications Repeaters	-	45,000
MESSPG – Tank Stand Takaprimili	-	32,506
Total NT Special Purpose Funding	**1,707,914**	**2,636,699**
Current Operating Funding Total	**8,453,128**	**9,934,026**

	2017	2016
	$	$
3. Operating Revenue (Cont.)		
Prior Year Grants Brought Forward Operating		
Outstations Converted Jobs Program	-	59,269
CTG - Wurrumiyanga Pool	-	7,546
Community Safety Training Regional	-	67,000
Pirlangimpi OSHC	27,457	-
Community Safety – Operational	149,824	-
ISARP – Sport for Life	38,414	-
Milikapiti Creche	8,851	-
Active Remote Communities Sport & Recreation Regional	20,000	-
Total Prior Year Operating Grants	**244,546**	**133,815**
Operating Grant Liability		
Creche Milikapiti	-	(8,851)
Child Services Pirlangimpi	-	(29,119)
After School Care Wurrumiyanga	-	(157,032)
After School Care Pirlangimpi	-	(94,125)
After School Care Milikapiti	-	(101,738)
Pirlangimpi School Meals Program	(55,224)	(27,457)
ISARP - Sport for Life	(34,655)	(38,414)
Jirnani Day Care Centre	-	(97,009)
Community Safety Regional	(379,547)	(149,824)
Active Remote Communities Sport & Recreation Program	(35,570)	(40,660)
Outstations Municipal & Essential Services	-	(132,394)
Outstations Housing Maintenance	-	(85,520)
NAIDOC Week	(2,320)	(3,643)
Youth Diversion	(32,959)	(21,308)
NT Jobs Package Culture & Support	(38,121)	(30,394)
Outstations Converted Jobs Program	-	(85,133)
Road Reseal Consultancy Wurrumiyanga	-	(296)
Roads (R2R)	-	(60,990)
Families as First Teachers	(103,864)	-
Regional & Remote Communities	(2,523)	-
MESSPG – Telecommunications Repeaters	(45,000)	-
Early Intervention Youth Boot Camp	(6,110)	-
Total Operating Grant Liability	**(735,893)**	**(1,163,907)**
TOTAL OPERATIONAL FUNDING	**7,961,781**	**8,903,934**
NT Capital Funding		
SPG - 10 cubic metre tipper truck	-	166,600
SPG - 12 cubic metre garbage truck	216,559	-
SPG – 2 x tractors with slashers & 4 x ride on mowers	114,146	-
NT Capital Funding Total	**330,705**	**166,600**

	2017	2016
	$	$
3. Operating Revenue (Cont.)		
Prior Years Capital Funding		
Community Safety Regional	-	139,232
Total Prior Years Capital Grant Funding	**-**	**139,232**
Capital Grant Liability		
Caterpillar Dozer	-	(30,194)
SPG – 10m3 Tipper	(6,163)	-
Total Capital Grant Liability	**(6,163)**	**(30,194)**
TOTAL CAPITAL FUNDING	**324,542**	**275,638**
TOTAL GRANTS	**8,286,323**	**9,179,572**
f CONTRIBUTIONS & DONATIONS		
Cash Donations	3,100	1,000
	3,100	**1,000**

4. Operating Expenses		
a EMPLOYEE COSTS		
Wages and Salaries	6,035,374	5,484,792
Annual Leave and Long Service Leave Movements	1,077,504	1,017,717
Superannuation	657,098	604,950
FBT	21,154	64,876
Workers Compensation	50,100	(33,393)
Relocation/Recruitment	7,525	20,839
Other Employee Related Expenses	-	1
TOTAL EMPLOYEE COSTS	**7,848,755**	**7,159,782**
b INTEREST CHARGES		
Bank Fees	6,105	5,620
Total Interest Charges	**6,105**	**5,620**
c DEPRECIATION & AMORTISATION		
Depreciation		
Buildings Depreciation	1,306,353	1,306,352
Infrastructure	241,741	246,719
Plant and Machinery Depreciation	286,875	290,406
Equipment Depreciation	66,337	76,717
Motor Vehicles Depreciation	166,857	226,563
Total Depreciation	**2,068,163**	**2,146,757**

	2017	2016
	$	$
4. Operating Expenses (Cont.)		
d OTHER OPERATING EXPENSES		
Council Chairman's Allowance	92,728	72,192
Councillor Allowance Expenses	213,133	176,400
Local Authority Allowances	9,040	12,184
Electoral Commission Expenses	-	-
Insurance	269,903	371,935
Other Operating Expenses	-	-
Total Other Operating Expenses	**584,804**	**632,711**
e MATERIALS & CONTRACTS		
Accounting Fees	77,136	72,917
Provision for Doubtful Debts	-	(393)
Communication Expenses	98,369	142,200
Consultants & Legal Expenses	99,547	177,207
Contract Labour	1,549,105	165,153
Contract Materials	5,348	30,894
Electricity	162,989	191,659
Freight	236,157	193,984
Fuel & Oil Motor Vehicles	456,742	414,179
Gas Expenditure	1,656	5,339
Material Expenditure	1,288,788	952,250
Operating Lease Expenses	233,149	246,038
Software/Internet/Support	349,544	321,840
Travel/Accommodation/Training	288,853	156,510
Other Materials & Contracts	354,511	419,459
Total Materials & Contracts	**5,201,894**	**3,489,236**
f LOSS ON DISPOSAL OF ASSETS		
Net (Profit)/ Loss from Disposal of assets	(27,214)	(23,865)
Total (Profit)/Loss from Disposal of assets	**(27,214)**	**(23,865)**
5. Cash and Investments		
CASH		
Current Operating Accounts & Cash on Hand	3,495,555	3,101,257
TOTAL CASH	**3,495,555**	**3,101,257**
Restricted Cash		
Bathurst Island Oval Upgrade ABA – Portable Stage	-	89,392
Night Patrol Regional	-	206,232
Reseal Wurrumiyanga Roads	1,117,520	748,604
Remote Aviation Programs	-	37,377
Foreshore Drain Wurrumiyanga	83,891	87,831
SPG – 10m3 Tipper	-	166,600
SPG Re-Branding Regional Council	590	3,934

	2017	2016
	$	$
5. Cash and Investments (Cont.)		
Homelands Extra Allowance	42,326	43,529
HMP Fencing Program	99,753	113,289
Local Authorities – Wurrumiyanga	431,633	382,117
Local Authorities - Pirlangimpi	88,265	60,174
Local Authorities – Milikapiti	154,333	123,408
Strengthening Local Authorities Fund	25,614	111,489
Refurbish Aerodrome Ablution Blocks	41,702	82,036
MESSPG – Paru Pontoon	31,393	31,393
MESSPG – Paru Water Tank	40,449	43,636
MESSPG – Telecommunications Repeaters	-	45,000
MESSPG – Tank Stand Takaprimil	32,506	32,506
SPG – 12m3 Garbage Truck	216,223	-
SPG – 2 x Tractors/Slashers & 4 x Ride-on Mowers	114,146	-
Total Restricted Cash	**2,520,344**	**2,408,547**
Total Unrestricted	**975,211**	**692,710**
Total Cash Available	**3,495,555**	**3,101,257**

6. Current Assets - Receivables		
Rates & Annual Charges	309,952	274,547
GST Receivables	51,926	52,264
Accrued Income	22,820	2,552
Other Receivables	461,355	225,831
Less Provision for Doubtful Debts	(258,034)	(258,034)
TOTAL RECEIVABLES	**588,019**	**297,160**

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 2017 is detailed below:

Not past due	485,154	151,417
Past due 31-60 days	18,743	19,958
Past due 61-90 days	7,456	1,283
Past due 91 days	334,700	382,536
Total Gross Trade Receivables	**846,053**	**555,194**

	2017	2016
	$	$

6. Current Assets – Receivables (Cont.)

b Impaired receivables

As at 30 June 2017, receivables with a nominal value of $258,034 were impaired (2016: $258,034). 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:

Not past due	-	-
Past due 31-60 days	-	-
Past due 61-90 days	784	-
Past due 91 days	257,250	258,034
Total Impaired Receivables	**258,034**	**258,034**

Movements in the provision for impairment are as follows

Balance at beginning of year	(258,034)	(258,034)
Amounts written off during the year	-	-
Provision for impairment recognised during the year	-	-
Reversal of provision for impairment	-	-
Balance at end of year	**(258,034)**	**(258,034)**

As at 30 June 2017, current receivables of the Council with a nominal value of $102,865 (2016: $145,742) 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:

Past due 31-60 days	18,743	19,957
Past due 61-90 days	6,672	1,283
Past due 91 days	77,450	124,502
Total Receivables	**102,865**	**145,742**

7 Other Assets

Inventories:		
Fuel Stock	75,149	24,102
Stores and Material	330,737	321,556
Prepayments	28,609	-
TOTAL OTHER ASSETS	**434,495**	**345,658**

	2017	2016
	$	$
8. Property Plant & Equipment		
a Gross carrying amount and accumulated depreciation		
Prescribed Buildings - at revaluation	25,512,578	25,512,578
Less: Accumulated Depreciation and Impairment	(8,954,053)	(7,647,700)
Total	**16,558,525**	**17,864,878**
Plant and Machinery - at cost	3,089,107	3,030,418
Less: Accumulated Depreciation and Impairment	(2,005,797)	(1,777,975)
Total	**1,083,310**	**1,252,443**
Equipment - at cost	558,888	483,150
Less: Accumulated Depreciation and Impairment	(365,792)	(299,455)
Total	**193,096**	**183,695**
Motor Vehicles - at cost	1,428,415	1,434,645
Less: Accumulated Depreciation and Impairment	(1,055,127)	(1,083,572)
Total	**373,288**	**351,073**
Prescribed Infrastructure - at revaluation	4,361,958	4,307,676
Less: Accumulated Depreciation and Impairment	(1,644,469)	(1,402,728)
Total	**2,717,489**	**2,904,948**
Work in Progress	125,322	107,920
Total	**125,322**	**107,920**
Total Property, Plant and Equipment	**21,051,030**	**22,664,957**
b Movements in carrying amounts		
Buildings		
Buildings - at Written Down Value	17,864,878	19,171,231
Plus: Revaluation	-	-
Plus: Acquisitions	-	-
Less: Sold/Written Off	-	-
Less: Depreciation	(1,306,353)	(1,306,353)
Total	**16,558,525**	**17,864,878**
Plant and Machinery		
Plant and Machinery - at Written Down Value	1,252,443	1,356,608
Plus: Acquisitions	160,437	254,189
Less: Sold/Written Off	(42,695)	(67,948)
Less: Depreciation	(286,875)	(290,406)
Total	**1,083,310**	**1,252,443**

	2017	2016
	$	$
8. Property Plant & Equipment (Cont.)		
Equipment		
Equipment - at Written Down Value	183,695	179,221
Plus: Acquisitions	75,738	81,191
Less: Sold/Written Off	-	-
Less: Depreciation	(66,337)	(76,717)
Total	**193,096**	**183,695**
Motor Vehicles		
Motor Vehicles at Written Down Value	351,073	363,268
Plus: Acquisitions	193,085	239,124
Less: Sold/Written Off	(4,013)	(24,756)
Less: Depreciation	(166,857)	(226,563)
Total	**373,288**	**351,073**
Prescribed Infrastructure		
Infrastructure - at Written Down Value	2,904,948	3,144,480
Plus: Acquisitions	54,283	7,186
Less: Sold/Written Off	-	-
Less: Depreciation	(241,742)	(246,718)
Total	**2,717,489**	**2,904,948**
Work in Progress		
Opening Balance	107,920	222,202
Disposals	-	-
Additions	500,945	467,409
Capitalisation	(483,543)	(581,691)
Total	**125,322**	**107,920**
TOTAL - All Non-Current Assets	**21,051,030**	**22,664,957**

9. Trade and Other Payables, Provisions & Borrowings			
a	**Trade and Other Payables**		
	Goods & Services	722,057	1,228,532
	Employee Related	138,468	101,559
	GST Payable	70,324	140,298
	Credit Cards Payable	(909)	(4,734)
	Other Creditors	-	-
	Total Trade and Other Payables	**929,940**	**1,465,655**
b	Other Current Liabilities	1,739,687	22,729
	Unexpended Grant Liability	1,481,339	1,118,635
		3,221,026	**1,141,364**
	TOTAL TRADE AND OTHER PAYABLES AND OTHER LIABILITIES	**4,150,966**	**2,607,019**

	2017	2016
	$	$
9. Trade and Other Payables, Provisions & Borrowings (Cont.)		
c Provision - Current		
Annual Leave	704,242	727,204
Current Long Service Leave	148,529	172,722
Total Current Provisions	**852,771**	**899,926**
d Provisions - Non Current		
Long Service Leave	257,426	222,356
Total Non-Current Provisions	**257,426**	**222,356**
TOTAL PROVISIONS	**1,110,197**	**1,122,282**
e Borrowings (Unsecured)		
Non Current Borrowings	666,667	666,667
TOTAL BORROWINGS	**666,667**	**666,667**
TOTAL TRADE AND OTHER PAYABLES, PROVISIONS & BORROWINGS	**5,927,830**	**4,395,968**

10. Statement of Cash Flows

a Reconciliation of Cash		
Cash on hand and at Bank	337,947	157,019
Cash Management Account	3,157,608	2,944,238
Balances as per Statement of Cash Flow	**3,495,555**	**3,101,257**

b Reconciliation of Change in Net Assets to Cash from Operating Activities

Change in net assets after operations	(2,371,795)	(308,149)
Add:		
Depreciation and Amortisation	2,068,163	2,146,757
Increase in Trade Creditors	-	746,660
Increase in Other Current Liabilities	2,079,662	164,474
	1,776,030	2,749,742
Less:		
Decrease in Trade Creditors	535,716	-
Decrease in Provisions	12,084	258,613
Increase in Trade and Other Receivables	290,859	51,237
Increase in Prepayments	28,609	-
Increase in Stock	60,228	36,482
Profit on Sale of Fixed Assets	27,214	23,865
	954,710	370,197
Net Cash generated from/(used in) operating activities	**821,320**	**2,379,545**

	2017	2016
	$	$

11 Operating Leases

Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:

Not later than one year	245,143	256,998
Later than one year and not later than 5 years	860,495	846,219
Later than 5 years	2,246,769	2,448,226
Total	**3,352,407**	**3,551,443**

12 Commitments for Expenditure

The Council has entered into contracts for future capital expenditure which are not provided in the financial statements. These commitments are for motor vehicles as follows:

Not later than one year	238,763	-
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	238,763	**-**

13 Grants & Contributions with Conditions

Grant and Contributions that were obtained on the condition that they be expended on specific purposes but which are not yet expended in accordance with those conditions, are as follows:

Grant Liability from 10/11 Funding Year		
CIGP – Miscellaneous Repairs to Bores	545	545
10/11 Grant Liability Total	**545**	**545**
Grant Liability from 11/12 Funding Year		
Community Fitness	1,249	1,249
Cape Forcroy Road	46,240	46,240
11/12 Grant Liability Total	**47,489**	**47,489**
Grant Liability from 12/13 Funding Year		
Child Care Pirlangimpi	95	95
Art JCP	-	11,077
SPG – Bunded Fuel Tanks Milikapiti	2,392	2,392
12/13 Grant Liability Total	**2,487**	**13,564**
Grant Liability from 13/14 Funding Year		
ISARP – Jobs Creation Package	109,097	109,097
NAIDOC Week	5,664	5,664
Active Remote Communities	30,653	30,653
Active Remote Communities – Variation Money	2,005	2,005
Install Cricket Pitch	201	201
13/14 Grant Liability Total	**147,620**	**147,620**

	2017	2016
	$	$
13 Conditions Over Grants & Contributions (Cont.)		
Grant Liability from 14/15 Funding Year		
ISARP – Jobs Creation Package	51,874	51,874
Regional Night Patrol	4,042	12,949
Child Care Jirnani	-	2,978
Youth Diversion Unit	21,884	21,884
Active Remote Communities – BNT Women's Basketball	1,725	1,725
14/15 Grant Liability Total	**79,525**	**91,410**
Grant Liability from 15/16 Funding Year		
OSHC Wurrumiyanga	48,184	48,184
OSHC Pirlangimpi	32,892	32,892
OSHC Milikapiti	11,853	11,853
Child Care Wurrumiyanga	5,000	5,000
Child Care Pirlangimpi	5,000	5,000
ISARP - Sport for Life	-	38,414
NAIDOC Week	3,643	3,643
NT Jobs Package Culture & Support	30,394	30,394
Pirlangimpi School Meals Program	-	27,457
Child Care Milikapiti	-	8,851
Roads (R2R) – Paru to 3 Ways	-	60,990
Road Reseal Consultancy Wurrumiyanga	296	296
Youth Diversion Unit	21,308	21,308
Remote Sport Program	-	40,660
Caterpillar Dozer	-	30,194
Outstations Housing Maintenance	85,520	85,520
Outstations Municipal & Essential Services	132,394	132,394
NT Jobs Package (Converted Jobs)	85,133	85,133
Community Safety	-	149,824
15/16 Grant Liability Total	**461,617**	**818,007**
Grant Liability from 16/17 Funding Year		
ISARP - Sport for Life	34,655	-
Community Safety	379,547	-
NAIDOC Week	2,320	-
NT Jobs Package Culture & Support	38,121	-
Pirlangimpi School Meals Program	55,224	-
Families as First Teachers	103,864	-
Youth Diversion Unit	32,959	-
Early Intervention Youth Boot Camp	6,110	-
Remote Sport Program	35,570	-
Regional & Remote Communities	2,523	-
SPG – 10m3 Tipper	6,163	-
MESSPG – Telecommunications Repeaters	45,000	-
16/17 Grant Liability Total	**742,056**	**-**
Total Grant Liability	**1,481,339**	**1,118,635**

14. 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 it 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.

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 for the 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.

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

	2017	2016
	$	$
Financial Assets		
Cash at bank	3,495,555	3,101,257
Investment	-	-
	3,495,555	3,101,257

14. Financial Risk Management (Cont.)

At balance sheet date the 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 the 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.

	Change in Variable	Effect on Profit or Loss 2017 $	Effect on Equity 2017 $	Effect on Profit or Loss 2016 $	Effect on Equity 2016 $
Financial Assets					
Cash at bank and Investments	1%	34,956	34,956	31,012	31,012
	(1)%	(34,956)	(34,956)	(31,012)	(31,012)

14b. Net fair values of financial assets and liabilities

Cash and cash Equivalents: The carrying amounts of cash and cash equivalents approximates their fair value due to its short term to maturity nature.

Loans and receivables and Trade and other payables: Their carrying amounts approximate their fair value due to its short term to maturity nature.

14c. 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	
	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash on Hand	3,495,555	3,101,257	-	-	-	-	3,495,555	3,101,257
Trade and other receivables	588,019	297,160	-	-	-	-	588,019	297,160
Total	4,083,574	3,398,417	-	-	-	-	4,083,574	3,398,417
Financial Liabilities due for payment								
Trade and other payables	929,940	1,465,655	-	-	-	-	929,940	1,465,655
Borrowings	-	-	666,667	666,667	-	-	666,667	666,667
Other Current Liabilities	1,739,687	22,729	-	-	-	-	1,739,687	22,729
Unexpended Grant Liability	1,481,339	1,118,635	-	-	-	-	1,481,339	1,118,635
Total	4,150,966	2,607,019	666,667	666,667	-	-	4,817,633	3,273,686

15. Fair Value Measurement

In accordance with AASB 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant standards, are categorised into 3 levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable data).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(a) Financial Assets and Liabilities

The Council has no financial assets and liabilities measured at fair value as at 30 June 2017.

(b) Non-Financial Assets

	Level 1	Level 2	Level 3	Total
30 June 2017				
Buildings & Infrastructure			$19,276,014	$19,276,014
30 June 2016				
Buildings & Infrastructure			$20,769,826	$20,769,826

Buildings and infrastructure

The fair values of the Buildings and Infrastructure are estimated using a market approach which uses prices and other market data derived from observed transactions for the same or similar assets. Assets used by not for profit and public sector entities, which also have a commercial use, are likely to be valued based on observable market values considering the highest and best use requirements of AASB 13. The buildings and infrastructure used for a public service or as an administration building by a government agency in close proximity to other offices used for commercial purposes would be competing with commercial users for that office space within the market. As a result these properties' fair value could be determined based on sales of comparable buildings.
There were no changes during the period in the valuation techniques used by the Council to determine Level 2 fair values.

16. Reserves

The Council in its meeting held on 27 May 2015 decided to transfer the unspent balance of the budget allocation for election expenses at 30 June each year from accumulated funds to the election reserve and use that amount of money to fund future Council general elections and by-elections at the direction of the CEO.

At the same meeting the Council decided to transfer an initial amount of $25,000 from the recent sale of surplus Council vehicles from accumulated funds to the asset replacement reserve and to use that amount to fund future Council motor vehicle and major plant / equipment purchases as directed by the CEO. Future proceeds from the sale or auction of Council motor vehicles / plant / equipment are to be credited to the asset replacement reserve as directed by the CEO.

	1 July 16	Transfer to Reserve	Transfer from Reserve	30 June 17
	$	$	$	$
Other Reserves				
Election Reserve	20,000	10,000	-	30,000
Asset Replacement Reserve	141,571	1,292	-	142,863
Total Other Reserves	161,571	11,292	-	172,863

17. Related party transactions

The related parties of the Council include:

- the key management personnel because they have authority and responsibility for planning, directing and controlling the activities of the Council directly;
- spouses, children and dependants who are close family members of the key management personnel; and
- any entities controlled or jointly controlled by key management personnel's or controlled or jointly controlled by their close family members.

Key Management Personnel

Key management personnel of the Council are those persons having authority and responsibility for planning, directing and controlling the activities of Council. These include the Councillors, Chief Executive Officer and General Managers of Directorates as listed below.

a Key Management Personnel

Names of persons holding the position of key management personnel at the Council during the financial year are:

17. Related party transactions (Cont.)

a Key Management Personnel (Cont.)

Councillors	Lynette De Santis Pirrawayingi Puruntatameri Therese Bourke Anita Moreen John Naden Venard Pilakui Barry Puruntatameri Manyi Rioli Gawin Tipiloura Irene Tipiloura (ceased 18/05/17) Stanley Tipiloura Leslie Tungatalum
Chief Executive Officer	Marion Scrymgour
GMs of Directorates	Rosanna De Santis Bruce Moller (ceased 10/02/17) Geoffrey Harris (ceased 11/12/16)

b Remuneration of Key Management Personnel

The aggregate compensation made to key management personnel and other members of key management personnel in the financial year is set out below:

	2017 $	2016 $
Short term employee benefits	816,607	819,828
Post employment benefits	84,388	101,722
Other long term benefits	7,956	13,366
Termination benefits	47,392	30,513
Total	**956,343**	**965,429**

c No retirement benefits have been made by the Council to Key Management Personnel.

d No loans have been made, guaranteed or secured by the Council to Key Management Personnel during the reporting year 2016/17.

e No transactions other than remuneration payment or reimbursement of approved expenses were entered into by the Council with Key Management Personnel, or Related Parties of such Key Management Personnel during the reporting year 2016/17.

f Investment in Councilbiz

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008 and commenced operations on 1 July 2008 providing administrative, ICT and Business Systems support to the 8 member Councils. It is a Local Government subsidiary, created as part of the Northern Territory Local Government Reform Agenda, under the Local Government ACT 2008 and Regulations.
Upon the incorporation of CouncilBiz, the Council made an initial funding contribution of $50,000.
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 with similar rules to CouncilBiz, such as prohibiting the distribution of assets and income to its members. As the Council will not realise any returns from its $50,000 funding contribution to CouncilBiz, this amount was expensed when it was incurred.

18. Contingent Assets and Contingent Liabilities

Contingent Liabilities

Under the terms and conditions of the Constitution of CouncilBiz, the Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2017, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

As at 30 June 2017, the Council has a security deposit guarantee in favour of Cooper Holdings (NT) Pty Ltd amounting to $8,694.

19. Auditor's Remuneration

	2017 $	2016 $
Amounts received or due and receivable by the auditors of Tiwi Islands Regional Council		
- Audit or Review Services	64,500	67,000
- Other Services	-	-
Total Remuneration	**64,500**	**67,000**

20. Events after the reporting period

At the date of this report, no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Council, the results of those operations, or the state of affairs of the Council in future financial years.