

MacDonnell Shire

# 2009 - 2010 MacDonnell Shire Council

Annual Report  
& General Purpose  
Financial Statement



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# 1. Introduction

## A message from the Shire President

Our Council and our Councillors have been part of a process of historical change in Local Government in the Northern Territory. While it has been a time of challenge and confusion for many, for all our elected Councillors it has been another year of learning and progress.

As Councillors we have a lot of combined governance experience through being members of boards and other bodies; yet we are learning to understand our governance obligations, advocacy and representation role plus the difficulties of providing for the needs of the Shire Community. Money is very difficult to obtain to meet the communities' needs today. It will become even more difficult in the future.

The Council has been a good team working together and this team spirit also applies between elected Councillors and Shire staff. This has resulted in good decisions and working for both now and tomorrow.

We are moving together for the future; Councillors are committed to meeting the challenges for a better future for all residents in the Council area.



Sid Anderson  
President, MacDonnell Shire Council



## A message from the Chief Executive Officer

The Council is progressing well.

Our shared vision is more closely defined and is being embraced through the staged roll-out of service delivery. The past year has built data on our achievements, our financial position and the challenges of meeting all the roles of Council. Financial sustainability is vitally important; we must be innovative in seeking funds plus keeping pressure at all levels of government to financially support improved living for our communities.

Our environment is still evolving and is dynamic; change is constantly placed upon Local Government. However, through all this we will continue to respectfully provide the best services possible to those that once lived here, those currently living here and those yet to be born.

The achievement of our service delivery is reflected in the indicators outlined in this report. The trends reflect the benefit of change and the 2008 reform, and must be supported by all stakeholders to keep improving delivery and community life.

I'm proud of the Council and the staff operating as a team in these challenging but improving times.



Graham Taylor  
CEO, MacDonnell Shire Council



# 2. Overview

## Our Shire

Situated in an arid desert environment at the centre of the Australian continent, MacDonnell Shire features many iconic, panoramic landscapes which are easily accessed from Alice Springs. The picturesque swimming holes, magnificent flora and fauna, captivating mountain ranges with changing hues and red desert sands are reasons why the MacDonnell Shire is uniquely beautiful and has a deep and powerful strength that can only be felt when travelling across the land.

MacDonnell Shire Council officially commenced operations on 1st July 2008. Formed as a result of the Northern Territory Government's Local Government Reforms, MacDonnell Shire covers the southern portion of the Northern Territory and has a land mass of 268,887km<sup>2</sup>.

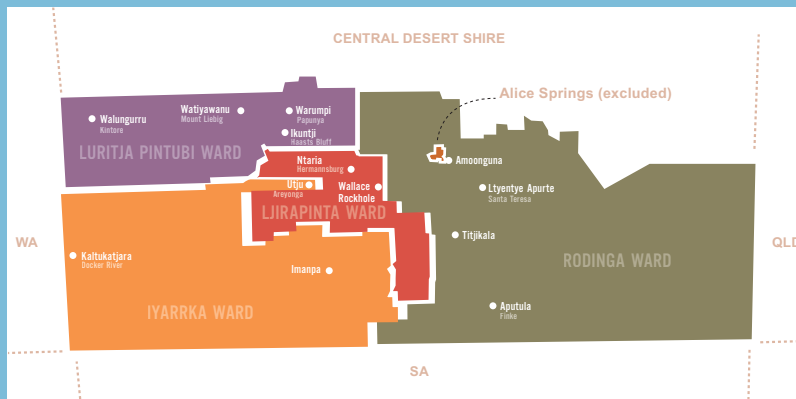
Located within the Shire are 13 major remote communities, many outstations as well as numerous established and emerging enterprises in the pastoral, tourism and mining industries. The towns of Alice Springs and Yulara are excluded from the Shire. The total estimated population of MacDonnell Shire is 6,999 (based on the 2008 ABS population Survey).

As part of the reform process the residents of 13 major remote communities located within the MacDonnell Shire are provided with a range of local government and other services by the Council.

These communities include:

- Amooinguna
- Utju / Areyonga
- Kaltukatjara / Docker River
- Aputula / Finke
- Ikuntji / Haasts Bluff
- Ntaria / Hermannsburg
- Walungurru / Kintore
- Imanpa
- Warumpi / Papunya
- Tapatjatjaka / Titjikala
- Wallace Rockhole
- Watiyawanu / Mt Liebig
- Santa Teresa / Tyentye Apurte

In September 2009 the Shire opened a new headquarters building in Alice Springs. This facility, which is co-owned with Central Desert Shire Council, provides a central base from which the management and administrative services of the organisation can be undertaken with maximum efficiency. Logistically, Area Managers and Program Coordinators can support the community-based service delivery teams from this central point on the road and air transport networks of the region.



## Our History

Prior to the Northern Territory Government's Local Government Reform process, there were some 63 community government councils and associations dispersed throughout the Northern Territory delivering core local government services. These incorporated local government bodies were dissolved on June 30, 2008 under the Local Government Act 2008. Despite best efforts and commitment by many, the local government bodies were small, dispersed and often struggled to deliver adequate services to a standard that major cities, towns and regional centres received elsewhere in Australia, resulting in the 'bush' being left behind.

Competing for funding to deliver basic core and agency services in remote communities, with dispersed and often fluctuating populations in discrete communities, was difficult for smaller local government councils. The Northern Territory Government recognised this and passed new legislation (Local Government Act 2008) to set up the new Shires resulting

in eight new Shire Councils established by the Minister for Local Government. In October 2008, the first elections of the new Shires were held throughout the Northern Territory under the Local Government (Electoral) Regulations. Each Shire had to elect 12 Councillors for their respective Shire Councils and in the MacDonnell Shire the 12 elected Councillors are all Indigenous.

Through the reform process MacDonnell Shire Council is committed to creating a strong future for all of its residents. The administration of governance, finance, funding arrangements, program management and human resources is undertaken centrally at Council Headquarters. The Northern Territory Government has provided the Shire Councils with sophisticated business systems and communications technology which, over time, will significantly improve operating efficiency. Consultation and negotiation with Federal and Territory Government funding bodies has enabled the Shire to negotiate funding arrangements

to align with the new Shire model. The Shire Headquarters has a highly skilled workforce and the experienced Executive Team, Coordinators, Managers and Officers work effectively to ensure that communities receive efficient local government services. Shire employees in remote Service Delivery Centres are better supported by larger staff networks and through having access to vocational training to enhance their skills. To date the MacDonnell Shire Council has successfully attracted funding from the Australian and Territory Governments, and is a stronger political voice to advocate on behalf of its residents. As a third tier of Government, MacDonnell Shire Council will continue to talk directly to all levels of Government on a range of policies and funding issues relative to local government core and non core services bringing the Northern Territory in line with other States and Territories.

## Our Culture

MacDonnell Shire area is unique, expansive, multilingual and culturally diverse. MacDonnell Shire Council places respect for cultural diversity at the heart of its operations, and Council is committed to bringing Indigenous governance and Western governance systems together in a meaningful and respectful way.

The 13 major communities in MacDonnell Shire have populations made up primarily of Indigenous Australians. Outside of these communities there are numerous pastoral, mining and tourism businesses that are owned and operated primarily by non-Indigenous Australians.

There are four main Indigenous language groups spoken in the MacDonnell Shire which include Luritja, Pintubi, Pitjantjatjara and Arrente. For some residents, Warlpiri is also spoken, and English is almost always a second or third language.

Indigenous people have had their own culturally based governance systems for tens of thousands of years – with their own leaders, laws, traditions, rules, structures and traditional land ownership (Di Smith 2008, CDO Workshop).

The western governance system is a relatively new form of governance for Indigenous people in Central Australia. After the granting of Northern Territory self-government in 1978, remote Aboriginal communities in Central Australia underwent major changes to begin governing their communities in a traditional Australian Local Government context. There were major issues related to governance and service delivery as a result of these changes, and the key principles of western governance often competed with the key principles of Indigenous governance.

Having a Shire Council that has full Indigenous representation, elected by residents of the Shire, provides an opportunity for the MacDonnell Shire Council to bring Indigenous and non Indigenous cultures together by building social relationships and cohesion in a way that has never been achieved before. Through effective two-way communication and good governance principles and practices, MacDonnell Shire Council aims to achieve a respectful Shire that celebrates its unique cross-cultural diversity.



### Shire Population (right)

**Note 1.**  
The numbers are the Northern Territory Treasury Estimated Resident Population (with adjustments) as at 30th June 2008.

**\*Note 2.**  
Includes aboriginal outstations, pastoralists, tourism operators and miners.

## Our Region

MacDonnell Shire forms part of the Central Australian region, and is part of the Local Government Regional Management Plan for central Australia released in August 2008.

The Department of Housing, Local Government and Regional Services developed the first Regional Management Plan for Central Australia, and works with Shires, Municipal Councils and government and non-government agencies to improve the plan so that it might lead to better responses to regional opportunities and challenges.

MacDonnell Shire Council joins Alice Springs Town Council, Central Desert Shire Council and Barkly Shire Council as the four Local Government bodies incorporated into this plan.

The formation of the Shires now offers a potential opportunity for improved regional planning, and for the three Central Australian Shires to partner with Alice Springs Town Council wherever there is opportunity for them to cooperate to gain mutual benefits.

Cooperation will also enable the Councils to have a stronger regional political voice in lobbying both Australian and Territory Governments to represent the needs of the Central Australian region.

Through improved regional management and joint approaches the four Central Australian Councils will be able to move towards improved services and long term opportunities for all Central Australians.

Shire Service Delivery Centre (SDC)	Count	%
Amoonguna	327	4.8%
Aputula / Finke	258	3.7%
Utju / Areyonga	297	4.3%
Ikuntji / Haasts Bluff	146	2.1%
Imanpa	177	2.6%
Kaltukatjara / Docker River	446	6.5%
Ltyentye Apurte / Santa Teresa	643	9.3%
Ntaria / Hermannsburg	664	9.6%
Warumpi / Papunya	357	5.2%
Tapatjatjaka / Titjikala	257	3.7%
Wallace Rockhole	105	1.5%
Walungurru / Kintore	411	6.0%
Watiyawanu / Mount Liebig	323	4.7%
Sub-total for SDC's	4,411	64.1%
Other residents (*Note 2)	2,470	35.9%
<b>Total Population</b>	<b>6,881</b>	<b>100.0%</b>

# Our Councillors during 2009/2010



**Sid Anderson**  
Shire President - Luritja Pintubi Ward  
**Phone** via Warumpi / Papunya Shire Service Delivery Centre 08 8956 8680 or 08 8956 8522  
**Mail** CMB 225 Papunya via Alice Springs NT 0872  
**Email** sid.anderson@macdonnell.nt.gov.au



**Lance Abbott**  
Councillor - Luritja Pintubi Ward  
**Phone** via Walungurru / Kintore Shire Service Delivery Centre 08 8964 7079 or 08 8956 8566  
**Mail** PMB 13, via Alice Springs NT 0872  
**Email** lance.abbott@macdonnell.nt.gov.au



**Raymond Kiernan**  
Councillor - Rodinga Ward  
**Phone** via Ltyentye Apurte / Santa Teresa Shire Service Delivery Centre 08 8956 0999  
**Mobile** 0417 847 552  
**Mail** CMB Santa Teresa, via Alice Springs NT 0872  
**Email** raymond.kiernan@macdonnell.nt.gov.au



**Joe Rawson**  
Councillor - Rodinga Ward  
**Phone** via Titjikala Shire Service Delivery Centre 08 8956 0844  
**Mail** PMB 149 Titjikala, via Alice Springs NT 0872  
**Email** joe.rawson@macdonnell.nt.gov.au



**Peter Wilson**  
Councillor - Iyarrka Ward  
**Phone** via Utju / Areyonga Shire Service Delivery Centre 08 8956 7311  
**Mail** Areyonga PMB 219, Alice Springs NT 0871  
**Email** peter.wilson@macdonnell.nt.gov.au



**Carl Inkamala**  
Councillor - Ljirapinta Ward  
**Phone** via Ntaria / Hermannsburg Shire Service Delivery Centre 08 8956 7411  
**Mail** PMB Hermannsburg, via Alice Springs NT 0872  
**Email** carl.inkamala@macdonnell.nt.gov.au



**Roxanne Kenny**  
Deputy President - Ljirapinta Ward  
**Phone** via Ntaria / Hermannsburg Shire Service Delivery Centre 08 8956 7411  
**Mail** PMB Hermannsburg, via Alice Springs NT 0872  
**Email** roxanne.kenny@macdonnell.nt.gov.au



**Marlene Abbott**  
Councillor - Iyarrka Ward  
**Phone** via Kaltukatjara / Docker River Shire Service Delivery Centre 08 8956 7337  
**Mail** PMB 49, via Alice Springs NT 0872  
**Email** marlene.abbott@macdonnell.nt.gov.au



**David Doolan**  
Councillor - Rodinga Ward  
**Phone** via Aputula / Finke Shire Service Delivery Centre 08 8956 0966  
**Mail** CMB Finke, via Alice Springs NT 0872  
**Email** david.doolan@macdonnell.nt.gov.au



**Lisa Sharman**  
Councillor - Rodinga Ward  
**Phone** via Titjikala Shire Service Delivery Centre 08 8956 0844  
**Mail** PMB 149 Titjikala, via Alice Springs NT 0872  
**Email** lisa.sharman@macdonnell.nt.gov.au



**Irene Nangala**  
Councillor - Luritja Pintubi Ward  
**Phone** via Walungurru / Kintore Shire Service Delivery Centre 08 8964 7079 or 08 8956 8566  
**Mail** PMB 13, via Alice Springs NT 0872  
**Email** irene.nangala@macdonnell.nt.gov.au



**Mildred Inkamala**  
Councillor - Ljirapinta Ward  
**Phone** via Ntaria / Hermannsburg Shire Service Delivery Centre 08 8956 7411  
**Mail** PMB Hermannsburg, via Alice Springs NT 0872  
**Email** mildred.inkamala@macdonnell.nt.gov.au

# Our Executive Management Team



**Graham Taylor**  
Chief Executive Officer  
**Phone** 08 8958 9619  
**Mobile** 0409 953 782  
**Mail** PO Box 5267, Alice Springs, NT 0871  
**Email** graham.taylor@macdonnell.nt.gov.au



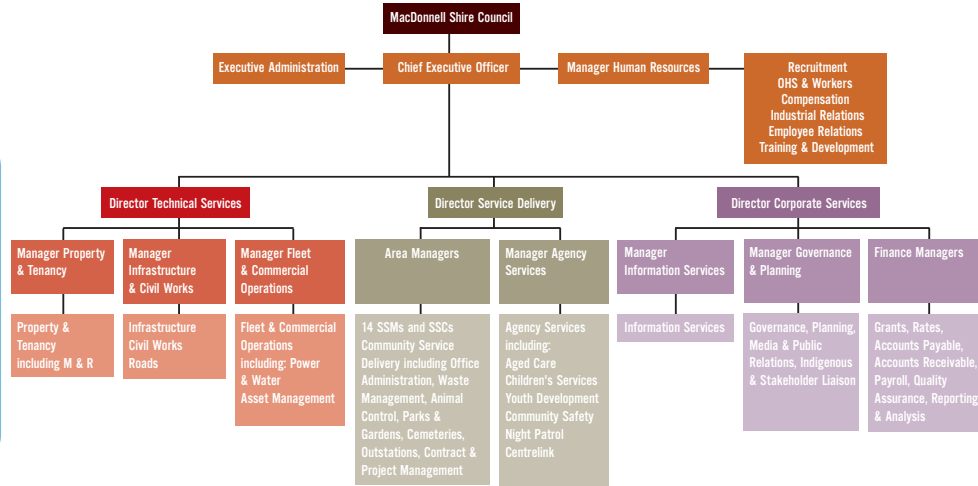
**George Dutton**  
Director Corporate Services  
**Phone** 08 8958 9635  
**Mobile** 0428 040 571  
**Mail** PO Box 5267, Alice Springs, NT 0871  
**Email** george.dutton@macdonnell.nt.gov.au



**Mike Freeman**  
Director Technical Service  
**Phone** 08 8958 9631  
**Mobile** 0419 813 370  
**Mail** PO Box 5267, Alice Springs, NT 0871  
**Email** mike.freeman@macdonnell.nt.gov.au

A new executive position - Director Service Delivery will be introduced in the 2010/2011 financial year.

# Our Organisation Structure



## Our Planning Process

Our planning process is designed to meet the following key objectives:

1. Reflect the wishes and aspirations of Shire residents for local government service delivery.
2. Fulfil our obligations under relevant legislation, policies, directives, contracts and funding arrangements.
3. Practicality within available resources.

The planning process is initiated by discussion and consultation and is not confined to an annual process but is embedded within our organisational culture.

The Shire receives community input to the planning process in a number of ways including, but not limited to:

1. Resolutions of the Council
2. Local Board meetings and the resulting action lists
3. Individual and group representations to individual councillors and to the Council as a whole.
4. Representations from other stakeholders and interested parties.

The Shire Receives government input to the planning process through:

1. Regulation
2. Dialogue concerning programs and funding needs
3. Interaction with government officials in Canberra, Darwin, Alice Springs and within the communities in the Shire.

## 4. Participation in local government organisations, forums and technical work groups.

Starting in the 2010/11 financial year, the Shire will work with Councillors, Local Boards and other stakeholders to generate Place Plans for each serviced community. These Place Plans, which will inform the next review of our Shire Plan, will define local actions, projects and priorities to reflect the unique circumstances of each community within a broader Shire-wide planning framework.

Through planning that begins at community level, the Shire is able to make a meaningful contribution to other plans including:

- Local Government Regional Management Plan – Central Australian Region
- Specialist Plans dealing with individual areas
- Northern Territory 2030

# Council Meetings

There were nine Formal Council Meetings during the year. The dates of the meetings and the Councillors who attended are set out in the table below:

Councillors	20/07/09	20/08/09	22/10/09	10/12/09	18/02/10	19/02/10	22/04/10	20/05/10	17/06/10	Total
Sid Anderson	P	P	A	P	P	A	P	P	P	7
Roxanne Kenny	P	P	P	P	P	P	L	P	P	8
Carl Inkamala	P	P	P	P	P	P	L	P	P	8
Mildred Inkamala	A	P	P	A	P	P	L	P	P	6
Lance Abbott	P	P	P	P	P	A	P	P	P	8
Lisa Sharman	P	P	P	P	P	P	P	P	P	9
Joseph Rawson	P	P	P	P	P	P	P	P	P	9
David Doolan	P	P	P	P	P	P	P	P	P	9
Raymond Kiernan	P	P	P	P	P	P	P	P	P	9
Peter Wilson	P	P	P	P	P	P	A	P	A	7
Marlene Abbott	P	P	P	L	A	P	P	P	A	6
Irene Nangala	P	A	P	P	A	P	P	P	A	6
Present	11	11	11	10	10	10	8	12	9	
Apologies	1	1	1	1	2	2	1	0	3	
Leave of Absence	0	0	0	1	0	0	3	0	0	

P = Present A = Apology L = Leave of Absence

# Local Board Meetings

Service Delivery Centre (SDC)	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10	Total Meetings
Amoonguna													2
Aputula / Finke													2
Utju / Areyonga													3
Ikuntji / Haasts Bluff													4
Imanpa													3
Kaltukatjara / Docker River													3
Ltyentye Apurte / Santa Teresa													2
Ntaria / Hermannsburg													3
Warumpi / Papunya													3
Tapatjatjaka / Titjikala													3
Wallace Rockhole													3
Walungurru / Kintore													2
Watiyawanu / Mount Liebig													3
Total meetings per month	6	1	2	1	6	4	-	3	7	2	1	3	36

# Opportunities & Challenges for Service Delivery

While the creation of the Shires by the Northern Territory Government has given rise to a number of opportunities for improved local government service delivery, this is not without significant threats and uncertainties for the longer term future and sustainability of the current model.

The key opportunities and threats in relation to the Shire's capacity to deliver its mandated services during the current planning cycle are:

## Opportunities

The creation of the Shires by the Northern Territory Government and other policy changes impacting upon the residents of the Shire have created a number of opportunities for local government service delivery in the bush, including:

- A coordinated approach to funding and program management for remote communities.
- The simplification of funding arrangements for remote desert communities by means of aggregation into Shire based funding rather than fragmented community-based funding.
- The introduction of multi-year block funding as is the norm for local government in other parts of Australia.
- Greater efficiency in the use and management of capital equipment.
- Employment opportunities for community members at above-award rates of pay and conditions.
- Strategic alliances with training organisations to provide valuable vocational skills to indigenous employees.
- The professionalisation of management and administration.
- An enhanced capacity to speak with a strong, united voice in the political arena.
- The introduction of sophisticated business management systems and processes to support efficiency gains and service quality.
- Improved purchasing power and other economies of scale.



• Wild flowers in the Eastern MacDonnell Ranges.



• Our beautiful landscape.

## Challenges

The social, economic and political environment in which the Council operates gives rise to a number of threats, including:

- The sustainability of the Shire is dependent upon stable, long term grant funding arrangements with the Australian Government and the Northern Territory Government. Changes in these arrangements and the policies which drive them have the potential to disrupt the Shire's capacity to deliver core services and agency services to the communities. It is noted that during the current planning cycle there will be at least two Federal elections and one Northern Territory election.
- The Shire provides services in communities situated on Aboriginal freehold land held by land trusts. In relation to the NTER the Federal Government obtained five year leases over the communities. Under the terms of an Administrative Authority granted to the Shire by FaHCSIA in 2008, the Shire Council occupies and uses a number of buildings and facilities in the communities. This gives rise to significant risks:
  - Availability risk – there is no certainty that these assets will continue to be available for occupancy and use by the Shire Council after the termination of the five year leases.
  - Economic risk - there is no certainty that funding will be available to pay for commercial rents and other outgoings that may become payable for the assets after the termination of the five year leases.
- The Shire has a very low level of untied funding. This seriously constrains the ability of Elected Councillors and management to set priorities and initiate action. This limits the capacity for the Council to make a material difference to the lives of residents and places the Shire at a material disadvantage compared with local government in other parts of Australia.
- The Shire has a very low rates base. At the present time, revenues from rates, fees and charges from the Shire's 268,000 square kilometres of land cover barely 2% of the Shire's budgeted expenditure on core services and support services. Most of the land in the Shire is exempt Land Trusts or conditionally rateable pastoral leases.
- The Shire continues to experience difficulty in filling all vacant positions in the communities and at head office. The Shire's capacity to consistently deliver high quality services depends upon the recruitment and retention of capable, motivated staff at all levels. A key success factor for staff recruitment and retention is the availability and quality of staff housing.
- The size of the Shire and the distances between communities poses a significant challenge in the delivery of local government services. The unsealed roads to many of the communities are prone to damage and disruption in adverse weather conditions.



# 3. Core Local Government & Contract Services

## Environmental Services Parks and Open Spaces

The Council's Civil Works teams maintain our public spaces, sports grounds and parks. The teams have been particularly busy this year with the Alice Springs region recording one of the wettest years in recorded history. With an abundance of rain, keeping grass down has proved challenging but the up shot has been less dust in communities and a general greener appearance. It is anticipated that as the grass dries out there will be a greater fire risk toward the end of the year and teams will soon need to gear up to reduce fuel loads for the summer periods.

Civil Works crews commit approximately two days per week for maintenance of parks and public spaces maintenance and utilise tractors, utes and minor equipment in the course of their duties. The Shire spent just under \$400,000 on this service across 13 communities during 2009/10.



Utju Causeway after Completion of Upgrade.



Flooded Highway on the way to Aputula, February 2010.



Flood Damage to Wallace Rockhole Access Road.

## Roads & Traffic Management

The Council is responsible for over 1,700 of local roads within the Shire. This includes roads within remote communities and roads connecting those communities to major highways, with one another and with outstations. The following table sets out the types of roads and the lengths of roads associated with each SDC within the Shire:

Local Roads by Service Delivery Centre (SDC) - Length in Kilometres

Service Delivery Centre (SDC)	Sealed	Gravel	Formed	Flat Blade Track	Total KMs
Amoonguna	3.5	-	3.2	-	6.7
Aputula / Finke	2.5	-	31.9	32.1	66.5
Utju / Areyonga	1.3	21.6	-	58.0	80.9
Ikuntji / Haasts Bluff	1.9	-	22.0	97.0	120.9
Imanpa	2.3	7.7	3.3	6.5	19.8
Kaltukatjara / Docker River	4.8	-	-	337.0	341.8
Ltyentye Apurte / Santa Teresa	9.0	23.4	10.0	75.1	117.5
Ntaria / Hermannsburg	3.1	0.8	69.0	232.5	305.4
Warumpi / Papunya	4.6	-	-	180.7	185.3
Tapatjatjaka / Titjikala	2.8	1.4	-	50.7	54.9
Wallace Rockhole	2.4	18.5	-	1.8	22.7
Walungurru / Kintore	5.9	-	124.0	178.5	308.4
Watiyawanu / Mount Liebig	3.0	-	8.5	67.4	78.9
<b>Total Kilometres</b>	<b>47.1</b>	<b>73.4</b>	<b>271.9</b>	<b>1,317.3</b>	<b>1,709.7</b>

During 2009/10 the Council has given priority to road safety issues within communities by undertaking a number of traffic calming initiatives. Seven communities received safety improvements to their internal road networks. This project included speed humps, improved signage, safety markers, line marking and imposed speed limits. There were several lessons learnt from this program, specifically the need to bollard the speed humps as it is clear that vehicles are tracking around the speed humps which has been raising further safety concerns.

A number of major road upgrade works were completed during the year. These included:

- Utju access road,
- Watiyawanu access road,
- Shoulder works in Warumpi,
- Ntaria school drop off area,
- Completion of the Utju causeway and
- Ntaria internal shoulder works.

All access roads otherwise received some maintenance treatments which included either maintenance grades or patrol grades.

Heavy rainfall since January 2010 has caused significant challenges for our road network. On frequent occasions, remote roads have been impassable and communities

have been cut off from one another. It is plausible that 2010 will be the wettest year in the Central Australian region since records began.

The Council spent \$1,093,048 on road works during the financial year. This was some \$300,000 less than available, allocated funding. This surplus money had been carried forward to 2010/11 to repair and upgrade the Wallace Rockhole access road which, due to unforeseen delays, did not occur before the end of June.

During the year a road asset management plan was developed. This plan was adopted by Council in August 2010. With over 1,700km of roads, nearly all of which is unsealed, and with finite financial resources, it is not possible to maintain all roads to the highest standard throughout the year. This is especially the case in periods of prolonged adverse weather such as has been experienced since the beginning of 2010. The new management plan will seek to introduce more formal criteria for triggering maintenance and upgrade works.

# Maintenance of Community Housing, Council Buildings & Facilities

MacDonnell Shire Council delivers housing repairs and maintenance services for community housing at 13 Service Delivery Centres within the Shire. This program is delivered on behalf of Territory Housing and covers basic ongoing repairs and maintenance services but excludes major repairs and refurbishments which are carried out as part of the Government's SIHIPS program. The Council's works teams also delivers routine repair and maintenance services for certain outstations, Shire staff accommodation as well as other buildings and facilities that are occupied or used by the Shire Council.

Service Delivery Centre	Number of Community Houses	Number of Shire Buildings & Facilities	Total Assets maintained by the Shire Council
Amoonguna	59	14	73
Utju / Areyonga	33	14	47
Kaltukatjara / Docker River	47	19	66
Aputula / Finke	36	9	45
Ikuntji / Haasts Bluff	15	10	25
Ntaria / Hermannsburg	77	24	101
Imanpa	20	16	36
Walungurru / Kintore	63	16	79
Watiyawanu / Mount Liebig	26	13	39
Warumpi / Papunya	45	18	63
Ltyentye Apurte / Santa Teresa	101	29	130
Tapatjatjaka / Titjikala	33	11	44
Wallace Rockhole	31	15	46
<b>Totals</b>	<b>586</b>	<b>208</b>	<b>794</b>

Since the inception of MacDonnell Shire Council in July 2008 the Council has delivered community housing repairs and maintenance services under a grant funded arrangement with the NTG. The funding for 586 community houses within the Shire amounted to \$4,604,878, an increase of 18% from the previous year.

While the Council continued to deliver general housing repairs and maintenance services in response to tenants' requests there was a more focussed effort on routine or cyclic preventative maintenance. This involves periodic visits by trades persons every six months, or as required, to every house in every the community. This has included plumbing, electrical and air conditioning, carpentry and pest control. By scheduling these visits the Council can get better value for money from its contractors. There is also greater certainty within the community about when upcoming visits will take place. This has reduced the number of expensive 'call out' visits and the associated high costs of transport and mobilisation to deal with one off problems.

The Council has also been able to target communities that had systematic plumbing problems, for example and work through each house to address many instances of previous bad trade practice or poor maintenance routines.



The local civil works team constructs a shade structure at Kaltukatjara.



Lasseter the camel uses the new shade structure at Kaltukatjara.

The process for housing maintenance was refined in early 2009 to provide a streamlined reporting model for tenants. The Housing Officer based in each SDC uses the "Housing Maintenance Request" (HMR) form to advise either the local team or a specialist contractor on work as required. Once the work is completed the form is returned to Head Office for processing and reporting to Territory Housing.

Towards the latter part of 2009/10 Council was able to direct expected surplus funding towards much needed minor upgrade works. The main identified work required was the replacement of existing kitchens that had become dilapidated and were beyond repair. These kitchens were generally made from particleboard and were havens for cockroaches and other vermin. The solution found was a stainless steel 'flat pack' kit form which is widely used in the catering industry. These kits are reasonably priced, easy to transport and straightforward to install. They are based on an open frame construction which does not offer any hidden spaces for vermin, so also add an environmental health benefit for residents.

The communities in which Council installed new kitchens were Ltyentye Apurte, Amoonguna, Tapatjatjaka, Aputula, Kaltukatjara, Imanpa, Walungurru, Watiyawanu, and Warumpi. In some cases the kitchens were not delivered until late in the financial year, we were then able to negotiate the installation to be undertaken by the SIHIP Alliance Contractor, in this case New Futures Alliance. This enabled the cost of supplying the kitchen to be added to the available funding for the individual houses which should result in more work being able to be completed.

The replacement of windows was also a major issue addressed with identified surplus funding. Ntaria residents had expressed concern over the state of existing windows. Although repairs had taken place, in many cases replacement was needed. In the case of Ntaria most houses received new windows with the total spend for supply and install in excess of \$100,000.

When local, community-based teams undertake housing repairs and maintenance works, the labour cost is charged against the grant funding and credited to the civil works budget of the relevant community service centre. The money is then able to be put back into core local government civil projects for the community such as landscaping or dust suppression.

Council's maintenance of the buildings and facilities which it occupies or uses has been ongoing throughout the year. Under the terms of an "Administrative Authority" granted by the Commonwealth Government in 2008, Council became responsible for maintaining and insuring over 200 buildings and facilities across the thirteen service delivery locations across the Shire.

Following a review of the Council's operational requirements during 2009/10, some 40 buildings have been identified as either not belonging to Council (based on the original asset lists inherited from the predecessor entities), having been transferred to other organisations, or simply noted as not being utilised. Council is now further refining the existing asset list and reducing the number of properties to only those that serve a legitimate, necessary and ongoing function in service delivery. Last financial year Council had a budget of just under \$1m to manage and operate all of its staff housing, service delivery buildings and facilities, including insurance premiums and all utility costs to those properties. Given our starting position of over 200 properties, this equated to less than \$5,000 per property. This is not sustainable and Council is focusing in 2010/11 on further reducing its exposure to the operating costs of building assets.

# Cemetery Management

The Shires Civil Works crews are responsible for the maintenance of cemetery grounds. Most cemetery maintenance involves clearing grass and weeds and repairing fences. During 2009/10 additional activities included improvements to drainage to channel rain run-off away from cemeteries. Routine maintenance work usually involves working bees scheduled every 3 to 6 months for big clean ups over a couple of days. The Shire does also contribute regularly to assisting families dig graves using Shire plant. This has been a free service to community members to date as we appreciate the difficulties for family members sourcing this help from elsewhere. Several SDCs have commenced keeping burial registers so family members can keep track of where loved ones are buried (head stones are not always used). It is expected all SDCs will be maintaining an up to date burial register by 2011.



A truck that was acquired by the shire and...



...a new replacement truck as part of shire fleet plan.

# Fleet Management

This year has seen some significant changes made in fleet management. Staff have worked hard in a number of areas to improve how we perform this function. Some of these initiatives include the introduction of mobile mechanics to reduce fleet and plant being off community and down time of staff transporting fleet. Trucks have been purchased and fitted out for this role and two mechanics have joined our staff with a third anticipated in the New Year. With some time delays in truck delivery and fitting out times, it is anticipated mobile mechanics will be operational early in the new year.

Council has developed a better understanding of the cost of ownership of assets and utilisation rates. As such we have looked to drastically reduce superfluous assets while initiating a user pays model to sustain future asset purchase and replacement. We have commenced development of software which will be supported by our finance business system. We anticipate that tracking fleet data, including maintenance and operating costs, service regimes, registrations and insurances will be greatly improved for the next financial year.



The removal of scrap metal in Tapatjatjaka.



New garbage collection equipment.

# Waste Management

The Council has started to make real headway in improving waste management standards across 13 sites. In the latter part of 2009/10 an audit of tips showed that nearly all sites were appropriately fenced, were separating white goods, batteries, tyres, steel and other prescribed and recyclable waste out of the land fill trenches. While it is great news that these materials are no longer going into landfill, Council still faces a transport cost challenge in actually removing these materials from the community.

All sites had functioning plant for the collection of domestic waste and back up equipment was supplied where there were any plant failures. The roll out of bin stands and wheelie bins continued with only two sites still requiring this infrastructure. All sites are doing at least two domestic waste collections per week.

Council will review how it can improve services further with the development of a formal management plan setting standards for all MacDonnell Shire waste facilities. This will also include waste collection practices, OH&S and revenue generating initiatives.

On average each SDC is supplied a vehicle and trailer or compactor for waste collection and a minimum of two staff spend on average 1.5 days per week collecting waste and managing the waste facility. With fleet charges and labour, the Shire commits in the order of \$350,000 per annum to this function.

# Animal Welfare (Dogs)

The Shire makes an allocation to each SDC for veterinarian visits throughout the financial year. For 09/10 this amounted to \$220,000 of which the majority was spent on vets. At an average of \$2000 per day, this equated to 110 days of vets on site in MacDonnell Shire. Vet treatments include medications, sterilisations, and euthanasia.

Ntaria (Hermannsburg) received an additional \$50,000 for the year through a commonwealth grant to provide 12 additional vet days in that community.

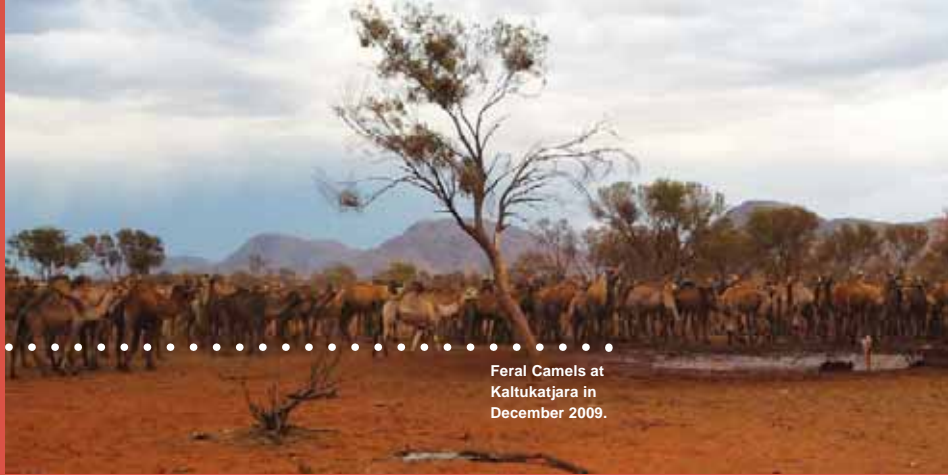
Communities have noticed a decline in dog related problems such as noise, the number of sick and diseased dogs, dog numbers in general and a reduction in puppy litters. There is still much more to do in further managing dog numbers and a 3 year dog management strategy, which will involve community local boards, will be rolled out next year.

# 4. Community & Agency Services

The Council delivers a number of human services across the Shire on behalf of various Commonwealth and Territory Government agencies.

A summary of which services are provided is set out below:

Shire Service Delivery Centre (SDC)	Community Safety	Youth Development	Aged Care	Child Care	Centrelink	Nutrition	Swimming Pools	Libraries	Total Services
Amoonguna									3
Aputula / Finke									5
Utju / Areyonga									7
Ikuntji / Haasts Bluff									6
Imanpa									4
Kaltukatjara / Docker River									4
Ltyentye Apurte / Santa Teresa									4
Ntaria / Hermannsburg									4
Warumpi / Papunya									5
Tapatjatjaka / Titjikala									6
Wallace Rockhole									1
Walungurru / Kintore									5
Watiyawanu / Mount Liebig									4
<b>Total Location</b>	<b>12</b>	<b>8</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>5</b>	<b>3</b>	<b>1</b>	



Feral Camels at Kaltukatjara in December 2009.

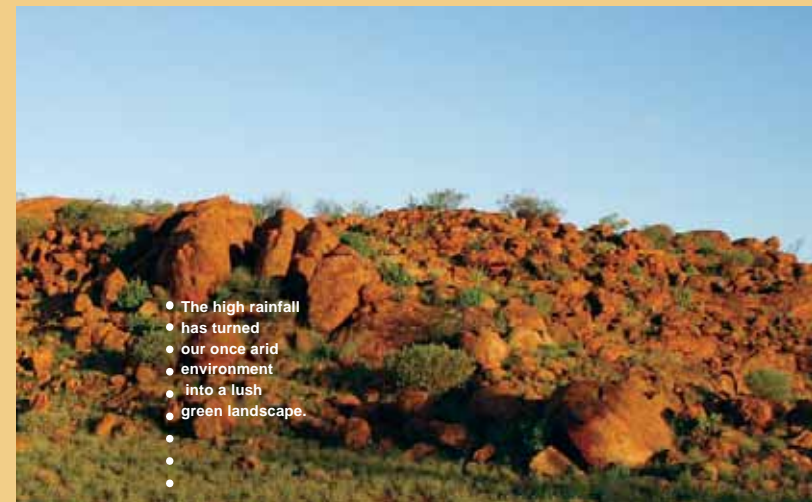
## Feral Animals

The Shire does not have the resources or capacity to manage the burgeoning feral animal population across the Shire. Camels, donkeys, horses, dogs and to a lesser extent cats are all increasing in numbers and causing considerable environmental degradation.

Where these feral animals do impinge on the safety and welfare of Shire residents something must be done. The Shire partnered with the Department of Local Government and Housing, and the Central Land Council to source funds and contractors to undertake a Camel cull near Kaltukatjara. Camels had pushed right into the community and threatened people and infrastructure in their search for water. The cull did contribute to lessening the threat with just under 4000 camels destroyed.

## Emergency Services

The Council is still to develop a formal emergency management plan. This will be completed in the 2010/11 financial year. SDCs have been advised to take precautions to react to emergencies should they occur. On two occasions this year warnings were posted to all SDCs of impending storms. SDC were requested to be prepared by fuelling up recovery vehicles, generators and torches checked for working order, satellite phones available and essential materials like tarps and ropes on hand for use. We have been fortunate to date but we will not leave this to chance in 2010/11.



- The high rainfall
- has turned
- our once arid
- environment
- into a lush
- green landscape.



One of the Shire's Night Patrol Vehicles.



Illustrations used to promote Night patrol.

## Community Safety - Night Patrol

The Shire is contracted to deliver Night patrol Services at all of its Service Delivery Centres other than Wallace Rockhole. In 2009/10, the maximum value for the Night Patrol contract was \$3,631,286.

Night Patrols assist people at risk of either causing or becoming the victims of harm in order to break the cycle of violence and crime in the communities. The approach is to minimise harm by providing non-coercive intervention strategies to prevent anti-social and destructive behaviours through the promotion of culturally appropriate processes around conflict resolution in conjunction with contemporary law enforcement measures.

During 2009/10, Night Patrol teams on each community were typically made up of a Team Leader and 4 or 5 Part Time Patrollers and the service employed up to 65 Indigenous people throughout the Shire. Each community Night patrol is supported with a vehicle and building to deliver operations. All buildings are now complete with the exception of Warumpi. All buildings have been fitted with a phone line for access to phone and fax communications. We envisage that internet access will be finalised in the coming financial year.

Issues encountered in relation to the Shire's capacity to adequately support Team Leaders and Patrollers has been an ongoing subject of negotiation with the Attorney General's Department. In February this year, the Shire employed a Coordinator Community Safety to manage the program and to ensure that Night patrols are supported to work in partnership with other organisations to address Community Safety issues. The Attorney General's Department has also recently agreed to fund the employment of three Zone Coordinators who will each be assigned four communities. This initiative should greatly increase the Shire's capacity to provide adequate support to Night Patrollers and will assist in addressing current issues with recruitment, retention, the provision of adequate orientation and induction processes, and the capacity to record and report service outcomes.

We envisage that the new model for Community Safety will enable the Shire to better mentor remote staff in government accountability requirements and the necessary operational processes of the program. This will also allow us to form stronger relationships between staff and stakeholders, including external organisations and the broader community. Most importantly, it will enable the program to be further negotiated at the community level to meet local needs within the parameters of the program.

## Aged Care

Community	TOTAL Funding (HACC, CACP, Flexible, Workforce)	Full Time Equivalent staff	Number of Staff (including casual/part time /contract)	Number of staff who are Indigenous	Number of Clients (HACC/CACP Flexible)
Utju / Areyonga	\$174,003	2.5	4	4	21
Kaltukatjara / Docker River	\$903,675	7	9	5	25
Aputula / Finke	\$210,550	3	5	5	15
Ikuntji / Haasts Bluff	\$180,362	2	4	3	11
Ntaria / Hermannsburg	\$270,462	3.5	6	5	17
Amoonguna	\$176,070	2	3	3	10
Imanpa	\$157,225	2	3	3	14
Warumpi / Papunya	\$242,302	3	4	3	21
Tapatjatjaka / Titjikala	\$244,185	3	5	4	14
<b>TOTAL</b>	<b>\$2,558,834</b>	<b>28.5</b>	<b>43</b>	<b>35</b>	<b>148</b>

Quality reviews have been conducted by the Department of Health and Ageing at several communities. These quality reviews have identified areas for improvement in all of the services, ranging from improving planning and documentation, to increasing the complexity and breadth of the services offered and delivered.

Team Leader positions are currently held by local Aboriginal people in four of the nine services and the Shire is committed to supporting these Team Leaders in their positions. To this end, further mentoring support will be provided in 2010/11.

A Policies and Procedure manual was completed this year for the Aged Care services, the implementation and adaption of which will guide the services in improving the quality of their services.

Upgrades to infrastructure were approved for Ntaria, Warumpi, Tapatjatjaka and Kaltukatjara.

The Flexible Aged Care service at Kaltukatjara has struggled to have a full compliment of staff for periods throughout the year. This service will be a focus for the coming year in order to consolidate staffing and move the focus of the service into the community, in order to better support families to support their elders at home.

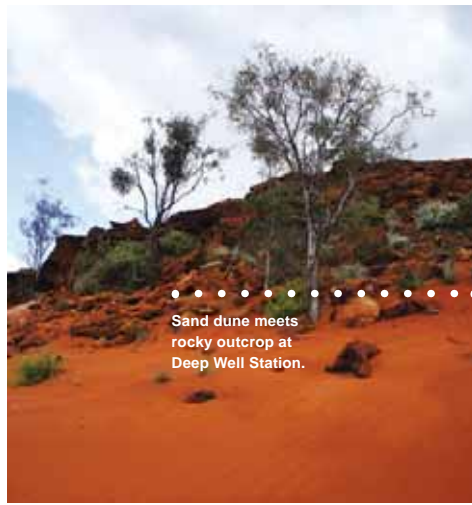
The main risk for to the elders and their families across our communities is the lack of complexity and breadth of services being provided to support them to stay and thrive in their community. While most services provide an excellent nutrition and laundry service, they have limited services in relation to personal care, service coordination and advocacy. This limitation put the elders at risk if their abilities decline and increase the support required from families. This weakness is countered by the strength of the communities and the strong family connections and supports that enable and promote the well-being of the elders. The opportunity for the future will be to better combine the efforts of the families, elders and aged care workers to ensure that all elders have the choice to remain on their country and to fulfil their life aspirations as full members of their community.

Other opportunities that lay ahead include;

- improved engagement from the community in shaping and guiding the aged care services,
- the promotion of local staff into more senior roles,
- the development of better services for the male elders through recruitment and training of local male staff.



Wildflowers in the Shire region.



Sand dune meets rocky outcrop at Deep Well Station.

## Child Care

Community	DEEWR Funding	Full Time Equivalent staff	Number of Staff (including casual/part time staff)	Number of staff who are Indigenous	Number of Clients
Utju / Areyonga	\$257,469	2.5	6	5	16
Kaltukatjara / Docker River	\$234,000	2.5	5	4	32
Aputula / Finke	\$286,234	3.0	7	7	16
Ikuntji / Haasts Bluff	\$220,222	2.5	5	4	18
Ntaria / Hermannsburg	\$222,809	2.5	7	6	12
Walungurru / Kintore	\$269,433	2.5	6	5	33
Watiyanu / Mount Liebug	\$223,946	3.0	5	4	18
Warumpi / Papunya	\$111,989 (6mths)	3.0	6	5	19
Tapatjatjaka / Titjikala	\$270,265	3.0	4	3	23
<b>TOTAL</b>	<b>\$2,096,367</b>	<b>24.5</b>	<b>51</b>	<b>43</b>	<b>187</b>

The scope of the Shire's Children's Services grew over the year with the opening of three new Centres at Kaltukatjara, Warumpi and Utju, thus bringing the number of Childcare Centres the Shire operates to nine. This followed the opening of the Centre Walungurru in the previous year.

The Shire's Children's Services programs aim to provide a safe environment for families to feel a sense of belonging. Families are encouraged to stay and participate in the services through bathing, feeding and playing with their children, as well as yarning about family so that the services support parenting. Children, families and staff are cooking and eating healthy food at the Centres. Feedback from Clinic staff at some sites, particularly where new services are operating, is that children are regularly putting on weight.

In March 2010, a training position was created to support workforce development in Children's Services within the Shire, and the Shire is working in partnership with Batchelor Institute to deliver training in Certificates 1,2 and 3 in Children's Services. At June 2010, 11 childcare staff had begun studying these certificate courses.

The Shire aims to continue increasing the capacity of the Children's Service workforce through continued and expanded training and career advancement opportunities. It also aims to increase community engagement in the services through increased interaction with families and Local Boards in relation to the services.



Children take part in a felting workshop at Warumpi.

## Youth Development, Sport and Recreation

Community	TOTAL Funding (DEEWR, FAHCSIA, DOHA, NRETAS)	Full Time Equivalent staff	Number of Staff* (including casual/part time) *excluding school holiday contractors	Number of staff who are Indigenous	Number of Clients
Utju / Areyonga	\$300,766	3.5	5	4	75
Ltyentye Apurte / Santa Teresa	\$236,534	4	7	6	240
Walungurru / Kintore	\$464,139	5	12	10	160
Ikuntji / Haasts Bluff	\$240,887	2	3	2	65
Ntaria / Hermannsburg	\$462,178	5	8	6	580
Amoonguna	\$95,702	1	2	2	45
Imanpa	\$225,280	2	3	2	45
Warumpi / Papunya	\$412,040	4	4	2	140
Tapatjatjaka / Titjikala	\$162,454	2.5	3	2	65
<b>TOTAL</b>	<b>\$2,599,980</b>	<b>29</b>	<b>47</b>	<b>36</b>	<b>1,115</b>



- A magical sunrise
- in our Shire.

## Youth Development, Sport and Recreation cont.

The Youth, Sport and recreation program is funded from several different sources that target different age groups. In January 2010, the Shire was successful in obtaining additional funding from FAHCSIA for the "Youth In Communities" program to deliver youth programs at Warumpi, Watiyawanu, Ntaria, Ikuntji, Walungurru and Utju, enabling us to consolidate programs at these sites. CAYLUS provided funding (in addition to that listed above) to supplement the program at Titjikala last year. Amooonguna did not attract enough funding to consolidate a consistent program but we will continue to work with funding agencies to resolve these issues.

The participation in programs has been very high and young people have been engaged within the program and learning new skills. There has been increased consistency and regularity

of program delivery so that young people can rely on programs being delivered at certain times, and local staff have been taking on more responsibility for program delivery. School holiday periods have been supported with additional contractors being employed to develop new skills in areas such as circus performance, music and media development. Women's sports have been supported and inter – and intra- community softball competitions have been well received. Community support for the youth, sport and recreation program is high.

Staff have participated in training throughout the year, and in 2011, most Indigenous staff will enrol in Certificates in Community Services which provide a pathway to study Youth Work and other relevant disciplines.

## Centrelink

The Shire provided Centrelink Agent Services under contract from Centrelink, at each of its 13 Service Delivery Sites.

The contract value for the year 2009/10 was \$1,178,004.

Up to twenty Part Time or Full Time Indigenous staff were employed across the Shire to provide Centrelink services, and these were supported by other on site Shire staff as well as Centrelink staff who visited communities on a regular basis. Centrelink also provided some formal training to Shire staff in these roles.

A focus of service delivery has been the increased use of self service technology enabling clients to access their own Centrelink information.

## Swimming Pools

The Shire operated swimming pools at three sites over the 09/10 financial year, at Walungurru, Ltyentye Apurte and Utju. The pools were open from October to April, and during the winter months, upgrades to pool plant equipment were begun, made possible by a one-off grant from FAHCSIA.

MacDonnell Shire staff attended training in Pool Operations, Bronze Medallion and Pool Lifeguard courses. While many did not gain all of the qualifications, they met requirements for Senior First Aid and resuscitation techniques. Pool Supervisors were employed at Walungurru and Ltyentye Apurte to work with local staff to operate the pools, while at Utju, Shire Trades staff maintained water quality while sport and recreation staff operated the pool for a few hours each day during the summer period.

The impact of swimming pools on health outcomes in Indigenous communities is well documented, and the social benefits to the community of operating the pools is evident throughout the summer period. However, the costs of maintaining and staffing pools is extremely high, and the Shire is not funded to do so.

The table below shows levels of staffing required for 8 months at each pool site, the average level of patronage, the cost of operating and maintaining each of the pools over a 12 month period, and the amount of income the Shire receives for pools.

Community	Staffing	Level of patronage	Annual Costs to operate and maintain	Income	Unfunded
Utju / Areyonga	1 Supervisor and 2 officers	20-40	\$175,000	0	\$170,000
Walungurru / Kintore	1 Supervisor and 3 officers	55-100	\$210,000	\$70,000	\$140,000
Ltyentye Apurte / Santa Teraesa	1 Supervisor and 4 officers	120-150	\$310,000	0	\$310,000
<b>TOTAL</b>	<b>3 Supervisors and 9 officers</b>	<b>195-290</b>	<b>\$695,000</b>	<b>\$70,000</b>	<b>\$625,000</b>

Maintenance costs are high for remote pools, and as the Ltyentye Apurte pool is a large pool built in the 1970s, the costs of maintenance are extremely high.

Currently the only income sources are for the Walungurru pool which is a new pool opened just prior to the Shire coming into operation. Papunya Tula Arts contribute \$50,000 to the operation of the pool, while Red Dust Role Models contributes \$20,000. Originally it was negotiated that the Community Store at Walungurru would also contribute, however this has not occurred as the Store has earmarked funding for renovation. The Shire has explored further the possibility of Community Stores contributing to pool operations, but it is likely that compliance costs, and the imperative of making fresh food available at a reasonable cost, will mean that most stores will be unable to contribute. The Shire has also explored "User Pays" options, but the costs of administering this and the relatively small number of users makes any profit marginal, and it would likely disadvantage those most in need, thus negating many of the health outcomes that pools provide.

The Shire has no source of funding with which to continue operating the three pools. While the Shire will open pools for at least some of the summer period in 2010/11, it cannot commit to continuing to do so beyond this time unless sufficient funds can be raised.

# 5. Corporate Services

## Governance Support

The Council's Governance Support team performs a number of essential functions in support of elected members, local boards and the advocacy role of the Council. Significant changes of personnel occurred during the year. An important addition to the team during the year was an Indigenous Liaison Officer to support our shared vision of "two ways, one voice".

The team performed the role of the secretariat to the Council, organizing nine formal Council meetings and forty two local advisory board meetings across the Shire. The logistics involved were at times challenging with adverse weather conditions sometimes requiring changes of dates and venues.

The coordination of governance training for elected members and local board members has been a key undertaking for the governance team. The day before each formal Council meeting was set aside for governance training. The training process will continue in 2010/11 and be extended to include the 13 local advisory boards across the Shire.

A summary of the meetings of the Council and the Local Advisory Boards is set out in section 2 of this Annual Report.

## Financial Management

2009/10 was a particularly challenging year for the Council's financial management function. At the start of the year a report was published by Oplus, a consultancy firm hired by the NTG to investigate problems with the computerized business systems installed at all eight recently formed shire councils. The report highlighted serious deficiencies with the configuration of the system supplied to the Shires by Technology 1, a Brisbane based computer company. After evaluating alternative systems it was decided that the best course of action was to remediate and reconfigure the Technology 1 system to meet the operating and reporting requirements of the Shire Councils. The Minister for Local Government engaged Oplus to manage the project.

MacDonnell Shire Council restructured its finance team and volunteered to be the first council to undergo the remediation process.

After a great amount of hard work by Oplus, Technology 1, CouncilBiz and council staff, the remediation process was completed in January 2010. This enabled the council to finally produce the financial reports that it needed and manage its many grants efficiently.

In 2009/10 the Council administered 167 different grants. This high volume was due to the funding bodies continuing to provide separate funding agreements for each individual delivery location instead of funding the Shire as a unified entity. The present funding model is administratively complex and expensive to operate. A transition to block funding per program is highly desirable in the interests of effective and cost-efficient financial management and program delivery.

## Human Resources Management & Indigenous Employment & Training

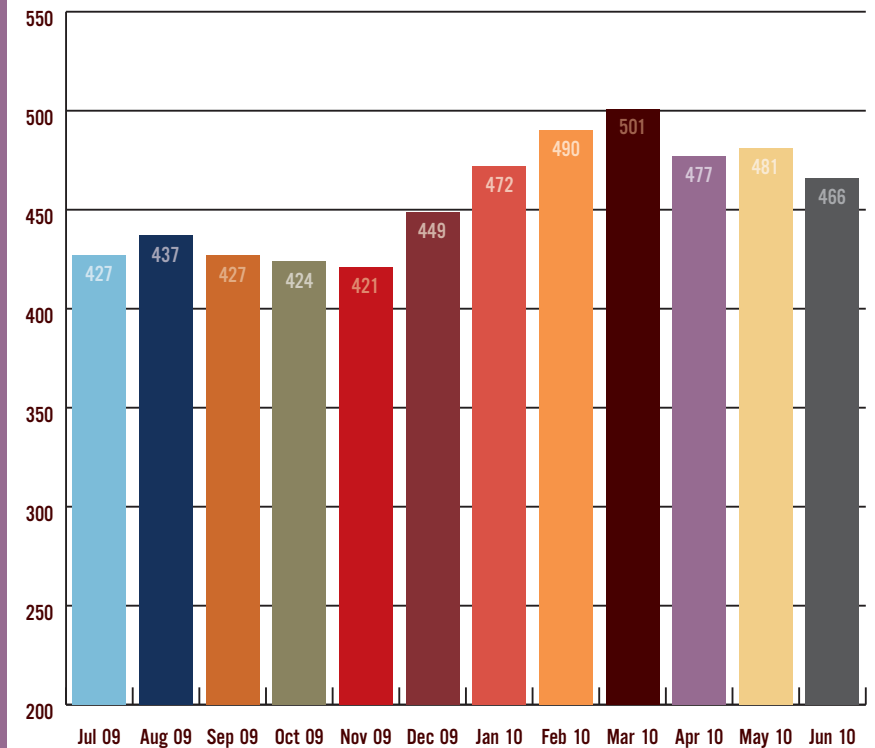
The MacDonnell Shire Council Employee Collective Agreement 2009 commenced operation on 1 September 2009. This Agreement, together with the National Employment Standards which came into force on 1 January 2010, defines the minimum working conditions for all MacDonnell Shire Council employees. Conditions for full-time employees include:

- 6 weeks annual leave
- 12 days personal leave
- 10 days bereavement leave
- 6 weeks paid maternity leave and 1 week paid paternity leave for eligible employees
- 10 days cultural leave for eligible Australian indigenous employees

Part-time employees receive pro rata entitlements.

During its second year of operation the Council employed an average of 456 people each month. The year-on-year increase in the aggregate level of employment was 9%. Figure 1 shows total employee numbers by month for the year.

Figure 1. Total employee numbers

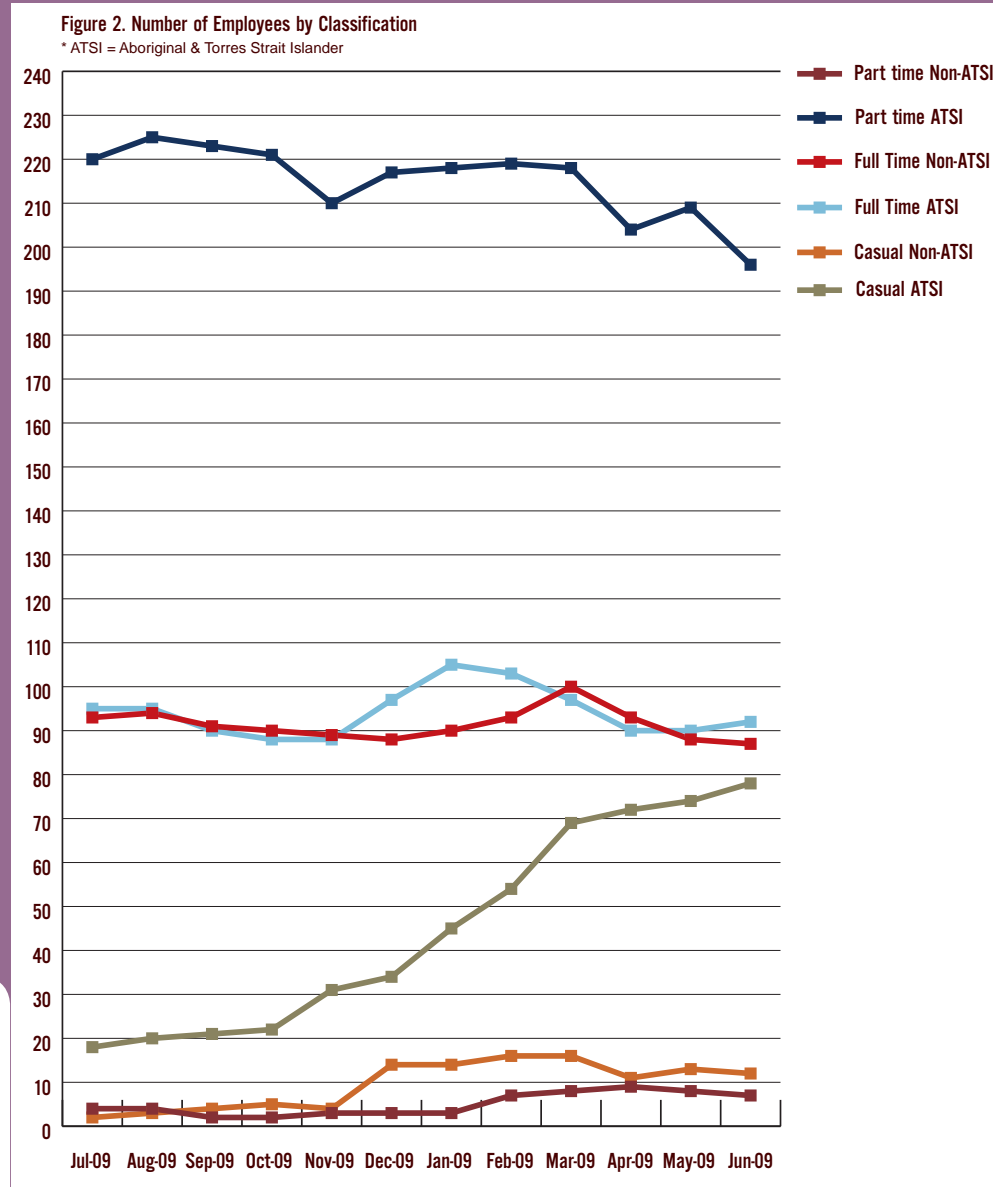




The number of employees peaked at 501 in March. This reflected a significant increase in casual employment and a decrease in the number of full time staff.

Since July 2009 there has been a trend to more casual employment. This trend increased significantly in the January to March 2010 quarter with a subsequent drop in part time employees in the April to June quarter. This change resulted from an awareness of the family and cultural obligations of staff and the need to offer indigenous employees the flexibility to meet these commitments while continuing to deliver services.

Figure 2 shows the change in the number of employees in each classification, over the year.

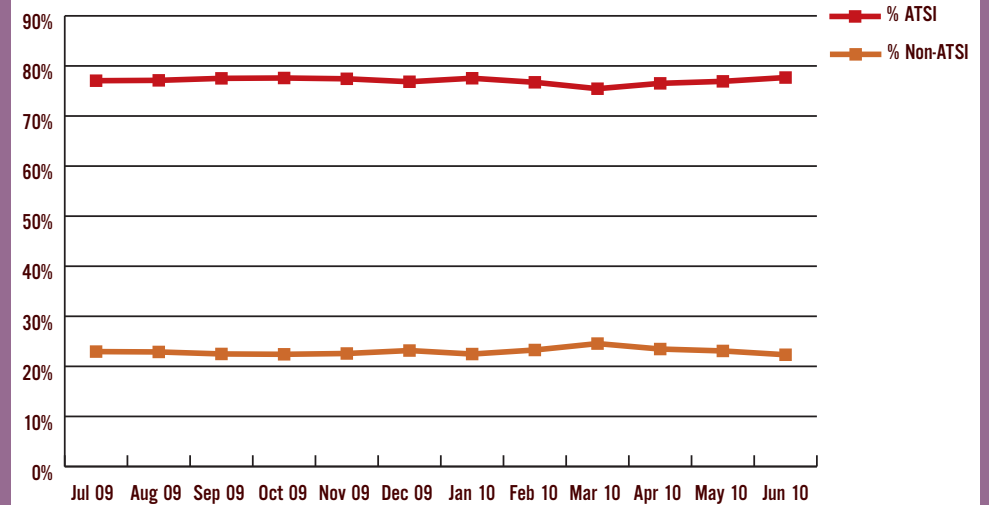


## Indigenous Employment

The proportion of indigenous to non-indigenous staff remained fairly constant throughout the year. Figure 3 shows the level of indigenous employment at approximately 77% compared to approximately 23% for non-indigenous employees. Figure 4 shows comparative numbers of employees.

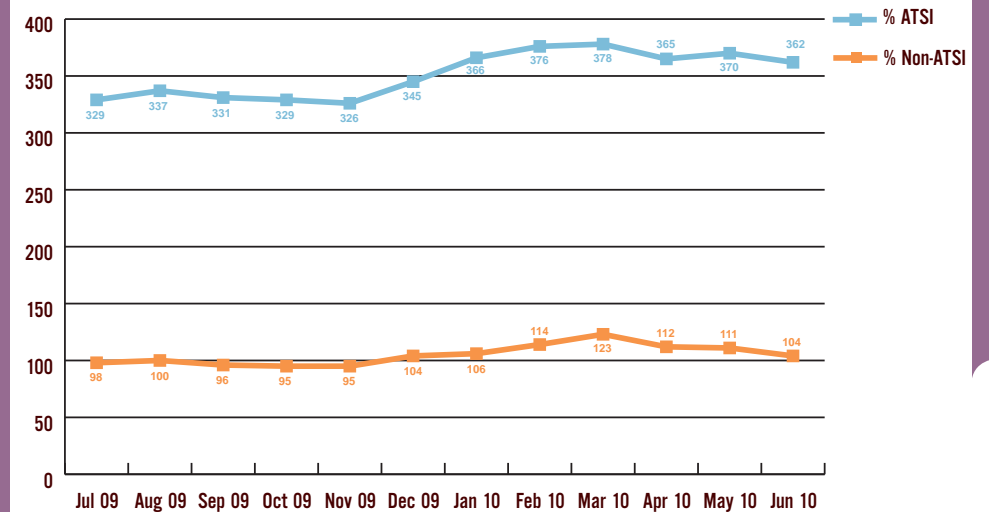
**Figure 3. % Employees**

\* ATSI = Aboriginal & Torres Strait Islander



**Figure 4. Employee Numbers**

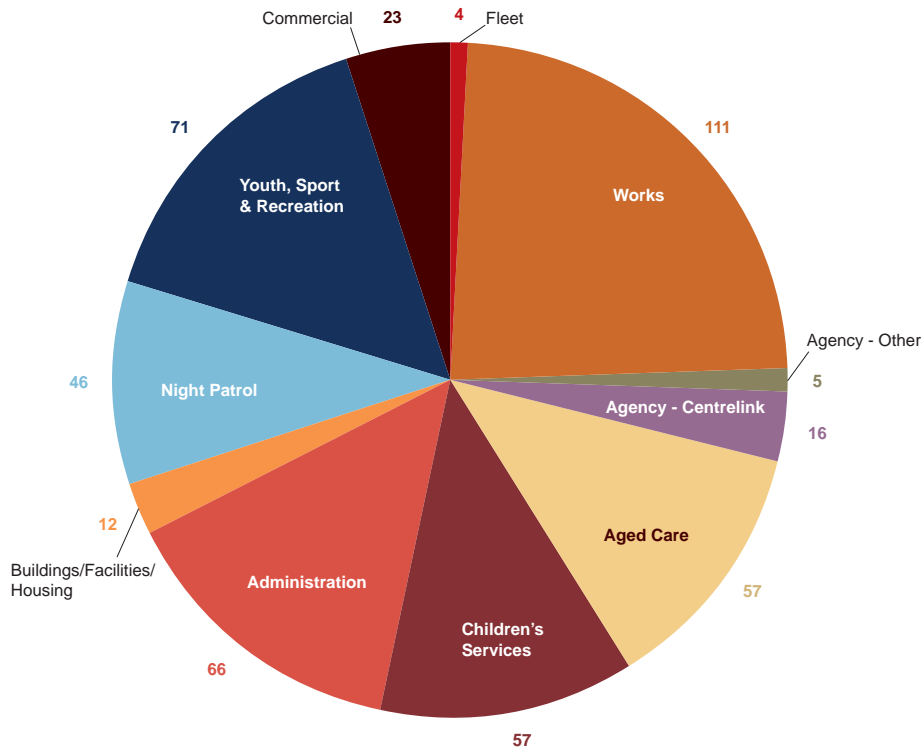
\* ATSI = Aboriginal & Torres Strait Islander



## Work Area

Council staff were employed across a broad range of occupations ranging from civil works and night patrol to child care, aged care and youth programs. Figure 5 shows the number of employees by work area.

Figure 5. Employee Numbers by Work Area



The highest number of employees were employed in the Civil Works positions. These positions cover core local government services such as waste management, cemeteries and parks but also provide labour for the Territory Housing repair and maintenance contract. These positions are dependent upon the continuing availability for government funding for transition from CDEP to regular employment upon the terms set out in the Council's Collective Agreement. In the absence of any new sources of funding, any reduction in financial support by government would threaten the ongoing and consistent employment and training of the indigenous workforce.

The second highest area of employment was in the Youth, Sport and Recreation program. This program employs a number of short term Youth Development Support Officers as well as a large pool of casual employees who respond to the fluctuating demands of the program especially during school holiday periods and the summer swimming season.

The administration area includes Finance, Governance, Human Resources, Senior Management, Shire Service Managers and community Administration Officers.

## Comparison with CDEP conditions

During 2009/10 under the Council's employment conditions adult employees were entitled to a minimum wage of \$17.63 per hour, with full-time employees receiving a minimum gross payment of \$670.08 for a 38 hour week. This compares favourably to the CDEP wage of \$16.09 per hour, capped at 16 hours per week, giving a maximum gross payment of \$257.44.

Any CDEP participant commencing for the first time after 1st July 2009 is subject to income management for their CDEP wages. It should be noted that the Council wages indigenous workers are NOT subject to income management.

## Employee Assistance Program

In addition to other benefits, all Council employees are entitled to access EASA Employee Assistance Program for confidential counselling services. Trained contact officers are also available within the Council should employees wish to raise an issue relating to discrimination, harassment or bullying.

## Training and Development

The Council has developed an extensive network of training and funding providers including Commonwealth and Territory government departments, to assist in the delivery of training to all employees, particularly those in remote service delivery centres. Accordingly, numerous accredited and non-accredited training courses were conducted during the 2009-2010 year. These included:

First Aid	Dealing with Difficult Clients	Use Portable Fire Fighting Equipment
Life Saving	Accredited Dementia Training	Chainsaw Operations
Security Operations	Youth Worker training	Landscaping and Horticulture
Home and Community Care	Workplace Bullying and Harassment	Defibrillation Awareness
Essential Services Operations	Sport and Recreation	Night Patrol Training
Heavy Machinery	Workplace Safety	Mentoring Training
Driver Education	Pool Lifeguard	Pool Operations
Resuscitation Certificate	Food Hygiene and Preparation	Basic Computer Courses

## Indigenous Employment and Training Programs

### Structured Training and Employment Projects (STEP)

The STEP program aims to increase employment opportunities for Indigenous Australians by providing funding for packages of tailored assistance including structured and accredited training.

Pre-employment training was offered at Finke, Kintore and Areyonga for 17 participants seeking employment opportunities with the Council. All 17 participants completed the training and gained employment with the Council. Six of these participants were placed on the STEP program.

In total 16 participants were placed on the STEP program to commence employment with MSC in various positions across six communities. All positions are ongoing and permanent and participants have undertaken training in line with their agreed training plan.

Of the initial 16 participants commencing STEP, 14 employees completed 13 weeks employment with the Council. This is a retention rate of 87.5%. All 14 participants who completed their 13 weeks went on to complete 26 weeks. This was a 100% retention rate from the 13 weeks to the 26 weeks.

### Indigenous Wage Subsidy (IWS)

The IWS aims to provide an incentive to employers to provide ongoing employment for eligible Indigenous job seekers.

The Council had a total of 55 employees approved for the Indigenous wage subsidy. Of the 55 employees approved for IWS, 28 have completed 13 weeks of employment and 5 have completed 26 weeks. These employees are currently still employed with the MacDonnell Shire Council. On average claims for 5 new employees are submitted each fortnight.

### Workplace English, Language and Literacy (WELL)

The Council in partnership with CDU was successful in its submission for WELL funding to deliver intensive workplace literacy and numeracy to 4 communities within the Shire. This program is valued at approximately \$460,000 and was due to commence in August 2010. It is hoped that at the successful completion of this current program, the Council and CDU will submit another approval to commence training in 4 more communities.

### Group Training NT Memorandum of Understanding

The Council successfully negotiated a Memorandum of Understanding with Group Training NT to assist in the employment and mentoring of indigenous apprentices and trainees within the Council Apprenticeship Program which is due to commence in the second half of 2010.

### Conclusion

Significant milestones were achieved in the areas of employment and training in 2009-2010. The number of both indigenous and non-indigenous employees has increased by approximately 10%.

Implementation of the MacDonnell Shire Council Collective Agreement 2009 has ensured that Council employees receive salary and benefits far in excess of the Local Government Industry Award 2010 and the CDEP Program.

In the area of training and development extensive training has been conducted throughout the Shire. In addition a skills audit of all employees has been conducted to determine future training needs and agreements have been negotiated which will provide a solid foundation for implementing our Training and Mentoring Programs in 2010-2011.

## Information Technology & Communications Services

During the year the Council's ITC team of two delivered support services to 270 registered computer system users at 14 locations. While the servers were hosted in Darwin, as part of the Council's infrastructure arrangements with CouncilBiz, the Council managed 114 desktop and notebook computers and provided day to day user support.

In relation to telephony services, the Council works with Telstra Countrywide to manage 250 landlines, 50 mobile phones and 34 satellite phones. Mobile phone coverage is only available to the 24% of Shire residents at Hermannsburg, Santa Teresa and Amoonguna. The other 76% of residents in the other ten communities have no mobile phone coverage. This remains a source of growing concern for residents.

The following improvements in the Council's technical infrastructure took place during 2009/10:

- The roll out of the Telstra CenTel systems as a replacement for the old Commander telephone system in the service delivery centres was commenced in order to improve support arrangements and lower maintenance costs. Seven locations had been upgraded by the end of the financial year.
- With support from an ABG subsidy, Reachnet Satellites for Internet was installed to provide webmail access to staff who are not based in Alice Springs.
- The NTG funded ShiresNet project was rolled out by Telstra to provide a secure network with which to access the business application platform hosted by CouncilBiz in Darwin. Unsatisfactory performance speeds have caused the project to remain in remediation at the time of writing (October 2010).
- Local Board offices at each service delivery centre were equipped with computers and printers and connected to the network via ShiresNet.

## Asset Management & Risk Management

During the year Council undertook a comprehensive audit of its assets. This process highlighted a number of issues:

### Buildings & Facilities

- Apart from the Alice Springs headquarters, Council does not own any freehold or leasehold real estate.
- The real estate within the communities in the Shire is subject to a five year statutory lease held by FaHCSIA as part of the NTER.
- Tenure of the buildings and facilities occupied by Council is based on an "administrative authority" granted by FaHCSIA upon the inception of the Council in July 2008.
- Council has an obligation under the Administrative authority to insure and maintain these buildings and facilities at its own expense.
- There is no certainty that Council will have tenure of these buildings and facilities when the statutory five year leases expire in 2012.

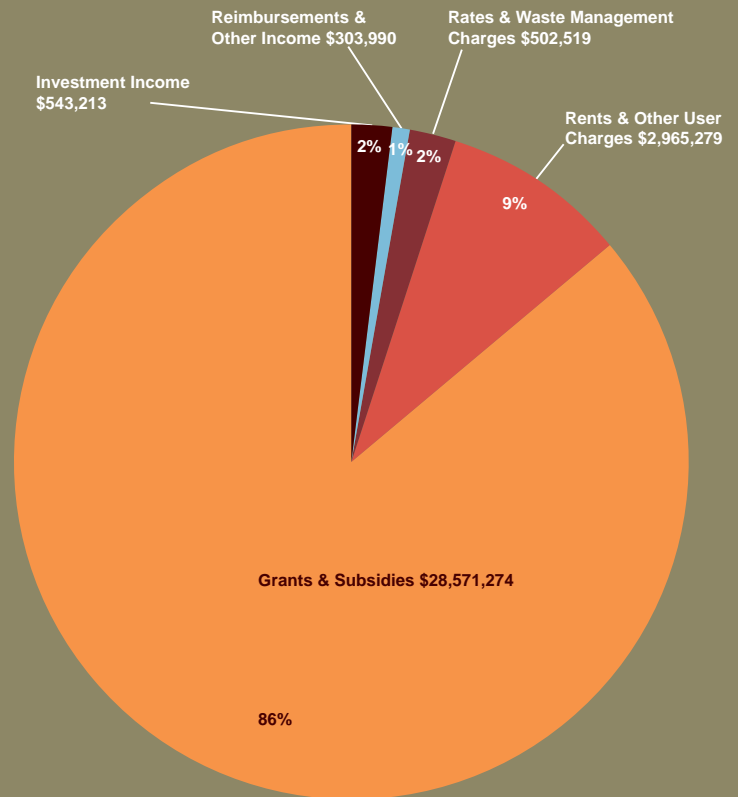
### Plant, Equipment & Vehicles

- By using assets flexibly across all service delivery location a number of items were declared surplus to requirements and were sold at public auction. This facilitates a more rational use of resources and highlights an important benefit of the local government reform process.
- The Council's fleet was found to be top heavy with an excess of expensive Landcruisers. Several of these were disposed at public auction and replaced with significantly cheaper vehicles that were better suited to the service delivery needs of the Council.
- In order to minimise the cost of fleet maintenance and to maximize the operating life of mobile assets, the Council approved the creation of a small team of mobile mechanics. This team now conducts scheduled service visits to each community, reducing the out-of-service time for vehicles and plant as well as ensuring that pro-active maintenance schedules are implemented to reduce unplanned breakdowns.

The Council's insurance arrangements are managed by CouncilBiz on behalf of all eight Shires. The following classes of insurance were in place throughout the year and the value of claims made was as follows:

Type of Cover	Finalised Claims	Outstanding Claims
Motor Vehicle	\$59,478	\$96,805
Public Liability	Nil	Nil
Professional Indemnity	Nil	Nil
General Property	Nil	\$284,614
Workers' Compensation	\$7,773	\$65,058
<b>Total</b>	<b>\$67,251</b>	<b>\$446,477</b>

## MacDonnell Shire Council Sources of Income for 2009/10

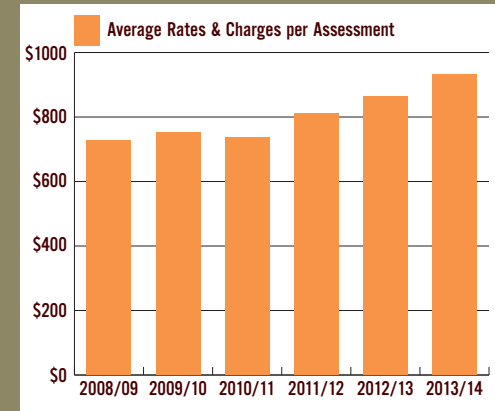


## Corporate & Financial Performance Indicators

### 6.3.1 Average Rates & Charges per Assessment

Total rates & charges revenue  
Number of rateable properties

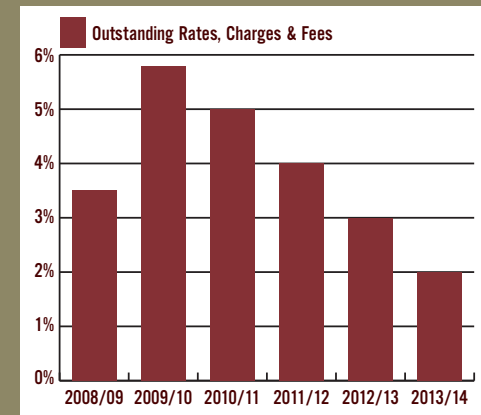
2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013	2013/2014
\$727.50	\$750.99	\$736.75	\$810.42	\$863.57	\$930.93



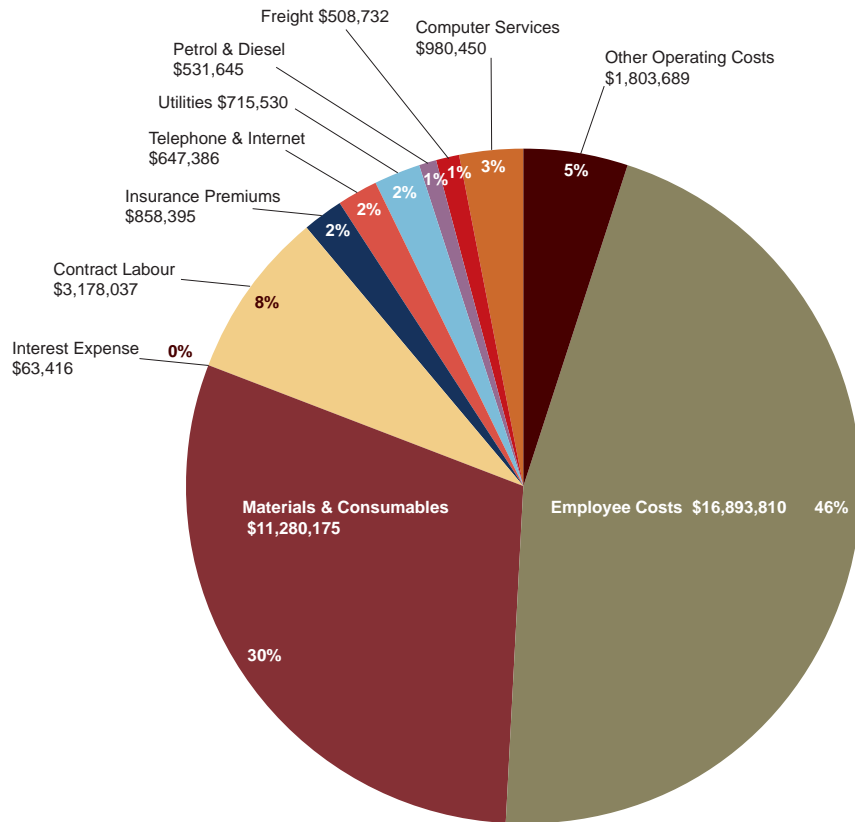
### 6.3.2 Outstanding Rates, Charges & Fees

Outstanding Rates, Charges & Fees x 100  
Annual Revenue from rates, charges & fees

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
3.5%	5.8%	5%	4%	3%	2%



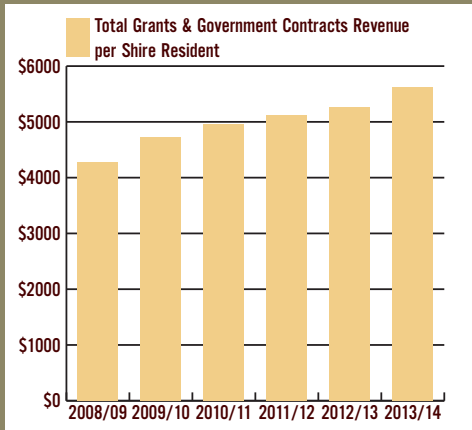
## MacDonnell Shire Council Operating Expenditure for 2009/10



### 6.3.3 Total Grants & Government Contracts Revenue per Shire Resident

Shire Population x 100  
Total Grants & Contract Revenue

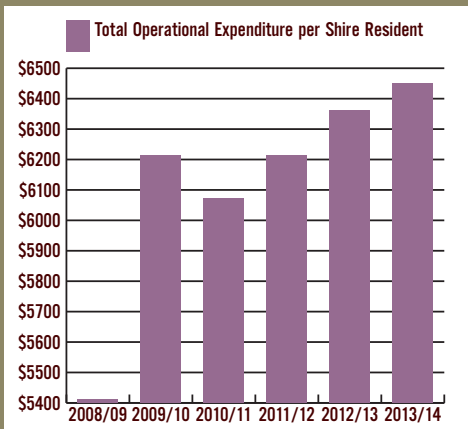
2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$4,280	\$4,716	\$4,964	\$5,110	\$5,261	\$5,623



### 6.3.4 Total Operational Expenditure per Shire Resident

Total expenses from ordinary activities before capital expenditure  
Estimated resident population within council boundaries

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$5,412	\$6,215	\$6,072	\$6,214	\$6,363	\$6,449

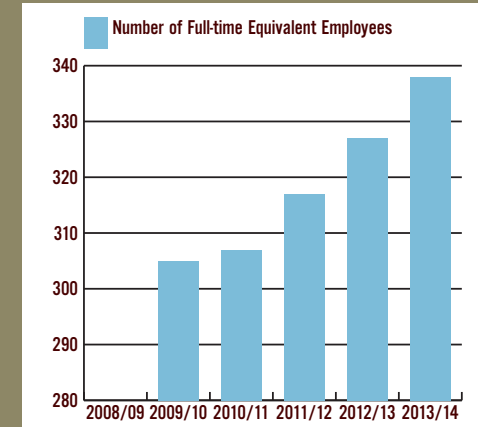


### 6.3.5 Number of Full Time Equivalent (FTE) Employees

This figure is based on the total number of full or part-time staff and casual staff on Council's payroll on the last payday of June in each year. For example, 100 full-time staff and 2 part-time staff who work 2.5 days per week equal 101 full-time staff.

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
Not available	305*	307**	317	327	338

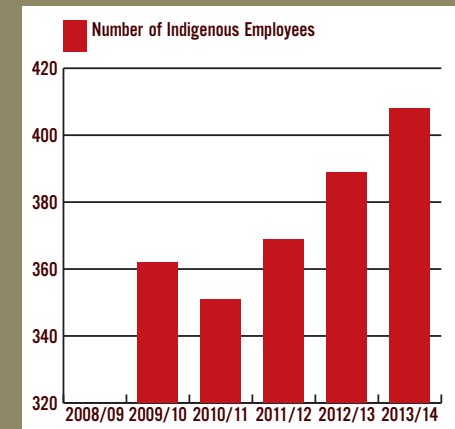
\* Includes 89 casual employees at 0.2 FTE each  
\*\* Includes 76 casual employees at 0.2 FTE each



### 6.3.6 Number of Indigenous Employees

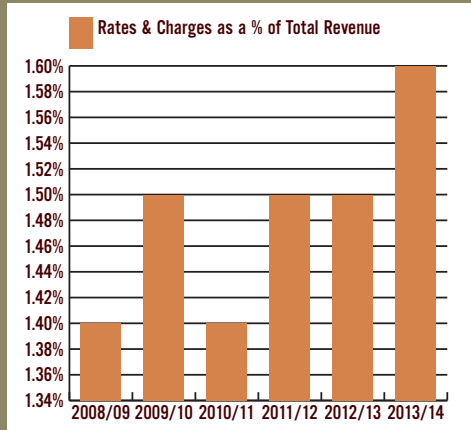
This figure is based on the total number of full or part-time indigenous staff and casual indigenous staff on Council's payroll on the last payday of June in each year.

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
Not available	362	351	369	389	408



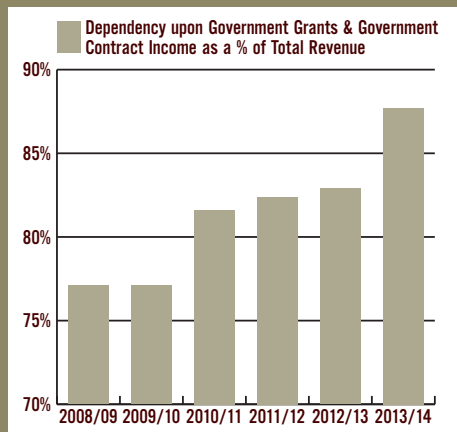
### 6.3.7 Rates and Charges as a % of Total Revenue

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
1.4%	1.5%	1.4%	1.5%	1.5%	1.6%



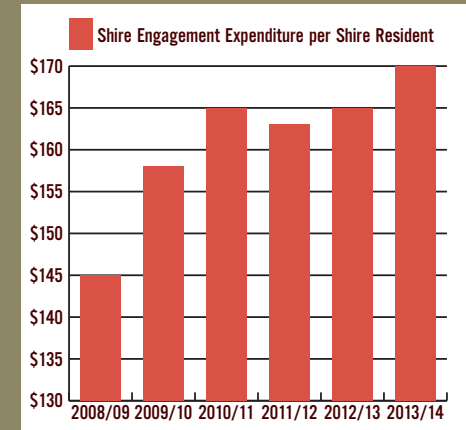
### 6.3.8 Dependency upon Government – Grants and Government Contract Income as a % of Total Revenue

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
77.11%	77.09%	81.6%	82.4%	82.9%	87.7%



### 6.3.9 Shire Engagement Expenditure per Shire Resident

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$145	\$158	\$165	\$163	\$165	\$170

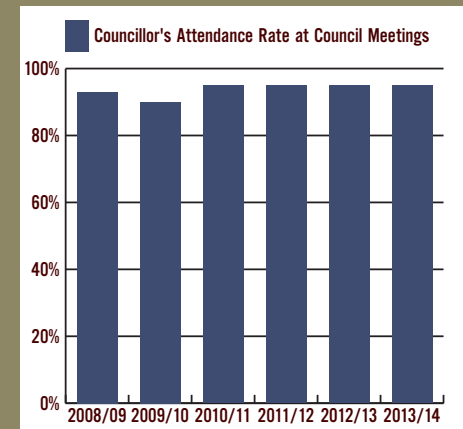


### 6.3.10 Councillors' Attendance Rate at Council Meetings

Aggregate Council Meeting Attendances during the year

Number of Councillors x number of Council Meetings

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
93%	90%	95%	95%	95%	95%



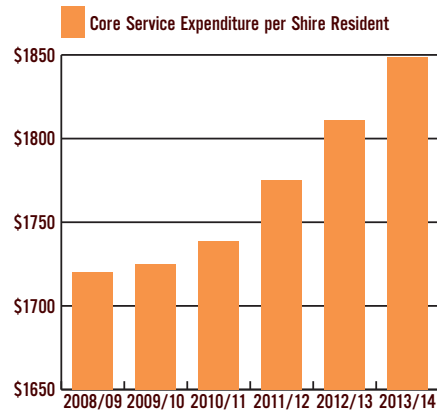
# Core Services Performance Indicators

## 6.3.11 Core Service Expenditure per Shire Resident

Total community services expenses

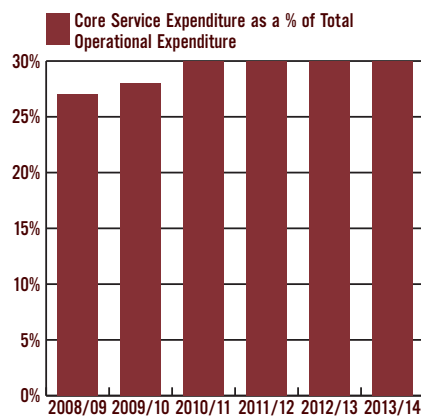
Estimated resident population within Council boundaries

2008/2009 (Estimated)	2009/2010 (Estimated)	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$1,720	\$1,725	\$1,739	\$1,775	\$1,811	\$1,849



## 6.3.12 Core Service Expenditure as a % of Total Operational Expenditure

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
27%	28%	30%	30%	30%	30%

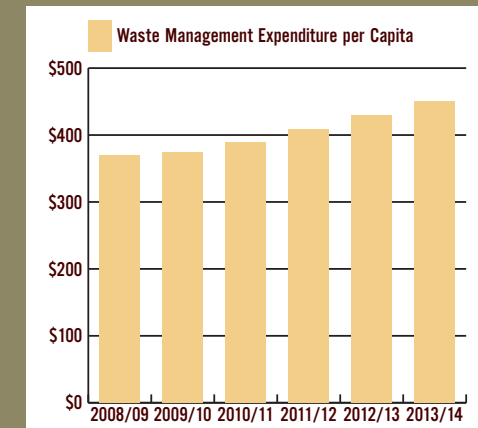


## 6.3.13 Waste Management Expenditure per Capita

Total Waste management cost

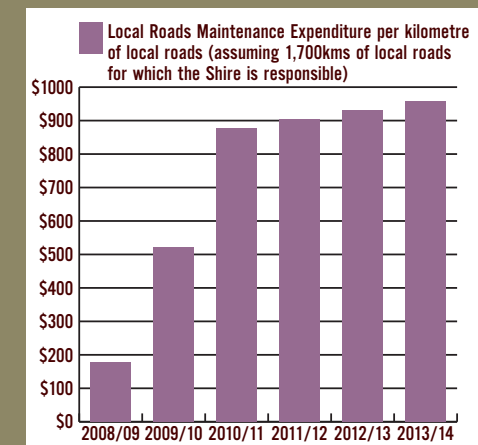
Number of residential properties receiving service per community

2008/2009 (Estimated)	2009/2010 (Estimated)	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$370	\$375	\$389	\$408	\$429	\$450



## 6.3.14 Local Roads Maintenance Expenditure per kilometre of local roads (assuming 1,700kms of local roads for which the Shire is responsible).

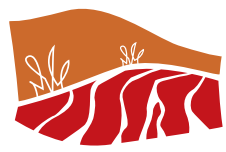
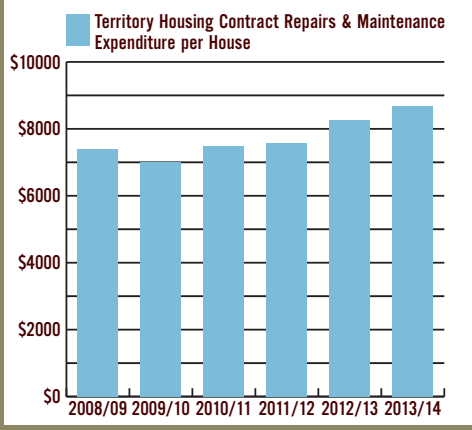
2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$177	\$520	\$877	\$903	\$930	\$958





### 6.3.15 Territory Housing Contract Repairs and Maintenance Expenditure per House

2008/2009	2009/2010	2010/2011 (Budget)	2011/2012 (Estimated)	2012/2013 (Estimated)	2013/2014 (Estimated)
\$7,390	\$6,996	\$7,484	\$7,858	\$8,274	\$8,688



MacDonnell Shire

## 6.4 MacDonnell Shire Council

General Purpose Financial Report for the Year Ended 30th June 2010

### Contents

- Independent Audit Report .....47
- Chief Executive Officer's Certificate .....49
- Income Statement .....50
- Balance Sheet .....51
- Statement of Changes in Equity .....52
- Cash Flow Statement .....53
- Notes to the Financial Statements .....54

## INDEPENDENT AUDIT REPORT TO MACDONNELL SHIRE COUNCIL

We have audited the accompanying financial report of MacDonnell Shire Council (the "Council"), which comprises the balance sheet as at 30 June 2010, income statement, statement of changes in equity and cash flow statement for the year ended on that date, Chief Executive Officer's certificate and a summary of significant accounting policies and other explanatory notes.

### *The Responsibility of the Chief Executive Officer for the Financial Report*

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

### *Auditor's Responsibility*

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

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

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

### *Auditor's Independence Declaration*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## INDEPENDENT AUDIT REPORT TO MACDONNELL SHIRE COUNCIL

### *Basis for Qualified Auditor's Opinion*

The balance sheet at 30 June 2009 includes a liability for unexpended grants of \$3,604,355. We were unable to obtain sufficient appropriate audit evidence to support the allocation of expenses between various projects. To the extent that expenses were not correctly allocated to projects for which unexpended funding had to be recognised as a liability, that liability and grant revenue were misstated. Any misstatement of grant liability at 30 June 2009 will affect the operating results for the year ended 30 June 2010.

### *Qualified Auditor's Opinion*

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, in all material respects, the financial report fairly presents the financial position of MacDonnell Shire Council as at 30 June 2010 and its financial performance, its cash flows and its changes in equity for the year ended on that date.



DELOITTE TOUCHE TOHMATSU



W R McAinsh  
Partner  
Chartered Accountants

Alice Springs, 28/10/2010.

# MacDonnell Shire Council

## CHIEF EXECUTIVE OFFICER'S CERTIFICATE For the Year Ended 30th June 2010

I hereby certify that to the best of my knowledge and belief:

- a) The Financial Statements have, been drawn properly drawn up to reflect the accounting records and follow the requirements of the Australian Accounting Standards, the Local Government Act, and the Local Government (Accounting) Regulations for the year ended 30 June 2010, and
- b) the Financial Statements are in accordance with the accounting and other records of the Shire.



Chief Executive Officer

Date: 25 / 10 / 2010

# MacDonnell Shire Council

## INCOME STATEMENT For the Year Ended 30th June 2010

	Notes	2010 \$	2009 \$
<b>INCOME</b>			
Rates		409,219	393,144
User charges - waste management		93,300	92,850
User charges & fees - rent		2,965,279	621,305
Grants, Subsidies and contributions	3a	28,571,274	30,571,166
Interest		543,213	450,893
Income from commercial operations		4,225,939	4,145,348
Reimbursements & other income		303,990	3,372,324
<b>Total Income</b>		<b>37,112,214</b>	<b>39,647,030</b>
<b>EXPENSES</b>			
Employee costs	4a	16,893,810	16,302,152
Materials & Consumables		11,280,175	11,362,543
Interest charges		63,416	12,911
Depreciation & amortisation	4b	2,328,403	2,397,023
Other operating expenses	4c	9,223,864	5,976,835
<b>Total Expenditure</b>		<b>39,789,668</b>	<b>36,051,464</b>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(2,677,454)</b>	<b>3,595,566</b>
Net assets transferred free of charge upon restructure of local government	9,17	(905,436)	27,575,671
Impairment adjustment for assets transferred to the Shire upon restructuring of local government	9,17	60,965	(12,662,833)
<b>Change in net assets attributable to restructure of local government</b>		<b>(844,471)</b>	<b>14,912,838</b>
<b>NET SURPLUS / (DEFICIT)</b>		<b>(3,521,925)</b>	<b>18,508,404</b>

*This Statement is to be read in conjunction with the attached Notes.*

## MacDonnell Shire Council

### BALANCE SHEET At 30th June 2010

	Notes	2010 \$	2009 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,011,574	13,121,841
Investments	6	11,000,000	5,000,000
Trade and other receivables	7	2,154,185	709,872
Inventories & Work in Progress	8	291,367	258,070
		<u>16,457,126</u>	<u>19,089,783</u>
<b>NON CURRENT ASSETS</b>			
Capital Work in Progress		174,942	-
Property, plant and equipment	9	<u>10,561,744</u>	<u>9,783,594</u>
		10,736,686	9,783,594
<b>TOTAL ASSETS</b>			
		<u>27,193,812</u>	<u>28,873,377</u>
<b>CURRENT LIABILITIES</b>			
Payables & Accruals	10a	4,108,787	4,722,721
Employee Benefits	10b	1,501,657	1,032,395
Borrowings	10c	995,487	1,005,502
Deferred Grant Income	13	<u>5,601,402</u>	<u>3,604,355</u>
		12,207,333	10,364,973
<b>NET ASSETS</b>			
		<u>14,986,479</u>	<u>18,508,404</u>
<b>EQUITY</b>			
Accumulated funds		14,986,479	18,508,404
<b>TOTAL EQUITY</b>			
		<u>14,986,479</u>	<u>18,508,404</u>

This Statement is to be read in conjunction with the attached Notes.

## MacDonnell Shire Council

### STATEMENT OF CHANGES IN EQUITY For the Year Ended 30th June 2010

	2010 \$	2009 \$
Accumulated funds at the beginning of the year	18,508,404	-
Add: Change in net assets resulting from transfer of assets and liabilities from the predecessor community councils to the Shire upon formation and impairment adjustments.	(844,471)	14,912,838
Add: Change in net assets resulting from operations	(2,677,454)	3,595,566
<b>Accumulated funds at the end of the year</b>	<u>14,986,479</u>	<u>18,508,404</u>

This Statement is to be read in conjunction with the attached Notes.

# MacDonnell Shire Council

## CASH FLOW STATEMENT For the Year Ended 30th June 2010

	Notes	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates & Annual Charges		399,171	379,570
Interest received		543,213	450,893
Other receipts		8,000,178	9,765,969
Grants received		30,739,877	35,020,078
<b>Payments</b>			
Employee Costs		(16,413,009)	(15,510,052)
Other operating payments		(23,817,980)	(17,690,056)
Interest paid		(63,416)	(12,911)
<b>Net Cash provided by (or used in) Operating Activities</b>	11	(611,966)	12,403,491
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of Property, Plant, Equipment and Vehicles		324,004	-
<b>Payments</b>			
Purchase of Property, Plant, Equipment and Vehicles		(3,637,348)	(4,775,013)
Work in Progress		(174,942)	-
<b>Net Cash provided by (or used in) Investing Activities</b>		(3,488,286)	(4,775,013)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Borrowings		-	1,005,502
<b>Payments</b>			
Repayments of Borrowings		(10,015)	(35,194)
<b>Net Cash provided by (or used in) Financing Activities</b>		(10,015)	970,308
<b>Net Increase (Decrease) in Cash Held</b>		(4,110,267)	8,598,786
Cash & Cash Equivalents at Beginning of the Reporting Period		18,121,841	-
Cash Transferred on Restructuring of Local Government		-	9,523,055
<b>Cash &amp; Cash Equivalents at End of the Reporting Period</b>	5	<u>14,011,574</u>	<u>18,121,841</u>

This Statement is to be read in conjunction with the attached Notes.

# MacDonnell Shire Council

## Notes to and Forming Part of the General Purpose Financial Report For the Year Ended 30th June 2010

### 1 SUMMARY OF ACCOUNTING POLICIES

#### Financial Reporting Framework

The financial report is a general purpose report, which has been prepared in accordance with the Local Government Act, Local Government Regulations and Local Government Accounting Code, and all applicable accounting standards and interpretations. The entity is a not for profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as they apply to "not for profit" entities. AIFRS include certain specific provisions relating to not for profit entities that are not included in the International Financial Reporting Standards.

The financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The date the financial statements were authorised for issue is as shown on the chief executive officer's certificate.

#### Significant accounting policies

In the application of A-IFRS management is required to make judgments, 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 historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

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 transactions or other events is reported.

It is anticipated that the adoption, in future periods, of standards and interpretations issued but not yet effective, will have no material financial impact on the financial statements.

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

#### Adoption of new and revised Accounting Standards

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

AASB 101 Presentation of Financial Statements

AASB 118 Revenue

AASB 123 Borrowing Costs

AASB 2007- 6 Amendments to Australian Accounting Standards arising from AASB 123

AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB101

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101  
AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project  
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project  
AASB 2009-2 Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments  
AASB 2009-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project  
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project

The adoption of these new and revised Standards and Interpretations has not resulted in changes to the entity's accounting policies and has not affected the amounts reported for the current or prior years.

#### Accounting standards and interpretations issued but not yet effective

It is anticipated that the adoption, in future periods, of standards and interpretations issued but not yet effective, will have no material financial impact on the financial statements.

#### Critical accounting judgements and key sources of estimation uncertainty

There were no critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the entity's accounting policies and that are likely to have a significant effect on the amounts recognised in the financial statements.

Because the major assets and liabilities of the entity are carried at historical cost, there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### Accounts Payable

Trade payables and other accounts payable are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

#### Depreciation

Items of property, plant and equipment are depreciated over their estimated useful lives using the straight line method. The main rates used are:

Buildings	10%
Plant	20%
Motor vehicles	20%
Furniture and equipment	20%

#### Economic dependency

A significant proportion of the Shire's revenue is derived from Government grants.

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

#### Employee benefits

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

The current portion of employee benefits is the portion to which employees are unconditionally entitled at balance date.

Provisions made in respect of wages and salaries, annual leave and other 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.

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

The superannuation expense for the reporting period is the amount of the contributions the entity makes to the superannuation plans which provide benefits to its employees.

#### Financial instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Trade receivables, loans, trade payables and other financial liabilities are measured at cost.

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that the estimated future cash flows of the investment have been impacted. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account.

#### Held-to-maturity investments

Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST. Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Operating receipts and payments in the cash flow statement are stated inclusive of GST.

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

## Government Grants

Grants, contributions and donations are recognised as revenues when the entity obtains control over the assets comprising the contribution.

Where contributions recognised as revenues 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 amounts pertaining to those undischarged conditions are disclosed in these notes.

Unexpended grants at year end which are refundable to the funding body are transferred to current liabilities.

## Impairment of assets

At each reporting date, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

## Income tax

The entity is not subject to income tax.

## Inventories

Finished goods are valued at the lower of cost and net realisable value. Costs have been assigned to inventory on hand at balance date using the first in first out basis.

## The local Government reporting entity

All funds and entities through which the entity controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all balances between activities have been eliminated.

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

## Revenue recognition

Revenue from the sale of goods and disposal of other assets is recognised when the entity has passed control of the goods or other assets to the buyer.

Revenue from the provision of services is recognised when the services have been provided.

Revenue from investments is recognised when received.

## Leased Assets

Leased assets classified as finance leases are recognised as assets. The amount initially brought to account is the present value of the minimum lease payments.

A finance lease is one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property. Finance leased assets are amortised on a straight line basis over the estimated useful life of the asset.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments are charged as an expense in the period in which they are incurred.

## Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

## 2a ACTIVITIES UNDERTAKEN

The Shire commenced operations on 1st July 2008, pursuant to the provisions of the Local Government Act 2008. The Northern Territory Government's reform program for local government resulted in the new MacDonnell Shire Council taking over all of the local government functions of the following entities with effect from 1 July 2008.

**Amoonguna**  
**Aputula Housing Association Inc**  
**Areyonga Community Incorporated**  
**Ikuntji Community Council Incorporated**  
**Imanpa**  
**Ltyentye Apurte Community Government Council**  
**Ntaria Council (Hermannsburg) Incorporated**  
**Papunya Community Council Incorporated**  
**Tapatjatjaka Community Government Council**  
**Wallace Rockhole Community Government Council**  
**Watiyawanu Community Government Council**

The assets and liabilities of these entities were transferred to the new MacDonnell Shire Council with effect from 1st July 2008 at their carrying values.

The major functions undertaken by the entity are:

### General public services

Corporate management, administrative support and governance.

### Public order and safety

Operation of a night patrol services.

### Economic affairs

Community stores, Commercial Fuel Sales, Garage Workshop activities.

### Housing, Community Amenities

Housing repairs and maintenance and new housing. Local roads maintenance

### Health

Child nutrition program.

### Recreation, Culture & Religion

Provision of sports, recreation and leisure facilities. BRACS operation.

### Education

Preschool care.

### Social Protection

Public Behaviour & Youth Programme, Aged care.

## 2b FUNCTION RESULTS

## MacDonnell Shire Council Notes to and Forming Part of the General Purpose Financial Report For the Year Ended 30th June 2010

	General Public Services	Public Order & Safety	Economic Affairs	Housing & Community	Health	Recreation, Culture & Religion	Education	Social Protection	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>OPERATING REVENUES</b>									
Rates	409,219								409,219
User charges - waste management	93,300								93,300
Grants - NT Operational	2,247,002		5,130,249	6,288,143		34,000	523,274	400,889	14,623,557
Grants - NT capital	114,091								114,091
Grants - Cw/ith Operational	2,320,263	2,089,348	25,300	124,373	758,383		4,764,600	2,201,609	12,283,876
Grants - Cw/ith capital	1,549,750		543,213						1,549,750
Reimbursements & other Revenues	2,002,267		4,657,048	135,764	118,141	18,396	231,798	331,794	7,495,208
<b>OPERATING EXPENSES</b>									
Employee Costs	8,735,892	2,089,348	10,355,810	6,548,280	876,524	52,396	5,519,672	2,934,292	37,112,214
Materials, Contracts & Other	9,360,453	1,497,201	521,669	1,333,790	383,171	107,897	2,607,170	1,082,459	16,893,810
Interest Charges	4,040,569	523,770	2,813,900	2,059,550	139,936	50,431	696,460	955,559	11,280,175
Depreciation	1,146,550		63,416						63,416
Other operating expenditure	3,257,661	155,909	1,181,853	1,832,724	8,702	46,023	656,968	134,854	2,328,403
<b>TOTALS</b>									
Total assets	17,805,253	2,176,880	7,711,841	5,226,064	531,809	204,351	3,960,598	2,172,872	39,789,668
	(9,089,361)	(87,532)	2,643,969	1,322,216	344,715	(151,955)	1,559,074	761,420	(2,677,454)
									27,193,812
									28,873,377



# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>3a GOVERNMENT GRANTS RECOGNISED AS REVENUE</b>		
<b>From Commonwealth of Australia Government Agencies</b>		
Operating grants	3,251,451	1,984,519
Special Purpose grants	141,252	294,534
Capital grants	1,618,563	2,785,090
Agency services grants	8,822,359	10,962,291
<b>Sub-total</b>	<b>13,833,625</b>	<b>16,026,434</b>
<b>From Northern Territory Government Agencies</b>		
Operating grants	13,699,279	10,148,448
Special Purpose grants	320,588	2,691,040
Capital grants	114,091	501,125
Agency services grants	603,691	1,204,119
<b>Sub-total</b>	<b>14,737,649</b>	<b>14,544,732</b>
<b>Total Grants Revenue</b>	<b>28,571,274</b>	<b>30,571,166</b>
<b>3b OTHER OPERATING REVENUE</b>		
Income from commercial services	4,225,939	4,145,348
Rates	409,219	393,144
Rents & service fees	2,965,279	621,305
Domestic waste charges	93,300	92,850
Fundraising & donations	47,066	18,648
Reimbursements	96,535	3,353,676
Gains from disposal of plant, equipment and vehicles	160,389	-
<b>Total Other Operating Revenue</b>	<b>7,997,727</b>	<b>8,624,971</b>
<b>4a EMPLOYEE COSTS</b>		
Salaries, wages and allowances, including on-costs	15,130,142	14,626,792
Employer's Superannuation contributions	1,210,149	814,124
Employee benefits and other employee costs	160,141	583,055
Training programs	316,804	270,912
Recruitment expenses	68,771	640
Protective clothing	7,803	6,629
<b>Total Employee Costs</b>	<b>16,893,810</b>	<b>16,302,152</b>
<b>4b DEPRECIATION</b>		
Buildings	1,088,942	1,387,401
Plant & Equipment	524,752	425,677
Furniture & Equipment	56,719	25,377
Vehicles	657,990	558,568
<b>Total Depreciation</b>	<b>2,328,403</b>	<b>2,397,023</b>

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>4c OTHER OPERATING EXPENSES</b>		
Elected Members' Allowances	173,790	164,658
Telephone & Internet services	647,386	386,893
Insurance Premiums and Fees	858,395	381,180
Gas, Power, Sewerage & Water	715,530	517,736
Fuel for Plant and Vehicles	531,654	727,858
Provision for Bad & Doubtful Debts	(35,476)	167,779
Repayment of unaccrued grant liabilities	418,990	-
Freight charges	508,732	140,183
Legal & Professional Services	257,097	111,237
Advertising & Promotional Activities	49,197	243,524
Audit Services	62,841	78,208
Computer Services	980,450	1,527,471
Loss due to destruction of assets	267,756	-
Memberships & subscriptions	51,832	46,342
Operating Leases	168,232	332,018
Travel, Accommodation & Entertainment	340,145	206,358
Contract Labour	3,178,037	817,141
Transaction Fees & Taxes	48,825	126,906
Other minor expenses	451	1,343
<b>Total Other Operating Expenses</b>	<b>9,223,864</b>	<b>5,976,835</b>
<b>5 CASH AND CASH EQUIVALENTS</b>		
Westpac Operating Account	238,623	330,145
Westpac Enterprise Development Account	582,565	388,045
Westpac Trust Account	732,329	6,815,351
Westpac ICC Account	735,829	4,317,250
Bank Accounts for community stores	626,260	1,106,863
Predecessor community council accounts	-	157,687
	90,893	-
Petty Cash	5,075	6,500
<b>Total Cash &amp; Cash Equivalents</b>	<b>3,011,574</b>	<b>13,121,841</b>
<b>6 INVESTMENTS</b>		
Interest earning term deposits at Westpac Bank Ltd.	<b>11,000,000</b>	<b>5,000,000</b>
The following portion of bank balances and investments is subject to restrictions in that it represents unexpended grant funds provided for specific purposes.		
Included in liabilities	5,601,402	3,604,355
Included in revenue	-	240,355
	<b>5,601,402</b>	<b>3,844,710</b>

# MacDonnell Shire Council

## Notes to and Forming Part of the General Purpose Financial Report For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>7 TRADE AND OTHER RECEIVABLES</b>		
Trade Receivables	1,364,128	569,190
Allowance for Doubtful Debts	(111,139)	(149,306)
Rates Receivable	23,622	13,574
GST Receivable	385,039	-
Sundry Receivables	458,213	203,000
Prepayments	34,322	73,414
<b>Total Trade &amp; Other Receivables</b>	<b>2,154,185</b>	<b>709,872</b>

The average credit period on sales of goods and rendering of services is 60 days.  
No interest is charged on the trade receivables.

### Ageing of past due but not impaired trade receivables

60-90 days	74,253	-
90-120 days	40,201	123,645
	<u>114,454</u>	<u>123,645</u>

### Movement in the allowance for doubtful debts

Balance at the beginning of the year	149,306	-
Impairment losses recognised	(37,897)	149,306
Amounts written off as uncollectible	-	-
Balance at the end of the year	<u>111,409</u>	<u>149,306</u>

## 8 INVENTORIES & WORK IN PROGRESS

Bulk fuel	6,017	-
Goods for sale held at community stores	285,350	258,070
<b>Total Inventories &amp; Work in Progress</b>	<b>291,367</b>	<b>258,070</b>

## MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

### PROPERTY, PLANT AND EQUIPMENT

Year Ended 30th June 2009	Land \$	Buildings & Facilities \$	Plant & Equipment \$	Furniture & Fittings \$	Vehicles \$	Total \$
<b>Gross Carrying Amount at Cost or Valuation</b>						
Opening balances upon formation of the Shire Council	50,000	51,997,093	8,187,792	1,510,412	8,696,528	70,441,825
Add: Assets transferred to the Shire from Predecessor Entities	(50,000)	(25,768,460)	(4,135,904)	(1,391,869)	(6,105,490)	(37,451,723)
Less: Impairment Adjustment to Opening Balances	0	26,228,633	4,051,888	118,543	2,591,038	32,990,102
Opening Balances After Impairment Adjustment	404,250	1,940,995	478,327	65,871	1,885,570	4,775,013
Additions						
Disposals						
Balance at 30th June 2009	404,250	28,169,628	4,530,215	184,414	4,476,608	37,765,115
<b>Accumulated Depreciation</b>						
Opening balances upon formation of the Shire Council						
Add: Opening Balances Transferred from Predecessor Entities		37,413,992	5,812,326	1,019,420	6,127,711	50,373,389
Less: Impairment Adjustment to Opening Balances		(16,115,761)	(3,160,500)	(986,505)	(4,526,125)	(24,788,891)
Opening Balances After Impairment Adjustment		21,298,171	2,651,826	32,915	1,601,586	25,584,498
Charge for the year		1,387,401	425,677	25,377	568,568	2,397,023
Less: Accumulated depreciation on disposals		22,685,572	3,077,503	58,292	2,160,154	27,981,521
Balance at 30th June 2009						
<b>Net Book Value</b>						
<b>Carrying value at 1st July 2008</b>						
<b>Carrying value at 30th June 2009</b>	<b>404,250</b>	<b>5,484,056</b>	<b>1,452,712</b>	<b>126,122</b>	<b>2,316,454</b>	<b>9,783,594</b>

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

## 9 PROPERTY, PLANT AND EQUIPMENT

Year Ended 30th June 2010	Land \$	Buildings & Facilities \$	Plant & Equipment \$	Furniture & Fittings \$	Vehicles \$	Total \$
<b>Gross Carrying Amount at Cost</b>						
Opening balances at 1st July 2009	404,250	28,169,628	4,530,215	184,414	4,476,608	37,765,115
Add: Impairment Adjustment Reversed	-	-	60,965	-	-	60,965
Less: Disposals	-	2,000,819	790,195	116,869	729,465	3,637,348
Balance at 30th June 2010	404,250	29,937,652	5,293,375	278,711	4,608,981	40,522,969
<b>Accumulated Depreciation</b>						
Opening balances at 1st July 2009	-	22,685,572	3,077,503	58,292	2,160,154	27,981,521
Charge for the year	-	1,089,942	524,752	56,719	657,990	2,328,403
Less: Accumulated depreciation on disposals	-	-	(88,000)	-	(260,699)	(348,699)
Balance at 30th June 2010	-	23,774,514	3,514,255	115,011	2,557,445	29,961,225
<b>Net Book Value</b>						
Carrying value at 1st July 2009	404,250	5,484,056	1,452,712	126,122	2,316,454	9,783,594
Carrying value at 30th June 2010	404,250	6,163,138	1,779,120	163,700	2,051,536	10,561,744

A building is secured as per the borrowings note.  
Land: With the sole exception of a 50% share in the land component of the Shire's headquarters building in Alice Springs, the Shire has no registered or registrable freehold or leasehold interests in land.

Buildings: Due to a lack of documentation, it is not possible to definitively identify the ownership status of some buildings. The Shire has taken the view that only those buildings in relation to which, at the balance sheet date, it exercised effective control and occupancy, are recognised as property of the Shire.

## MacDonnell Shire Council

Notes to the Financial Statements  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>10a TRADE AND OTHER PAYABLES</b>		
Creditors	1,753,704	3,563,875
PAYG payable	229,491	217,952
GST payable	-	175,691
Accruals	2,125,592	765,203
	<u>4,108,787</u>	<u>4,722,721</u>
<b>10b EMPLOYEE BENEFITS</b>		
Annual leave, including on-costs	1,420,490	928,556
Long service leave	81,167	103,839
	<u>1,501,657</u>	<u>1,032,395</u>
<b>10c BORROWINGS</b>		
Finance lease	-	4,182
Westpac credit card liability	18,874	-
Westpac Mortgage over 50% of Headquarters premises.	976,613	1,001,320
	<u>995,487</u>	<u>1,005,502</u>
<b>11 RECONCILIATION OF CHANGE IN NET ASSETS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating surplus (deficit) for the year	(2,677,454)	3,595,566
Loss on disposal of assets	267,756	-
Depreciation of non-current assets	2,328,403	2,397,023
Increase (decrease) in doubtful debts provision	(38,167)	149,306
<b>Changes in Net Assets:</b>		
Change in assets and liabilities		
(Increase) / Decrease in trade debtors	(1,406,146)	761,380
Decrease / (Increase) in Inventory	(33,297)	(58,456)
Increase / (Decrease) in trade creditors and accruals	(613,934)	2,653,002
Increase / (Decrease) in provisions	469,262	738,166
Increase / (Decrease) in unexpended grant liability	1,091,611	2,167,504
Net cash provided by operating activities	<u>(611,966)</u>	<u>12,403,491</u>
<b>12 CAPITAL COMMITMENTS</b>		
There were no capital commitments at the balance sheet date.		

## MacDonnell Shire Council

Notes to the Financial Statements  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>13 DEFERRED GRANT INCOME</b>		
Unexpended grants that have been paid to the Shire Council for specific purposes are treated as deferred income at the end of the financial year. This is because funding bodies will require either that the unused funds be returned or that they be carried forward to be applied against activities undertaken in future periods.		
<b>13a Grants to Predecessor Entities Prior to 1st July 2008</b>		
Amoonguna Night Patrol (F74)	30,682	30,682
Amoonguna CDEP oncosts (F80)	5,621	5,621
Areyonga CDEP Wages (F50)	-	11,597
Areyonga DCITA Workforce Arts (F56)	-	4,929
Areyonga DCITA Workforce Sports & Rec. (F57)	13,332	13,332
Areyonga DCITA Utju Arts (F61)	-	3,746
Areyonga DEST Nutrition (F29)	43,600	43,600
Aputula CDEP Operational	-	14,329
Aputula Homelands Capital	-	18,390
Aputula RIBS	-	3,661
Aputula Government Business manager FFP	-	10,229
Aputula Homelands Municipal	-	3,730
Ikuntji - Department of Family & Community Services - Childcare	64,721	64,721
Ikuntji - Department of Family & Community Services - OSHC	49,468	49,468
Ikuntji - Department of Family & Community Services - Capital	10,000	10,000
Ikuntji Night Patrol	19,926	19,926
Ikuntji DCITA Telecommunications Program	10,000	10,000
Ikuntji FACSIA Capital	-	35,107
Ntaria CDEP Oncosts	-	54,434
Ntaria Art Group	-	22,119
Ntaria CDEP Wages	-	120,511
Ntaria BRACS	-	1,444
Ntaria DOHA CDEP Conversion	15,162	15,162
Ntaria DEWHA CDEP Conversion	-	44,541
Watiyawanu Sports & recreation	2,822	2,822
Watiyawanu NTER FFP	-	14,626
Watiyawanu CDEP Conversion	-	8,119
Papunya CDEP Wages	-	(25,752)
Papunya CHIP	-	4,090
Papunya ICC Recurrent	10,000	10,000
Papunya FACS Municipal Employment	-	42,897
Papunya FACS Recurrent	30,324	30,324
Papunya FACS Capital	-	7,012
	-	(58,325)
Tapatjataka Indigenous Employment (6101)	6,554	6,554
Tapatjataka NTER (6130)	-	29,218
Tapatjataka Night Patrol (6400)	98,413	98,413
Tapatjataka Arts Centre (6801, 6802, 6803, 6804, 6805, 6806)	-	13,961

## MacDonnell Shire Council

Notes to the Financial Statements  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
Tapatjataka Arts centre capital (6807)	-	66,000
Tapatjataka Art Workers (6820)	-	59,725
Tapatjataka Community Mentoring & Training (6900)	-	907
Wallace Rockhole DEWR Special Measure	8,377	8,377
ICC Night Patrol - Ltyentye Apurte	68,160	-
ICC - FFP Ltyentye Apurte	9,500	-
ICC - Sport & Recreation Ltyentye Apurte	17,031	-
ICC - RIBS Ltyentye Apurte	2,203	-
ICC - DEEWHA Ltyentye Apurte	30,334	-
ICC - CDEP Wages Ltyentye Apurte	104,256	-
ICC - CDEP Operational Ltyentye Apurte	3,402	-
OATSIH - DOHA clinic renovations Ltyentye Apurte	631,088	-
OATSIH - DOHA housing Ltyentye Apurte	47,320	-
OATSIH - DOHA healthy for life Ltyentye Apurte	289,135	-
OATSIH - DOHA performance quality Ltyentye Apurte	12,281	-
OATSIH - DOHA patient recall Ltyentye Apurte	76,154	-
Ltyentye Apurte (No details available last year. Not audited until 2010)	-	385,428
Sub total	1,709,866	1,315,675
<b>13b Grants to MacDonnell Shire Council</b>		
Imanpa Family Centre Renovations 2008/09	2,713	28,233
NTER - CCF Kaltukatjara Women's' Centre Capital 2008/09	-	12,411
NTER - CCF Kaltukatjara Women's' Centre Operational 2008/09	-	3,760
CCF Parks & Gardens Wallace Rockhole 2008/09	11,411	77,337
West MacDonnell Regional Youth Services Enhancement 2008/09	177,000	882,522
Provision of Municipal Services - Mutjulu Capital 2008/09	16,044	165,077
Mutjulu Building Refurbishment Capital 2008/09	-	96,940
NTER-CCF 3 Playgrounds Capital 2008/09	-	193,691
NTER-CCF Titjikala additional Women's' Centre Contributions 2008/09	-	24,616
Additional Equipment for Titjikala Youth Program 2008/09	-	2,636
Northern Territory Jobs Transition 2008/09	-	61,780
CDEP 2008/09	-	603,123
Ntaria Fire Fighting Unit Capital 2008/09	-	103,719
Ntaria Fire Fighting Unit Operational 2008/09	-	32,835
After School Care 2009/10	3,472	-
AASC Special initiative Amoonguna 2009/10	600	-
AASC Special initiative Kintore 2009/10	1,881	-
Active After School Care 2009/10	5,771	-
CDEP Converted Jobs - Outstations - 2009/10	112,245	-
Community Safety (Night Patrol) 2009/10	299,086	-
DOHA Community Aged Care Places 2009/10	111,660	-
DOHA Flexible Aged Care Program - Docker River 2009/10	123,108	-
DOHA Flexible Aged Care Program 2009/10	78,951	-
HACC Indigenous Workforce 2009/10	508,109	-
ICC dust suppression Areyonga 2009/10	2,245	-

# MacDonnell Shire Council

Notes to the Financial Statements  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
ICC fire trailer Docker River 2009/10	2,466	-
ICC fire trailer Santa Teresa 2009/10	2,709	-
ICC Healthy Dog Program Hermannsburg 2009/10	381	-
ICC Imanpa shade structure 2009/10	2,702	-
ICC Male wellbeing centre Hermannsburg 2009/10	10,560	-
ICC NTES Shed fit out/service Hermannsburg 2009/10	11,169	-
ICC outside meeting place Hermannsburg 2009/10	70,250	-
ICC Repairs to 3 swimming pools 2009/10	178,233	-
ICC return to country Titjikala 2009/10	10,081	-
ICC School drop off area Hermannsburg 2009/10	25,000	-
ICC Titjikala basketball competition 2009/10	10,942	-
ICC Titjikala Choir community camp 2009/10	920	-
ICC Titjikala healthy dogs program 2009/10	47,932	-
ICC waste management Haasts Bluff 2009/10	730	-
ICC women's' centre Titjikala 2009/10	14,255	-
ICC Youth Workers - Youth in Communities Program 2009/10	503,657	-
Local board governance development 2009/10	92,100	-
Natural disaster relief 2009/10	240,000	-
NRETAS facility development Hermannsburg 2009/10	33,000	-
NRETAS facility development Papunya 2009/10	40,000	-
NT Jobs transition Arts 2009/10	54,720	-
Outstations tenancy management 2009/10	52,000	-
Purchase playground equipment 2009/10	92,999	-
Survey of residents outside communities and outstations 2009/10	20,124	-
School Nutrition Program 2009/10	156,176	-
Sport & Recreation Programs 2009/10	4,101	-
Volatile Substance Abuse Kintore 2009/10	1,197	-
Waste-water re-use project Amooinguna 2009/10	28,289	-
Youth Development Program Papunya 2009/10	1,781	-
Sub-total	<u>3,162,770</u>	<u>2,288,680</u>
<b>13c 2010/11 Grants Received in Advance</b>		
FAA General Purpose Grant - 1st Quarter 2010/11	419,676	-
FAA Roads Grants - 1st Quarter 2010/11	187,416	-
Flexible Aged Care Grant - 2010/11	121,674	-
Sub-total	<u>728,766</u>	<u>-</u>
<b>Total Deferred Grant Income</b>	<u><b>5,601,402</b></u>	<u><b>3,604,355</b></u>

# MacDonnell Shire Council

Notes to the Financial Statements  
For the Year Ended 30th June 2010

	2010 \$	2009 \$
<b>14 OTHER INFORMATION</b>		
The entity is a body corporate under the Local Government Act 2008 of the Northern Territory of Australia.		
The principal place of business and registered address of the entity is: 1 Bagot Street, Alice Springs, NT, 0870.		
<b>15 KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Aggregate compensation made to councillors		
Short term employee benefits	173,790	165,658
Termination benefits	-	-
	<u>173,790</u>	<u>165,658</u>
The councillors during the financial year were:		
Sid Anderson (Shire President)		
Roxanne Kenny (Deputy President)		
Lance Abbott		
Marlene Abbott		
Raymond Kiernen		
David Doolan		
Joe Rawson		
Lisa Sharman		
Peter Wilson		
Irene Nangala		
Carl Inkamala		
Mildred Inkamala		
<b>16 POST BALANCE DATE EVENTS</b>		
The council is negotiating to transfer operation and control of the stores at Santa Teresa and Titjikala to independent organisations. When the stores are transferred, the intention is to transfer the related assets and liabilities.		
The assets and liabilities of the stores at balance date were:		
Santa Teresa store assets	504,287	
Titjikala Store assets	391,966	
	<u>896,253</u>	
Santa Teresa store liabilities	284,660	
Titjikala Store liabilities	486,158	
	<u>770,818</u>	
Net assets	<u><b>125,435</b></u>	

# MacDonnell Shire Council

Notes to and Forming Part of the General Purpose Financial Report  
For the Year Ended 30th June 2010

## 17 FINANCIAL INSTRUMENTS

The Council is exposed through its financial instruments to liquidity risk, credit risk, and interest rate risk.

### Liquidity Risk

Liquidity risk is the risk that the Council will not be in a position to meet its financial obligations as and when they fall due. The Council manages its liquidity risk by monitoring cash flows and through budget management. Liquidity is also supported by the fact that a high proportion of government subsidies and grants are received before the activities and projects to which they relate are undertaken.

### Credit Risk

Credit risk is the risk of financial loss to the Council in the event of the failure by a commercial debtor or funding agency to meet its contractual or statutory obligations. Credit risk is greatly mitigated by the fact that the only parties with whom the Council has material dealings are agencies of the Commonwealth and Northern Territory Governments.

### Interest rate risk management

The entity has no material exposure to interest rate risk as it's only borrowing is a mortgage over 50% of its HQ building.

#### 2010

##### Financial Assets

Cash and bank	4.55	3,011,574				3,011,574
Term deposits at bank	5.70		11,000,000			11,000,000
Trade and rates receivables				1,387,750		1,387,750
Total financial assets		3,011,574	11,000,000	-	1,387,750	15,399,324

##### Financial Liabilities

Trade payables				1,753,704		1,753,704
Bank bill business Loan	5.99	488,648				488,648
Bank bill business Loan	6.40			487,965		487,965
Unexpended grants				5,601,556		5,601,556
Total financial liabilities		488,648	-	487,965	7,355,260	8,331,873

#### 2009

##### Financial Assets

Cash and bank	2.95	13,121,841				13,121,841
Term deposits at bank	4.00		5,000,000			5,000,000
Trade and rates receivables				582,764		582,764
Total financial assets		13,121,841	5,000,000	-	582,764	18,704,605

##### Financial Liabilities

Trade payables				3,563,875		3,563,875
Bank bill business Loan	4.40	500,000				500,000
Bank bill business Loan	5.77			500,000		500,000
Unexpended grants				3,604,355		3,604,355
Total financial liabilities		500,000	-	500,000	7,168,230	8,168,230

There is no foreign exchange risk.

# Contacting the Council

## Council Headquarters

Freecall 1300 360 959

Phone 08 8958 2600

Fax 08 8958 2601

Post PO Box 5267, Alice Springs NT 0871

Location corner Bagot Street & South Terrace,  
Alice Springs NT 0870

Email [info@macdonnell.nt.gov.au](mailto:info@macdonnell.nt.gov.au)

Web Site [www.macdonnell.nt.gov.au](http://www.macdonnell.nt.gov.au)

## Council Service Delivery Centres

### Amoonguna

Phone 08 8952 9043 or 08 8952 9055

Fax 08 8952 9044

Email [amoonguna@macdonnell.nt.gov.au](mailto:amoonguna@macdonnell.nt.gov.au)

### Utju / Areyonga

Phone 08 8956 7311

Fax 08 8956 7302

Email [areyonga@macdonnell.nt.gov.au](mailto:areyonga@macdonnell.nt.gov.au)

### Aputula / Finke

Phone 08 8956 0966

Fax 08 8956 0900

Email [finke@macdonnell.nt.gov.au](mailto:finke@macdonnell.nt.gov.au)

### Ikuntji / Haasts Bluff

Phone 08 8956 8533

Fax 08 8956 8534

Email [haastsbluff@macdonnell.nt.gov.au](mailto:haastsbluff@macdonnell.nt.gov.au)

### Kaltukatjara / Docker River

Phone 08 8956 7337

Fax 08 8956 7338

Email [dockerriver@macdonnell.nt.gov.au](mailto:dockerriver@macdonnell.nt.gov.au)

### Ntaria / Hermannsburg

Phone 08 8956 7411

Fax 08 8956 7425

Email [hermannsburg@macdonnell.nt.gov.au](mailto:hermannsburg@macdonnell.nt.gov.au)

### Walungurru / Kintore

Phone 08 8956 8566 or 08 8964 7079

Fax 08 8956 8569

Email [kintore@macdonnell.nt.gov.au](mailto:kintore@macdonnell.nt.gov.au)

### Imanpa

Phone 08 8956 7454 or 08 8956 7946

Fax 08 8956 7464

Email [imanpa@macdonnell.nt.gov.au](mailto:imanpa@macdonnell.nt.gov.au)

### Warumpi / Papunya

Phone 08 8956 8522 or 08 8956 8680

Fax 08 8956 8520

Email [papunya@macdonnell.nt.gov.au](mailto:papunya@macdonnell.nt.gov.au)

### Tapatjatjaka / Titjikala

Phone 08 8956 0844 or 08 8956 0713

Fax 08 8956 0672

Email [titjikala@macdonnell.nt.gov.au](mailto:titjikala@macdonnell.nt.gov.au)

### Wallace Rockhole

Phone 08 8956 7415

Fax 08 8956 7491

Email [wallacerockhole@macdonnell.nt.gov.au](mailto:wallacerockhole@macdonnell.nt.gov.au)

### Watiyawanu / Mount Liebig

Phone 08 8956 8500

Fax 08 8956 8589

Email [mountliebig@macdonnell.nt.gov.au](mailto:mountliebig@macdonnell.nt.gov.au)

### Ltyentye Apurte / Santa Teresa

Phone 08 8956 0999

Fax 08 8956 0923

Email [santateresa@macdonnell.nt.gov.au](mailto:santateresa@macdonnell.nt.gov.au)

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