



two ways :: one outcome

2012/13 Budget and Rating Declaration

July 2012

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Appendix 1: **Rating Declaration**

Appendix 2: **Ministerial Approval – Conditional Rating**



1 Introduction to Budget

When establishing a budget, the Council must be mindful of a number of internal and external factors. These factors include such drivers as:

- Internal factors such as
 - the costs of delivering services, including fuel and oil and increasing electricity costs,
 - internal wage pressures as a result of the 2010 Collective Enterprise Agreement,
 - property, plant and equipment available and suitability of their condition for delivering different services,
 - limitation on ability to generate untied revenue, and
- external factors including:
 - the impact of the leasing arrangements for the land in communities owned under Aboriginal Land Rights legislation,
 - the Council's existing service levels,
 - inflationary pressure on cost of delivering different services,
 - arrangements with funding bodies for different funding programs regarding their continuation for future.

Rating Regime

In determining the rating regime for 2012/2013, the Council undertook an extensive Rating Review. This rating review identified the major factors impacting upon the Council's long term sustainability and considered its current and future potential rates revenue. In particular the Council considered:

- How current and future rating practices will impact on the Council's financial sustainability,
- What inflationary indexing is more appropriate for application to local government authorities,
- How existing services (particularly waste management and animal management) can be funded from existing revenue sources; and
- The impact of the new leasing arrangements for Aboriginal owned land on the Council's existing budget.

The Council identified that the revenue generation capability is highly constrained with less than two percent of its revenue derived directly from rates. The Council also considered the impact of conditional rating on the Council's overall rate revenue.

Conditionally Rateable Land

In the 2012-2013 budget the Council anticipates raising \$ 31,516 in conditional rating. This represents an increase in line with Darwin CPI. During the rating review the Council considered the option of increasing the conditional rating levy in excess of the Darwin CPI. The Council acknowledged that Darwin CPI does not reflect the true inflationary pressure on local government. However, as the Council is anticipating revaluations of these properties to be available in 2012/2013, and the cattle industry has indicated that these revaluations have been significant, it was considered prudent to comply with the Ministerial Guidelines for an additional year.



Residential and Commercial Land

The Central Desert Shire has approximately 580 properties that are rated under general rates. The majority of these premises (approximately 95%) are community housing managed by Territory Housing. When considering the impact of rate increases on these properties, the Council was aware that the residents of these community houses are not individually liable for rates. The Council has increased the gross residential rate take to partially recover leasing payments for buildings within these communities.

Grants and other Income

Although a number of grants have been renewed for a further 12 months, the CDEP extension grant, which was a significant boost to the Council's revenue in 2011/2012, will be drawing to a close. The Housing Management Program has also significantly reduced in size resulting in less administration fees payable to the Council.

Where possible, Council has maximised the revenue of the Council through other non-rating income sources such as grant funding, fees and charges.

The Council will also continue to work closely with LGANT and the Department of Housing, Local Government and Regional Services to lobby for increased operational funding.

Expenditure

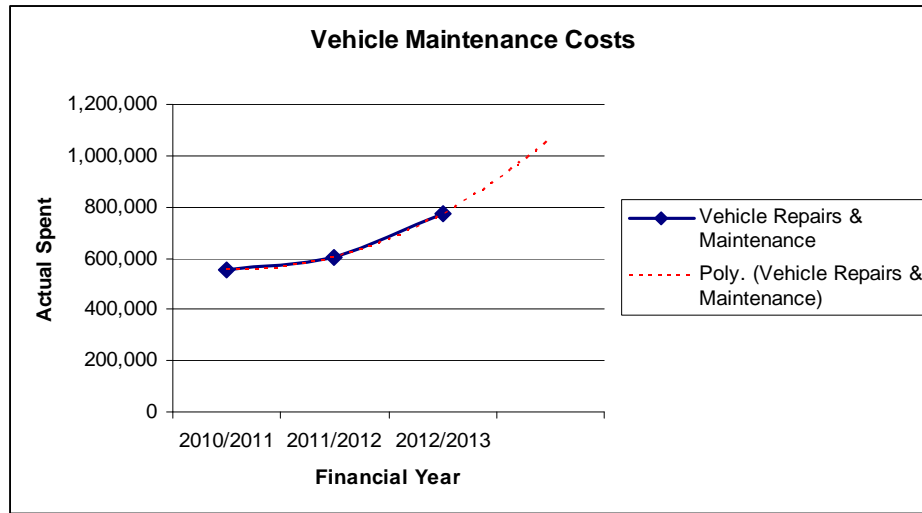
In establishing the budget for the 2012-2013 financial year, staff have been mindful of an overall anticipated 20% reduction in revenue in the 2012-2013 year (approximately \$ 8 million). Whilst the majority of this revenue relates to grant related programs this has a direct untied revenue impact of approximately \$750,000.

To enable the budget to accommodate this significant reduction in core funding the following principles have been adopted during budget deliberations:

- Core employment, particularly in the Service Delivery Centres has been protected wherever possible with minimal loss of employment in these areas;
- All operational budgets have been tightly constrained to a maximum of 3% (ie CPI) increase on last years budget; and
- Discretionary spending has been reduced to minimum levels.

Unfortunately, it has also been necessary to limit capital replacement of the Council's fleet, plant and equipment to expenditure that can be recovered through sale of fleet. This approach is not sustainable and has significant impact on the Council's operations.

The age of the Council's assets is increasing and in many cases has reached and exceeded the economically useful life of the asset. As is evidenced by the actual costs of the "vehicle repairs & maintenance" in Table 1 below, as the fleet ages the costs associated with maintenance also increase. The red dotted line in the following table is a trend line which predicts the value of this area in 2013/2014. This provides a clear indication of the direct financial implications of an aging fleet. It should also be noted that the aging fleet also impacts upon the productivity of the Council as repairs and maintenance activities involve down time for the plant. This indirect cost is difficult to quantify, however, is evident in reduced service levels and delays in achieving corporate plan objectives.

Table 1: Costs of Vehicle Repairs and Maintenance

Other implications of the constrained expenditure include:

- No additional positions within core services with some areas seeing a reduction in the level of staff.
- Waste management will delivered at minimum service levels as agreed.
- Staff training and development budget has been limited to mandatory training only (essentially WH&S and white card accreditation). Funding will be sought for all other training.
- Building insurances have been reduced through selective insurance of assets.
- Animal management delivered at minimum level.
- Property maintenance and upgrade being undertaken only with the assistance of CDEP participants.



2 Objectives

Please refer to the 2012-2013 Shire Plan for a complete discussion of the objectives of the Council for the financial year.

3 Key Performance Indicators

Key Performance Indicators (KPIs) can be defined as measures that provide internal and external stakeholders with the most important performance information to enable all to understand whether the organisation is on track or not.

To make performance more understandable and to reduce the complex nature of organisational performance a small number of key indicators have been developed. Emphasis has been placed on measurements which can lead to learning and improvement. The aim is to provide information needed to make better informed decisions.

COUNCIL'S PERFORMANCE SUMMARY

Every Council Meeting Council reviews its performance in meeting the measures set out in the Annual Corporate Plan.

| KPI | Description | Target |
|---|---|------------------|
| Percentage of Corporate Plan Actions achieved within designated timeframes. | The Council currently has approximately 160 Corporate Plan actions. Calculated as the total number of corporate plan actions delivered in accordance with expectations divided by the total number of corporate plan actions expressed as a percentage. This KPI provides an overall indication of the Council's focus on delivering the Council's Corporate Plan. | Greater than 90% |

These measures cover all the following Strategic Goals. However, Key Performance Indicators for 2012/2013 separate to the measures contained in the Corporate Plan are also applicable to each Strategic Goal as follows:

STRATEGIC GOAL 1 – Social and Cultural: Maintain and Improve the Health Culture and Well Being of the Community

| KPI | Description | Target |
|---|---|--------|
| Community Services delivered in accordance with the grant conditions. | Calculated as the total number of community service complying grants divided by the total number of grants. | 100% |



| | | |
|--|---|--|
| | <p>The Council provides a range of community services. These services are delivered on behalf of the funding agencies and in accordance with grant conditions. This KPI indicates the Council's ability to deliver services on behalf of NT and Commonwealth Government agencies.</p> | |
|--|---|--|

STRATEGIC GOAL 2 – Physical Assets: Well Managed and Maintained Physical Infrastructure

| KPI | Description | Target |
|---|--|------------------|
| Roads | KPI to be developed based upon CDSC 10 Year Roads Work Plan, currently in development (seeking ratification at June 2012 Council meeting). | |
| Territory Housing Repairs and Maintenance | Calculated as the number of work orders completed as a percentage of the work orders issued. | Greater than 90% |
| Plant and Vehicles | Calculated as the number of items of plant and vehicles in operation as a percentage of the establishment. | Greater than 90% |

STRATEGIC GOAL 3 – Economy: A Dynamic and Growing Economy with Strong Local Employment

| KPI | Description | Target |
|-----------------------|--|------------------|
| Indigenous Employment | Calculated as the number of indigenous employees over the total number of employees (including agency and commercial but excluding CDEP participants) expressed as a percentage. | Greater than 70% |



STRATEGIC GOAL 4 – Environment: A Region that Respects, Protects and Looks after its Natural and Built Environment

| KPI | Description | Target |
|------------------|---|--------------------------------------|
| Waste management | The number of Service Delivery Centres compliant with CDSC Waste Management Strategy. | At least 6 SDC waste sites compliant |

STRATEGIC GOAL 5 – Management and Governance: Good Leadership, Effective Advocacy and High Quality Services Supported by Good Management Practices

Financial Sustainability

| KPI | Description | Target |
|----------------------|--|---|
| Operating Deficit | Total operating revenue (excluding capital grants) less total operating expenses divided by total operating revenue. | Operating deficit <10% of operating revenue |
| Interest Coverage | Earnings before interest and tax divided by interest expense. | Greater than 3.0 |
| Sustainability Ratio | Capital expenditures divided by depreciation expense | 1.0 |
| Current Ratio | Current assets divided by current liabilities | 1.0 |
| Rate Coverage | Rates revenue divided by total revenue. It should be noted that this is an aspirational target as historically the Council has only been able to secure < 2% rates coverage. | 5% (higher is better) |

Local Boards

| KPI | Description | Target |
|--|---|--|
| Number of Local Board Meetings conducted in 9 Service Delivery Centres | Local Boards are an important indicator of local involvement and governance capability. This KPI is calculated as the number of times each Local | Each of the 9 local boards meeting at least 4 times a year. Each local board reported separately. |



| | | |
|--|--|--|
| | Boards has met over a 12 month period. Local Boards typically meet 4 times per year in the nine Service Centres. | |
|--|--|--|

Employee Perspective

| KPI | Description | Target |
|--|---|---|
| Performance Management Reviews are undertaken in a timely manner | Calculated as the number of staff that have had performance reviews conducted within 30 days of the review falling due divided by the total number of performance reviews that should have been conducted. | Greater than 90% |
| Staff turnover | Staff turnover is an indicator of the Council's ability to keep staff. Lower staff turnover indicates better retention. This KPI is determined by the total number of voluntary separations for a period divided by the total number of staff employed at the end of the period, expressed as a percentage. | Lower than 35% |
| Health and Safety | Lost time injury rate. Calculated as the total number of hours lost through injury over the total number of labour hours. | Lower the better – the aspiration of the Council must be for a zero rate. |

Compliance Issues

| KPI | Description | Target |
|--|--|---|
| Statutory and legislative requirements | The Department of Local Government undertakes a periodic review of the Council's compliance with the Local Government Act and Regulations. This KPI indicates whether items identified as part of the compliance review are actioned and resolved. | 100% of compliance issues rectified within prescribed time. |



4 Analysis of Budget

4.1 Revenue and Expenditure

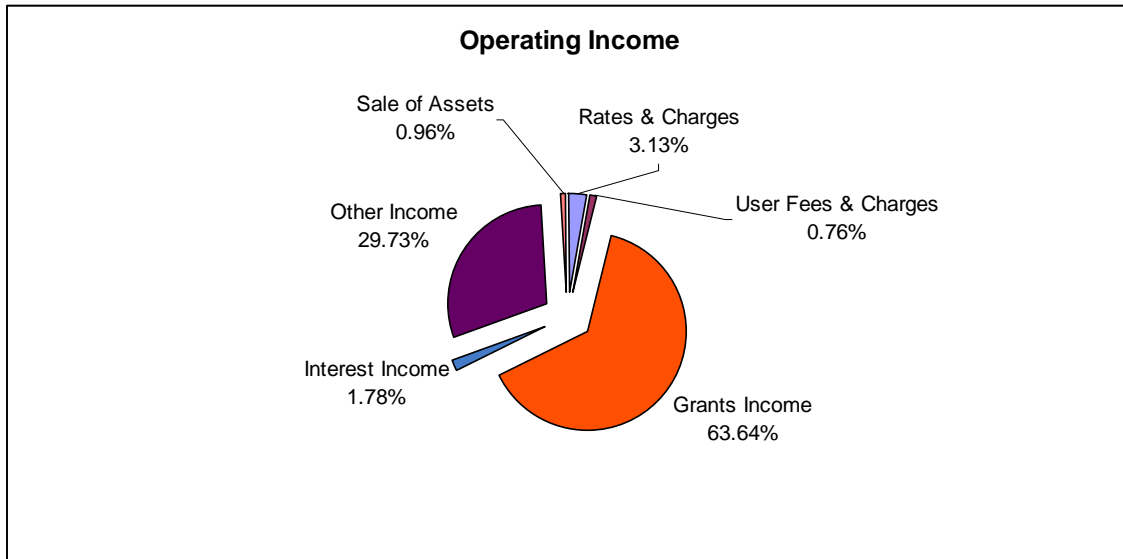
Pursuing the goals of the Strategic Plan, Council proposes the following revenue and expenditure in 2012/2013.

Budget Summary 2012-2013

| | |
|--|------------------------|
| Income | |
| Rates & Charges | \$ (1,057,369) |
| User Fees & Charges | \$ (258,012) |
| Grants Income | \$ (21,509,919) |
| Interest Income | \$ (600,000) |
| Other Income | \$ (10,048,729) |
| Sale of Assets | \$ (323,000) |
| Total Income | \$ (33,797,029) |
| Expenditure | |
| Employee Costs | \$ 18,683,263 |
| Materials and Contracts | \$ 9,130,387 |
| Other Expenses | \$ 4,255,715 |
| Finance Charges | \$ 67,485 |
| Total Expenditure | \$ 32,136,850 |
| Net Operating Items | \$ (1,660,179) |
| Unspent Grants B/fwd | \$ (131,587) |
| Loan Repayments | \$ 51,330 |
| Capital Works and Asset Purchases | \$ 1,735,063 |
| New Initiatives (income) | \$ - |
| New Initiatives (Expenditure) | \$ - |
| Total Program Requirement | \$ (5,373) |

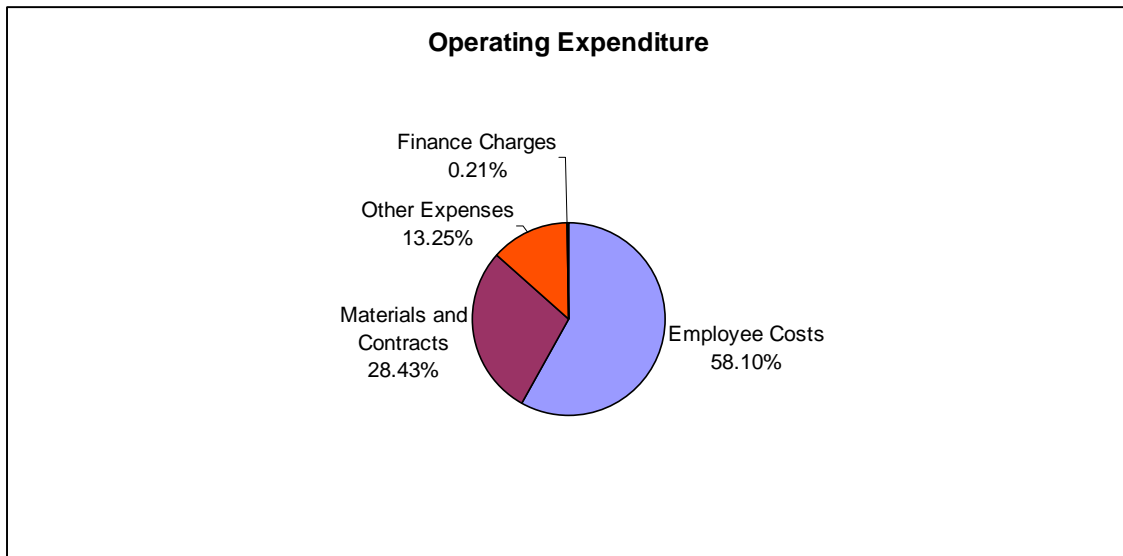
Operating Revenue

The Council is budgeting an operating revenue of \$33,797,029. This income is derived from the following sources:



Operating Expenditure

The Council has budgeted a total operational expenditure of \$32,136,850 and this is being spent in the following areas:





4.2 Infrastructure Maintenance and Development

Analysis of Capital Budget

CAPITAL EXPENDITURE

| | | |
|--|-----------|------------------|
| Local Road Upgrade and Construction | \$ | 954,999 |
| Fleet and Plant Management | \$ | 323,000 |
| Employment and Training (CDEP) | \$ | 120,000 |
| Outstation Services | \$ | 152,064 |
| Housing and Infrastructure Maintenance | \$ | 80,000 |
| Power, Water and Sewerage | \$ | 105,000 |
| Total Capital Expenditure | \$ | 1,735,063 |

Infrastructure Management

The following table presents the infrastructure management expenditure.

| | | |
|------------------------|----|---------|
| Local Roads | \$ | 519,180 |
| Buildings & Facilities | \$ | 308,998 |



4.3 Financial Summary

Budgeted financial statements for 2012-13 by service area:

| | 2012-2013 Budget |
|---|----------------------|
| INCOME | |
| 1.1 Parks, Reserves and Open Spaces | \$ - |
| 1.2 Buildings, Facilities and Fixed Assets | \$ - |
| 1.3 Cemetery Management | \$ - |
| 1.4 Lighting for Public Safety, including Street Lighting | \$ - |
| 1.5 Local Road Upgrade and Construction | -\$ 1,031,399 |
| 1.6 Local Road Maintenance | -\$ 843,282 |
| 1.7 Traffic Management of Local Roads | \$ - |
| 1.8 Shire Services Management | -\$ 188,084 |
| 1.9 Fleet and Plant Management | -\$ 389,000 |
| Total Income - Core Service Local Infrastructure | -\$ 2,451,765 |
| 2.1 Waste management (including litter reduction) | -\$ 477,370 |
| 2.2 Weed and Fire Hazard Reduction | \$ - |
| 2.3 Companion Animal Welfare and Control | \$ - |
| Total Income - Core Service Local Environment | -\$ 477,370 |
| 3.1 Library and Cultural Heritage | -\$ 91,612 |
| 3.2 Civic Events | \$ - |
| 3.3 Local Emergency Services | \$ - |
| Total Income - Local Civic Services | -\$ 91,612 |
| 4.1 Staff Training | -\$ 300,000 |
| 4.2 Administration of Local Laws | \$ - |
| 4.3 Public and Corporate Relations | \$ - |
| 4.4 Customer Relationship Management | \$ - |
| 4.5 Governance | \$ - |
| 4.6 Administration of Local Boards, Advisory Boards and Management Committees | -\$ 266,248 |
| 4.7 Advocacy and Representation on Local and Regional Issues | \$ - |
| Total Income Core Service - Community Engagement in Local Government | -\$ 566,248 |
| 5.1 Financial Management | -\$ 610,000 |
| 5.2 Revenue Growth | -\$ 7,499,427 |
| 5.3 Human Resource Management | \$ - |
| 5.4 Asset Management | \$ - |
| 5.5 Records Management | \$ - |
| 5.6 Risk Management | \$ - |
| 5.7 Shire Operational | -\$ 8,000 |
| 5.8 Information Technology and Communications | \$ - |
| 5.9 Operate Shire Headquarters | \$ - |
| Total Income - Core Service Local Government Administration | -\$ 8,117,427 |
| 6.1 Sport and Recreation | -\$ 811,932 |
| 6.2 Aged and Disabled Care | -\$ 1,861,377 |
| 6.3 Children Services | -\$ 1,949,413 |
| 6.4 Arts and Culture | \$ - |
| 6.5 Community Development and Employment (CDEP) | -\$ 5,376,529 |
| 6.6 Community Safety | -\$ 3,934,997 |
| 6.7 Family Finance Skills | \$ - |
| 6.8 Environmental Health | \$ - |
| 6.9 Community Media | -\$ 177,168 |
| 6.10 Youth | \$ - |



| | 2012-2013 Budget |
|--|-----------------------------|
| 6.11 Airstrips | -\$ 85,000 |
| 6.12 Outstation Services | -\$ 1,167,882 |
| 6.13 Natural Resource Management | \$ - |
| 6.14 Centrelink | -\$ 611,441 |
| 6.15 Economic Development Support | \$ - |
| Total Income Agency Service | -\$ 15,975,739 |
| 7.1 Community Stores | \$ - |
| 7.2 Job Services | -\$ 320,000 |
| 7.3 Housing Maintenance (Territory Housing) | -\$ 4,029,819 |
| 7.4 Non Council Roads | \$ - |
| 7.5 Post Office | -\$ 135,649 |
| 7.6 Power, Water and Sewerage | -\$ 1,497,400 |
| 7.7 Visitor Accommodation and Tourist Information | -\$ 134,000 |
| 7.8 Housing Management Program | \$ - |
| Total Income - Commercial | -\$ 6,116,868 |
| 8.1 Community Swimming Pools (currently unfunded) | \$ - |
| 8.2 Outstation Housing Management | \$ - |
| Total Income - Other | \$ - |
| TOTAL INCOME | -\$ 33,797,029 |
| EXPENDITURE | |
| 1.1 Parks, Reserves and Open Spaces | \$ 32,738 |
| 1.2 Buildings, Facilities and Fixed Assets | \$ 154,593 |
| 1.3 Cemetery Management | \$ 13,868 |
| 1.4 Lighting for Public Safety, including Street Lighting | \$ 35,748 |
| 1.5 Local Road Upgrade and Construction | \$ 76,400 |
| 1.6 Local Road Maintenance | \$ 519,180 |
| 1.7 Traffic Management of Local Roads | \$ 32,738 |
| 1.8 Shire Services Management | \$ 3,048,420 |
| 1.9 Fleet and Plant Management | \$ 676,000 |
| Total Expenditure - Core Service Local Infrastructure | \$ 4,589,685 |
| 2.1 Waste management (including litter reduction) | \$ 641,700 |
| 2.2 Weed and Fire Hazard Reduction | \$ 20,870 |
| 2.3 Companion Animal Welfare and Control | \$ 134,000 |
| Total Expenditure - Core Service Local Environment | \$ 796,570 |
| 3.1 Library and Cultural Heritage | \$ 121,750 |
| 3.2 Civic Events | \$ - |
| 3.3 Local Emergency Services | \$ 10,000 |
| Total Expenditure - Local Civic Services | \$ 131,750 |
| 4.1 Staff Training | \$ 489,201 |
| 4.2 Administration of Local Laws | \$ - |
| 4.3 Public and Corporate Relations | \$ 25,000 |
| 4.4 Customer Relationship Management | \$ 55,532 |
| 4.5 Governance | \$ 549,615 |
| 4.6 Administration of Local Boards, Advisory Boards and Management Committees | \$ 367,734 |
| 4.7 Advocacy and Representation on Local and Regional Issues | \$ 52,230 |
| Total Expenditure Core Service - Community Engagement in Local Government | \$ 1,539,312 |
| 5.1 Financial Management | \$ 844,410 |
| 5.2 Revenue Growth | \$ - |
| 5.3 Human Resource Management | \$ 352,331 |
| 5.4 Asset Management | \$ 181,500 |



| | 2012-2013 Budget |
|---|-----------------------------|
| 5.5 Records Management | \$ 36,571 |
| 5.6 Risk Management | \$ 758,648 |
| 5.7 Shire Operational | \$ 1,463,697 |
| 5.8 Information Technology and Communications | \$ 991,288 |
| 5.9 Operate Shire Headquarters | \$ - |
| Total Expenditure - Core Service Local Government Administration | \$ 4,628,445 |
| 6.1 Sport and Recreation | \$ 811,932 |
| 6.2 Aged and Disabled Care | \$ 1,861,377 |
| 6.3 Children Services | \$ 1,949,413 |
| 6.4 Arts and Culture | \$ - |
| 6.5 Community Development and Employment (CDEP) | \$ 5,256,529 |
| 6.6 Community Safety | \$ 3,934,997 |
| 6.7 Family Finance Skills | \$ - |
| 6.8 Environmental Health | \$ - |
| 6.9 Community Media | \$ 177,168 |
| 6.10 Youth | \$ - |
| 6.11 Airstrips | \$ 18,500 |
| 6.12 Outstation Services | \$ 1,062,019 |
| 6.13 Natural Resource Management | \$ - |
| 6.14 Centrelink | \$ 611,441 |
| 6.15 Economic Development Support | \$ - |
| Total Expenditure Agency Service | \$ 15,683,376 |
| 7.1 Community Stores | \$ - |
| 7.2 Job Services | \$ 199,644 |
| 7.3 Housing Maintenance (Territory Housing) | \$ 3,208,698 |
| 7.4 Non Council Roads | \$ - |
| 7.5 Post Office | \$ 121,636 |
| 7.6 Power, Water and Sewerage | \$ 1,103,734 |
| 7.7 Visitor Accommodation and Tourist Information | \$ 134,000 |
| 7.8 Housing Management Program | \$ - |
| Total Expenditure - Commercial | \$ 4,767,712 |
| 8.1 Community Swimming Pools (currently unfunded) | \$ - |
| 8.2 Outstation Housing Management | \$ - |
| Total Expenses - Other | \$ - |
| TOTAL EXPENDITURE | \$ 32,136,850 |
| (Surplus)/ Deficit before Capital | -\$ 1,660,179 |
| CAPITAL | |
| Local Roads | \$ 954,999 |
| Outstations Infrastructure | \$ 152,064 |
| Fleet and Plant | \$ 628,000 |
| Buildings, Facilities & Fixed Assets | \$ - |
| TOTAL CAPITAL | \$ 1,735,063 |
| Net cost of Outputs | \$ 74,884 |
| FUNDED BY: | |
| New Loan Borrowings | \$ - |
| Loan repayments | \$ 51,330 |
| Surpluses c/f | |
| Net Budget (Surplus) / Deficit | \$ 126,214 |
| Other Items | |
| Unspent Grants B/fwd | -\$ 131,587 |



| | 2012-2013 Budget |
|----------------------------------|---------------------|
| Depreciation | \$ - |
| Net Opn (Surplus)/Deficit | -\$ 5,373 |

5 Rating

5.1 Social and Economic Impacts of Rating Strategy

Council's rates and charges are set each year with regard to a number of internal and external factors. These factors include such drivers as the costs of delivering services, including fuel and oil and increasing electricity costs, internal wage pressures as a result of the 2010 Collective Enterprise Agreement, and external factors including the impact of the leasing arrangements for the land in communities owned under Aboriginal Land Rights legislation as well as the desire by the Council to alter existing services.

In determining the rating regime for 2012/2013, the Council undertook an extensive Rating Review. This rating review identified the major factors impacting upon the Council's long term sustainability and considered its current and future potential rates revenue. In particular the Council considered:

- How current and future rating practices will impact on the Council's financial sustainability,
- What inflationary indexing is more appropriate for application to local government authorities,
- How existing services (particularly waste management and animal management) can be funded from existing revenue sources; and
- The impact of the new leasing arrangements for Aboriginal owned land on the Council's existing budget.

The Council identified that the revenue generation capability is highly constrained with less than two percent of its revenue derived directly from rates. The Council also considered the impact of conditional rating on the Council's overall rate revenue.

Conditionally Rateable Land

The Central Desert Shire Council has twenty nine pastoral leases and eleven mining tenements. There is one major gold mining enterprise; Newmont Mining, the remaining mining tenements relate to exploration or small gem activities. According the Newmont's October 2011 press release, the Corporation reported consolidated revenue of \$2.7 billion for the third quarter of 2011 and \$7.6 billion year-to-date, as well as operating cash flow of \$1.3 billion for the third quarter of 2011 and \$2.7 billion year-to-date. Newmont's third quarter 2011 adjusted net income increased 19% to \$635 million for the third quarter of 2011, from \$533 million for the third quarter of 2010.

There is potentially a second large mining enterprise being developed in the Ti Tree area, it is anticipated that this rare earth mine will employ a maximum of 120 when fully operational.

In the 2012-2013 budget the Council anticipates raising \$ 31,516 in conditional rating. This represents an increase in line with Darwin CPI. During the rating review the Council considered the option of increasing the conditional rating levy in excess of the Darwin CPI. The Council acknowledged that Darwin CPI does not reflect the true inflationary pressure on local government. However, as the Council is anticipating revaluations of these properties to be available in 2012/2013, and the cattle industry has indicated that these revaluations have been significant, it was considered prudent to comply with the Ministerial Guidelines for an additional year.



Residential and Commercial Land

The Central Desert Shire has approximately 580 properties that are rated under general rates. The majority of these premises (approximately 95%) are community housing managed by Territory Housing. When considering the impact of rate increases on these properties, the Council was aware that the residents of these community houses are not individually liable for rates. The Council has increased the gross residential rate take to partially recover leasing payments for buildings within these communities.

In establishing the rating regime for 2012-2013, Council has been mindful of an overall anticipated 20% reduction in revenue in the 2012-2013 year (approximately \$ 8,500,097). Whilst the majority of this revenue relates to grant related programs this has a direct untied revenue impact of approximately \$750,000.

Where possible, Council has maximised the revenue of the Council through other non-rating income sources such as grant funding, fees and charges. The Council will also continue to work closely with LGANT and the Department of Housing, Local Government and Regional Services to lobby for increased operational funding.

In relation to payment of rates Council has a rating policy which is sympathetic to those within the community that have difficulty in payment of rates. There are ways in which Council will assist providing we are notified of difficulties at an early stage.

Please see Appendix 1 for Rating Declaration

Please see Appendix 2 for Ministerial Approval of Conditional Rating Proposal



6 Elected Member Allowances

In accordance with Section 71 of the *Local Government Act*, Central Desert Shire Council proposes to pay the following elected member allowances in 2012/13:

| Allowance | Shire President | Deputy Shire President | Councillor |
|-------------------------------------|-----------------|------------------------|-------------|
| Base Allowance | \$66,727.29 | \$24,673.97 | \$12,001.11 |
| Electoral Allowance | \$17,563.16 | \$4,391.59 | \$4,391.59 |
| Professional Development Allowance* | \$3,334.00 | \$3,334.00 | \$3,334.00 |
| Max extra meeting allowance | NA | NA | \$8,000.74 |
| Total Claimable | \$87,624.44 | \$32,399.56 | \$27,727.44 |

*The professional development allowance includes costs for travel, accommodation, meals and course or conference fees.

The amount budgeted for the elected member allowances is \$330,614.



Appendix 1: Rating Declaration

Central Desert Shire Council Rates Declaration for 2012/2013

Rates

Central Desert Shire Council ("the Council") makes the following declaration of rates pursuant to sections 155-157 of the Local Government Act 2008 ("the Act").

1. Pursuant to Section 149 of the Act, the Council adopts the unimproved capital value as the basis of the assessed value of allotments within the shire area.
2. The Council intends to raise, for general purposes by way of rates, the amount of \$679,999 which will be raised by the application of:
 - (a) Differential valuation based charges ("differential rates") with differential minimum charges ("minimum amounts") being payable in application of each of those differential rates; or
 - (b) A fixed charge ("flat rate")
3. The Council hereby declares the following rates:
 - (a) With respect to all rateable commercial or business land within the shire area, a differential rate of 0.318% of assessed value of such land with minimum amount being payable in the application of that differential rate, being \$795.42 multiplied by
 - (i) the number of separate parts or units that are adapted for separate occupation or use (pursuant to section 148(4) of the Act) on each allotment; or
 - (ii) the number 1whichever is greater.
 - (b) With respect to all rateable land within the shire area for dwelling purpose, a flat rate of \$1050.00 multiplied by
 - (i) the number of separate parts or units that are adapted for separate occupation or use (pursuant to section 148(4) of the Act) on each allotment; or
 - (ii) the number 1whichever is greater.
 - (c) With respect to all rateable commercial agricultural land within the shire area, a differential rate of 0.0672% of the assessed value of such land with minimum amount being payable in the application of that differential rate being \$336.09.



- (d) With respect to every allotment of conditionally rateable land within the shire area not otherwise described above:
- (i) A differential rate of 0.0672% of the assessed value of all land held under a pastoral lease, with the minimum amount being payable in the application of that differential rate, being \$336.09;
 - (ii) A differential rate of 0.318% of the assessed value of all land occupied under a mining tenement, being an active mining, extractive or petroleum lease, with the minimum amount being payable in the application of that differential rate, being \$795.42;

Charges

4. Pursuant to Section 157 of the Act, the Council declares the following charges in respect of the garbage collection services it provides for the benefit of all residential land within the following designated communities and townships within the shire area (except such land as the Council from time to time determines to be exempt or excluded from the provision of such services or for which the Council has determined it is impractical to provide such services).
5. The designated communities and townships within the shire area are Engwala, Harts Range, Lajamanu, Laramaba, Nyirripi, Ti-Tree, Willowra, Yuelamu and Yuendumu.
6. Council intends to raise \$377,370 by these charges.
7. For the purposes of paragraphs 8:
 - “residential dwelling” means a dwelling house, flat or other substantially self contained residential unit or building on residential land and includes a unit within the meaning of the *Unit Titles Act*.
 - “residential land” means land used or capable of being used for residential purposes (but does not include land on which there is no residential dwelling).
 - the “first garbage collection service” comprises a collection service of one garbage collection visit per week with a maximum of one 240 litre mobile bin per garbage collection visit.
 - the “additional garbage bin collection” comprises a collection service of additional 240 litre mobile bin per garbage collection visit per week in addition to the first garbage collection service.
8. The following charges are declared:
 - (a) A charge of \$630.00 per annum per residential dwelling in respect of the first garbage collection service provided to, or which Council is willing and able to provide to, each residential dwelling within all designated communities.



- (b) A charge of \$315.00 per annum per residential dwelling in respect of the additional garbage bin collection provided to, or which Council is willing and able to provide to, each residential dwelling within all designated communities.
- (c) A charge of \$630.00 per annum for each allotment used for commercial or industrial purposes in respect of the garbage collection service provided to, or which Council is willing and able to provide to, each such allotment within all the designated communities.

Relevant Interest Rate

- 9. That pursuant to section 162 of the Act, Council determines that the relevant interest rate which accrues on overdue rates will be 19.00% per annum and is to be calculated on daily basis.

Payment

- 10. The Council determines that the rates and charges declared under this declaration may be paid by two (2) approximately equal instalments on the following dates, namely:-
 - First Instalment, Friday, 28 September 2012
 - Second Instalment, Friday, 1 March 2013

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

- (a) Details of due dates and specified amounts will be listed on the relevant rates notice under section 159 of the Act ("the Rates Notice").
- (b) Variations to those options for payment will be administered according to the conditions outlined on the front and reverse of the Rates Notice.
- (c) A ratepayer who fails to abide by such conditions may be sued for recovery of the principal amount of the rates and charges, late payment penalties, and costs reasonably incurred by Council in recovering or attempting to recover the rates and charges.

Roydon Robertson, Chief Executive Officer
PO Box 2257, Alice Springs, NT 0871
Phone (08) 8958 9500
Email: info@centraldesert.nt.gov.au www.centraldesert.nt.gov.au



Appendix 2: Ministerial Approval – Conditional Rating



COPY

MINISTER FOR LOCAL GOVERNMENT

Parliament House
State Square
Darwin NT 0800
minister.mccarthy@nt.gov.au

GPO Box 3146
Darwin NT 0801
Telephone: 08 8901 4072
Facsimile: 08 8901 4080

Mr Adrian Dixon
President
Central Desert Shire Council
PO Box 2257
ALICE SPRINGS NT 0871

Dear Mr Dixon

I refer to the letter from the Chief Executive Officer, Mr Roydon Robertson, dated 6 February 2012, seeking my approval of the conditionally rateable land rating proposal for 2012-13 for Central Desert Shire Council.

Please find attached the approved 2012-13 rating proposal for your council. The approved proposal allows for a consumer price index (CPI) increase based on the Darwin CPI figure as at the end of December quarter 2011.

The attached approved rating proposal is to be published on your council's website in the form in which it is approved.

Please contact Mr Richard Munt, Department of Housing, Local Government and Regional Services on 899 55118 or email richard.munt@nt.gov.au if you have any enquiries regarding conditional rating.

Yours sincerely

MALARNDIRRI McCARTHY

cc Mr Roydon Robertson, Chief Executive Officer

26 APR 2012

Central Desert Shire Council Approved Conditional Rating Proposal 2012-13

Section 142 Local Government Act

Central Desert Shire Council may rate conditionally rateable land in the 2012-13 year in accordance with the approved conditional rating proposal of 2011-12 adjusted to the Darwin Consumer Price Index (CPI) as at the end of the December quarter of 2011 (2.44%).

For this purpose, the following explanations apply:

| (1) Mining tenements as defined in the Local Government Act: | (2) Pastoral Leases: |
|--|--|
| <p>(i) Assessed value is defined at section 149(2) of the Act.</p> <p>(ii) Rate in 2012-13 to be calculated by multiplying the assessed value as at 1 July 2008 by 0.00318.</p> <p>(iii) Minimum rate of \$795.42.</p> <p>(iv) Contiguous leases and/or reasonably adjacent leases to be rated as if they were a single lease.</p> <p>(v) Exploration leases and licenses are exempt from rating.</p> <p>(vi) Where the owner of the mining tenement is also the owner of the land tenure underlying the mining tenement, and is liable for rates for the underlying tenure, the only rates payable are either the rates payable for the underlying tenure or the rates payable for the mining tenement, whichever is the highest.</p> <p>(vii) It is within the discretion of the council to levy a rate lower than may be payable by applying (i) to (vi) above.</p> <p>(viii) Nothing in (i) to (vii) above prevents a mining interest and a council reaching voluntary agreement on financial contributions or service delivery arrangements in addition to rates.</p> | <p>(i) Assessed value to be the unimproved capital value (UCV) as at 1 July 2008.</p> <p>(ii) Rate to be applied in 2012-13 to be calculated by multiplying the UCV as at 1 July 2008 by 0.000672.</p> <p>(iii) Minimum rate of \$336.09.</p> <p>(iv) Where not practicable to apply a rate against UCV (e.g. where property was not valued as at 1 July 2008) a flat rate of \$336.09 can be applied.</p> <p>(v) It is within the discretion of the council to levy a rate lower than may be payable by applying (i) to (iv) above.</p> <p>(vi) Nothing in (i) to (v) above prevents a pastoral interest and a council reaching voluntary agreement on financial contributions or service delivery arrangements in addition to rates.</p> |

Malarndirri McCarthy

MALARNDIRRI MCCARTHY
Minister for Local Government

26 APR 2012 /2012

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