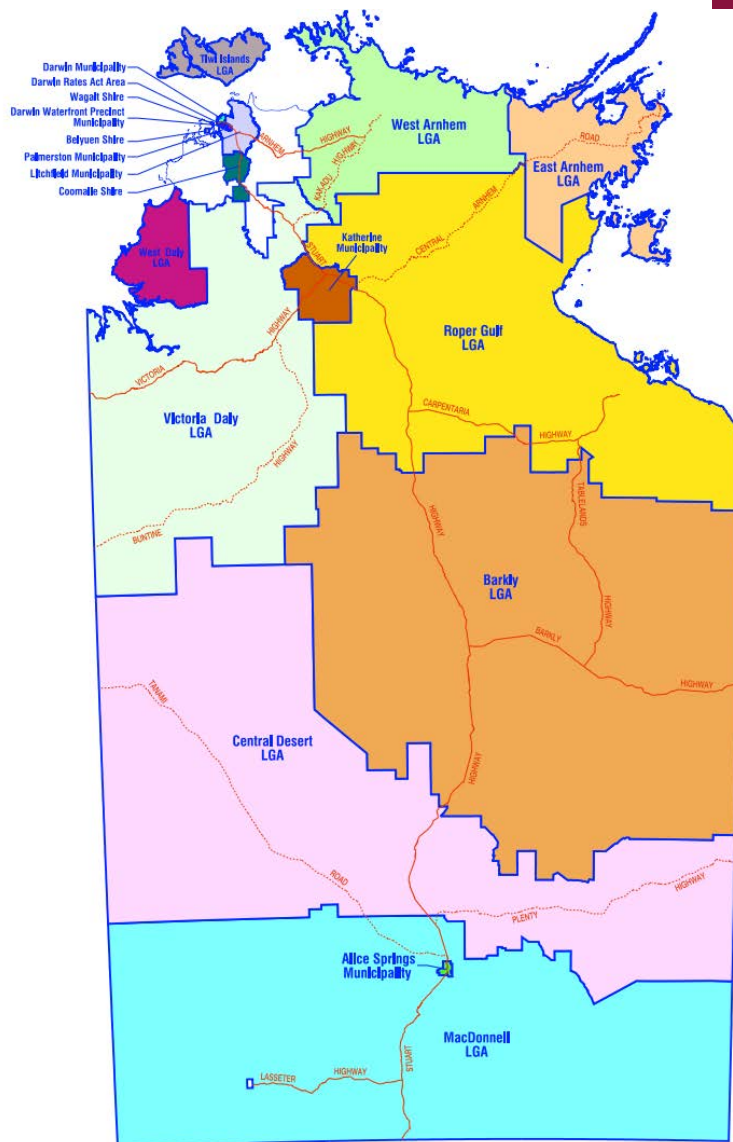


2017/2018 Annual Report



CouncilBIZ Annual Report 2017-18

CouncilBIZ is a Local Government Subsidiary as defined by the *Local Government Act* with the following members:

- Barkly Regional Council
- Central Desert Regional Council
- East Arnhem Regional Council
- MacDonnell Regional Council
- Roper Gulf Regional Council
- Tiwi Islands Regional Council
- Victoria Daly Regional Council
- West Arnhem Regional Council
- West Daly Regional Council
- Local Government Association of the Northern Territory (LGANT).

Each member nominates one person to be their representative at Board meetings of CouncilBIZ. The chair of the Board is Tony Tapsell, the Chief Executive Officer of LGANT.

The Board held meetings in October and March. Two matters were determined by the circular resolution process provided in the constitution.

The Board has an Executive Committee that meets every second month, and an Audit/Risk Committee. The Audit/Risk Committee members are the Chair of CouncilBIZ and two external independent members. They met in August and February.

The Board employs a General Manager, and the organisation has a staffing complement of fifteen. The organisation operates from leased premises at 14 Shepherd Street, Darwin.

The external auditors are BDO, 72 Cavenagh Street, Darwin NT 0801.



Introduction from the Chair

I am pleased to present my report for the 2017-18 financial year on behalf of the CouncilBIZ Board ('the Board').

The year saw a significant project with the update of the infrastructure and the subsequent need to relocate as part of the Northern Territory data centre relocation from the CHAN building in State Square to the Government Data Centre in Millner in June 2018.

Although the physical move was not effected during the year all the necessary arrangements were ready to make it happen. This included confirming with service providers and Northern Territory Government agencies their requirements as well as alerting councils of the timing and impact on their information and communications technology operations.

The Board was given comprehensive information on shared services and agreed to look at processes that could be shared especially if they were common amongst councils.

CouncilBIZ was successful in securing funding from the Department of Housing and Community Development to engage a consultant to advance records retention and disposal operations in councils. This work will go a long way towards assisting councils to meet their obligations under the *Information Act* and it will be completed next financial year. The commissioning of a consultant was necessary following NT Archives approving the retention and disposal schedule for local government during the year.

As I reported last financial year CouncilBIZ was expecting to have its constitution both checked by Parliamentary Counsel and then approved by the Minister, the Hon Gerry McCarthy MLA, however, it is now expected to be approved early next financial year.

It was most pleasing that council staff received software training and assistance in the use of software throughout the year. All councils took advantage of the opportunity of in-house training in the Technology One suite of modules.

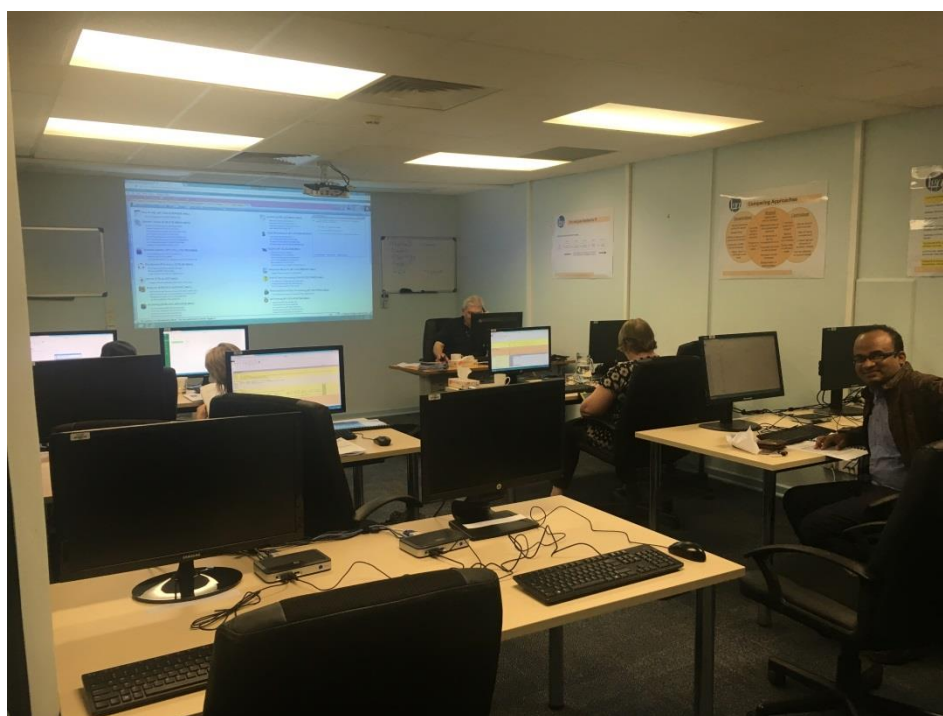
Product functionality demonstrations were delivered in the modules of 'travel and expense', 'mobile assets', 'MyHR', 'animal management', and 'asset billing' as councils became ready to expand their software usage.

Records management training using the software Magiq Documents was delivered in both Darwin and Katherine; and InfoCouncil agenda software training to Victoria Daly, Roper Gulf and Barkly.

A new enterprise agreement was entered into during the year with CouncilBIZ staff to the satisfaction of both parties representing employees and employer.

I thank the General Manager, Michael Freeman and CouncilBIZ staff for their wonderful efforts during the year in managing this important and vital shared service for councils.

Tony Tapsell
Chairman



Training in Technology One software

CouncilBIZ Governance and Management

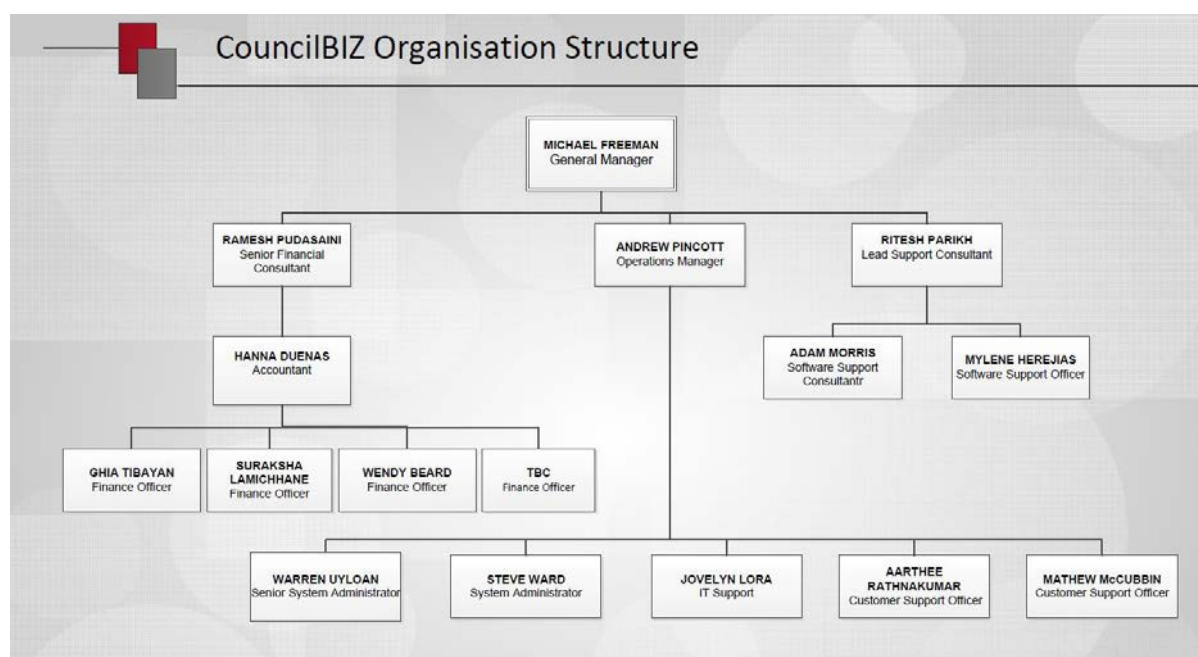
In August 2015 the Board reset the future statement and purpose:

Our Future

We will deliver innovative services that allow our customers to be recognised as exemplary organisations in their field. We will be governed and managed so effectively that we attract terrific, skilled staff. We will have a reputation for getting things done. We will be adaptive and flexible to our customers' needs. In fact, we anticipate those needs. We will communicate, communicate, and communicate with each other, with our customers and with our people.

Our Purpose

To be the organisation known for changing attitudes to the delivery of shared services in local government so that everyone wants to be involved.



Employees are employed subject to the CouncilBIZ Enterprise Agreement 2017.

CouncilBIZ Infrastructure

Established to facilitate the efficient provisioning of administration, information technology and financial services, CouncilBIZ boasts an impressive array of on premise, cloud based, infrastructure technologies to support its member Councils.

During 2017/18 CouncilBIZ carried out a complete refresh of its infrastructure at a cost of \$472,788.

CouncilBiz server infrastructure previously required 3 full data racks to host all of the equipment, by utilising the latest technologies we have been able to reduce this down to a single rack of equipment. The core server infrastructure has been reduced to a single HPE 3PAR full solid state storage device and 4 physical servers from the previous 3 separate storage devices and 8 physical servers. This solution offers far greater performance than the previous hardware and is the only full solid state storage unit located in the data centre.

The independent HPE DL380 standalone servers has created a virtualisation cluster of 4 physical servers and a pool of resources surpassing 3 Terabytes of physical memory and 136 Terabytes of Production storage. CouncilBIZ has designed the server delivery with an emphasis on siloed systems to protect our members.

In 2016/17 CouncilBIZ purchased 240 Terabytes of storage to enable faster backup and recovery functions. This is supplemented by the latest tape backup technologies to ensure data retention.

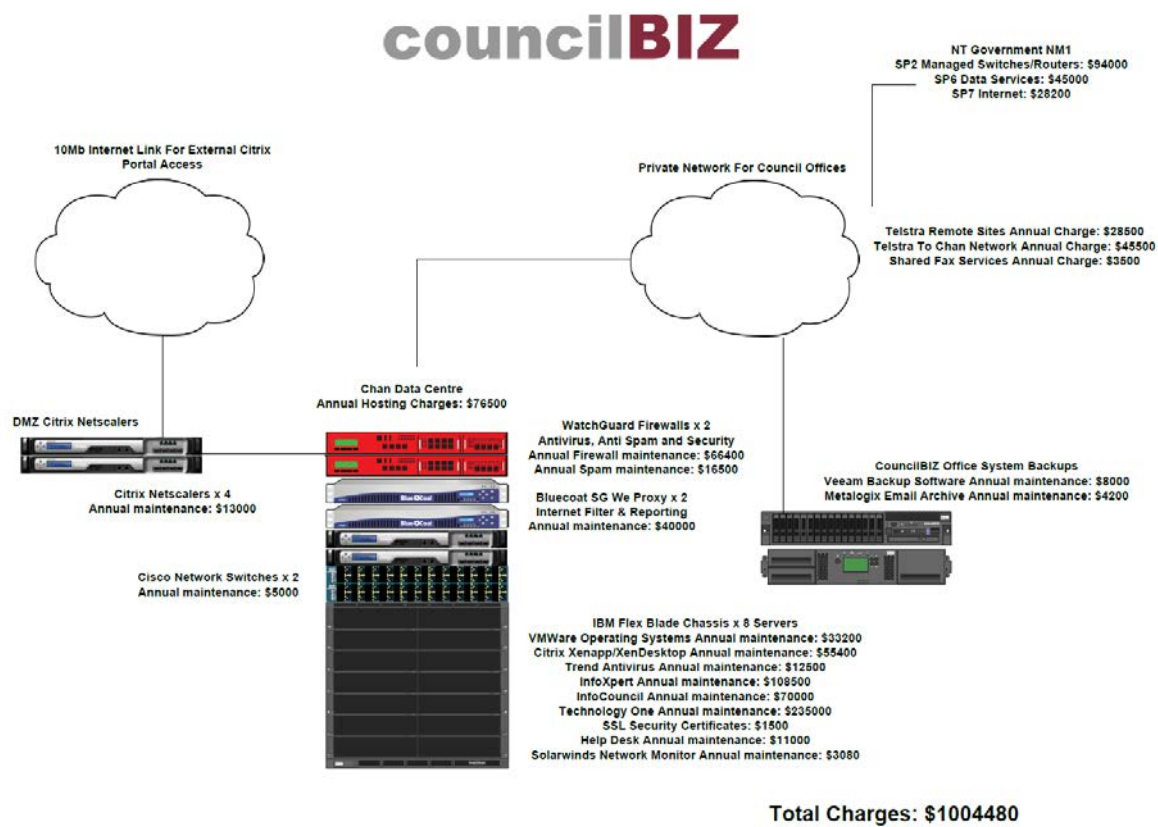
Previously network security was handled by multiple devices from different vendors which was complex, expensive and non-integrated. CouncilBiz has replaced these with a single 3 tier solution from Trend which is fully integrated both locally and in the cloud. This has greatly improved network security, ease of management and operating costs.

The Telstra private council networks were previously connecting via individual routers which consumed one entire rack, required hundreds of individual network route settings to be configured and also acted as a single point of failure. These have recently been replaced by two large mega routers which now offer redundancy, less complexity to simplify network troubleshooting and only consume 4 rack units of space.

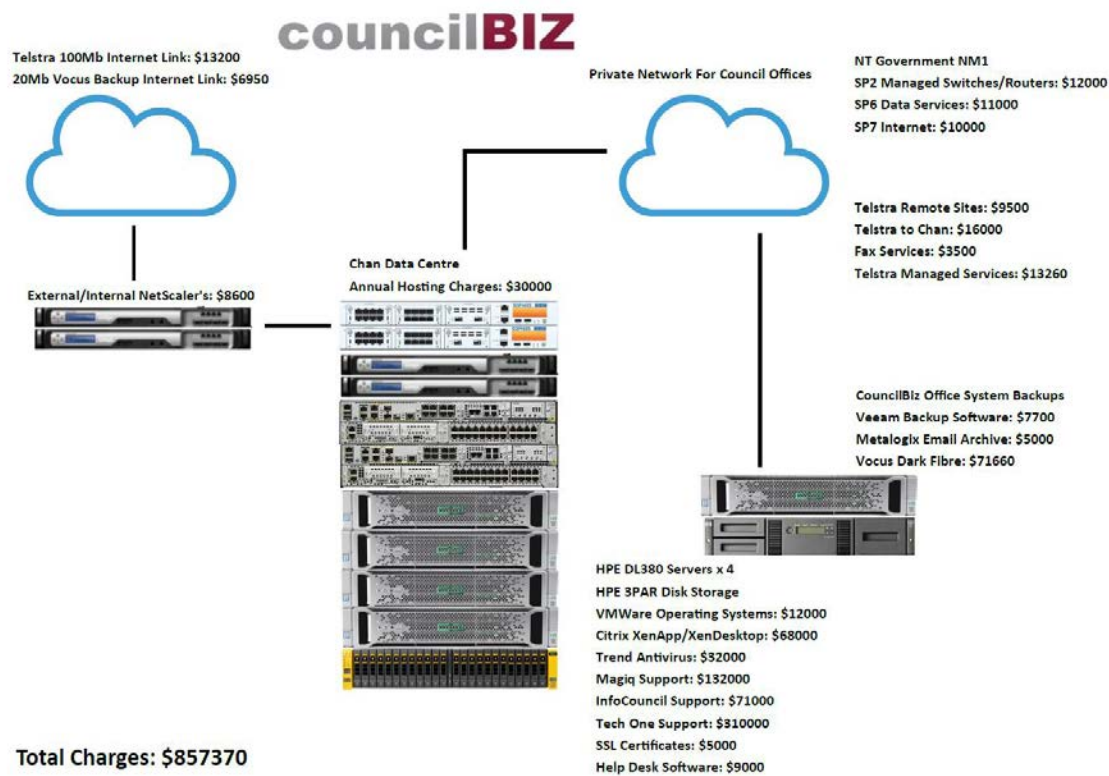
Redundant 10 GB HPE Top of Rack switching, Cisco 4451 mega routers and Sophos firewalls optimises the data networks within the core and provides fault tolerance. This ensures the solution has no single point of failure and allows for maximum uptime.

Sitting on top of the base infrastructure, application delivery is accomplished via the latest Citrix XenDesktop 7.15 Farm. Citrix Machine Creation Services leveraging VMWare allow for “single-click” provisioning of XenApp servers custom built for each Council. The end user experience is enhanced by presenting the farm through an active/passive cluster of Storefront web servers and Netscaler gateway appliances ensuring consistent delivery of the farm 24 hours a day both internally and externally to the corporate LAN.

From 2017:



To 2018:





Before.....



Now.....

CouncilBIZ Services

Utilising the array of infrastructure that CouncilBIZ provides for its members, CouncilBIZ hosts the Technology One financial, property and asset management suite of software, Magiq Documents (InfoXpert) document management, InfoCouncil agenda management, the full suite of Microsoft Office productivity software for use by the members. Some additional software databases are hosted for individual members. Helpdesk services are offered for both general network support and assistance with the common hosted software.

CouncilBIZ provides joint procurement of insurance brokerage services for the nine members, with a three year contract with Jardine Lloyd Thompson that expired in March 2018. CouncilBIZ, along with all of its members, has opted to join the new Trust arrangement from 1 July 2018.

A program of training in Records Management was delivered in Darwin and Alice Springs. All nine members received individual training in Technology One software features.

The following table details the direct service fees contributed by each member, which are calculated by 50% of the cost being shared equally, and 50% in proportion to the number of users from each member.

<u>Service Fees</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
Barkly Regional Council	273,139.75	278,070.35	309,679.79
Central Desert Regional Council	311,223.41	292,187.05	342,583.98
East Arnhem Regional Council	268,993.52	265,711.96	304,237.35
MacDonnell Regional Council	327,986.32	307,127.17	342,654.27
Roper Gulf Regional Council	300,108.36	297,512.51	354,370.39
Tiwi Islands Regional Council	237,587.50	216,622.08	244,371.13
Victoria Daly Regional Council	218,355.44	217,983.05	251,840.17
West Arnhem Regional Council	222,792.85	218,230.38	245,964.55
West Daly Regional Council	182,762.11	191,073.50	196,159.35
	2,342,949.26	2,284,518.05	2,591,860.98
<u>Financial/HR Processing Fees</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>
West Daly Regional Council	164,500	372,300	329,113
Victoria Daly Regional Council		37,500	37,471
Barkly Regional Council		37,500	37,500

*2016/17 included a \$200,000 return of funds via service fees credits.

The processing section provides processing services utilising the provided applications upon request from a Member on a fee for service basis, separate from the core Members Fees. Each service has an agreed set of key performance indicators.

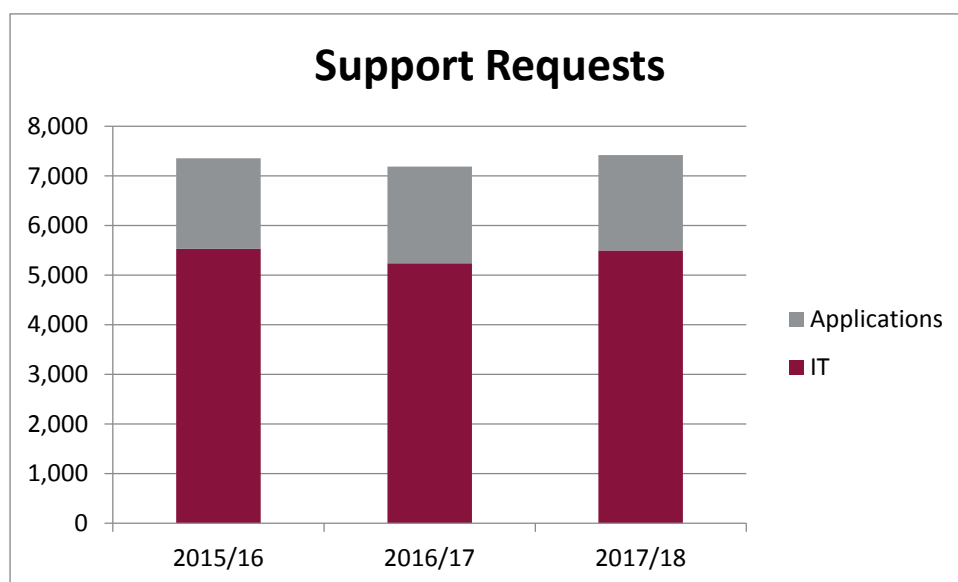
Services provided in 2017/18:

West Daly Regional Council – Finance, AP, AR, Rates, Payroll, Records
 Victoria Daly Regional Council – Rates, Payroll
 Barkly Regional Council – Payroll

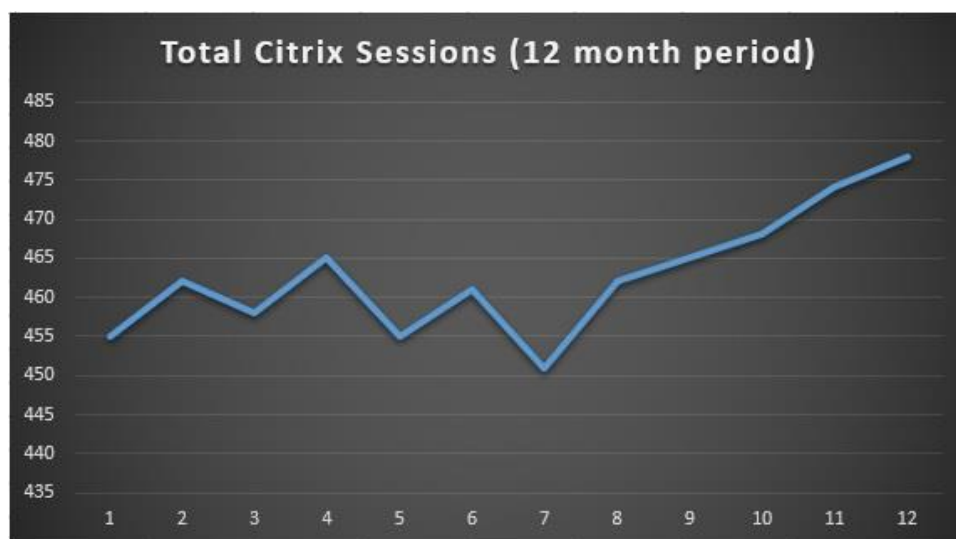
User numbers for each Member, which factor into the fees structure:

Council	Jun-16	Jun-17	Jun-18	
Barkly Regional Council	175	198	210	13.83%
Central Desert Regional Council	219	217	234	15.42%
East Arnhem Regional Council	180	191	196	12.91%
MacDonnell Regional Council	251	231	232	15.28%
Roper Gulf Regional Council	215	259	233	15.35%
Tiwi Islands Regional Council	118	114	117	7.71%
Victoria Daly Regional Council	105	133	118	7.77%
West Arnhem Regional Council	127	124	112	7.38%
West Daly Regional Council	62	62	66	4.35%
TOTAL	1,452	1,529	1,518	100.00%

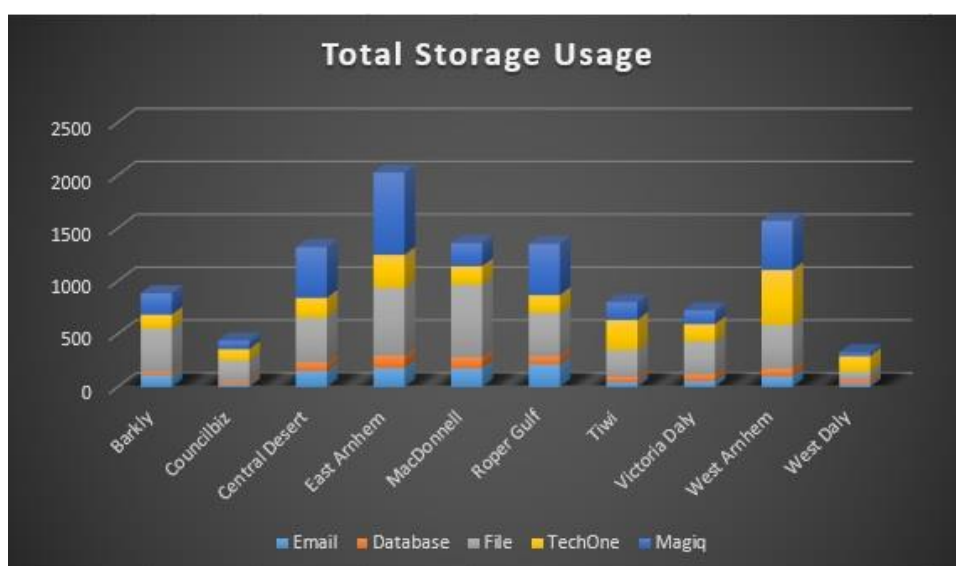
During the year CouncilBIZ received 7,420 support calls (7,185 in 2016/17 and 7,351 in 2015/16) from the user population.

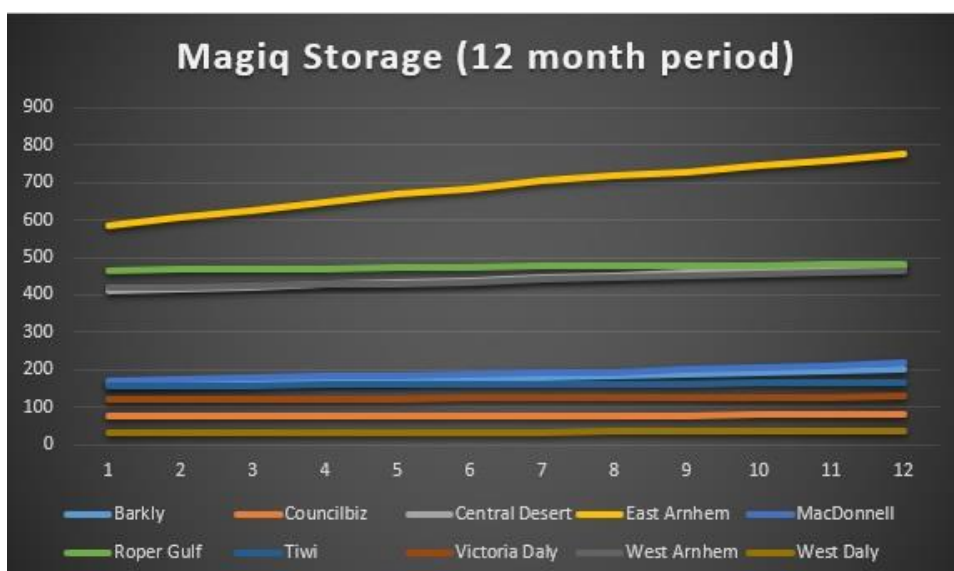
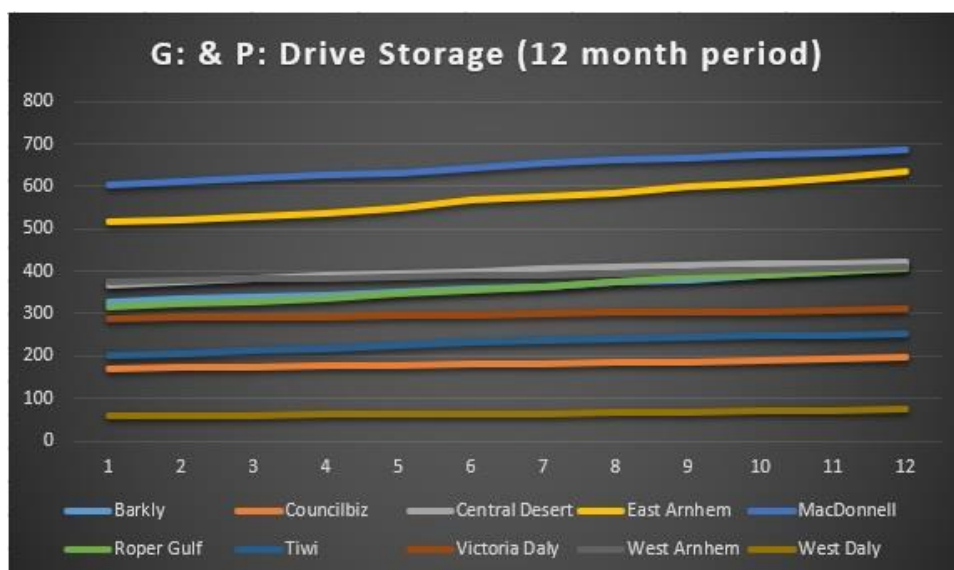


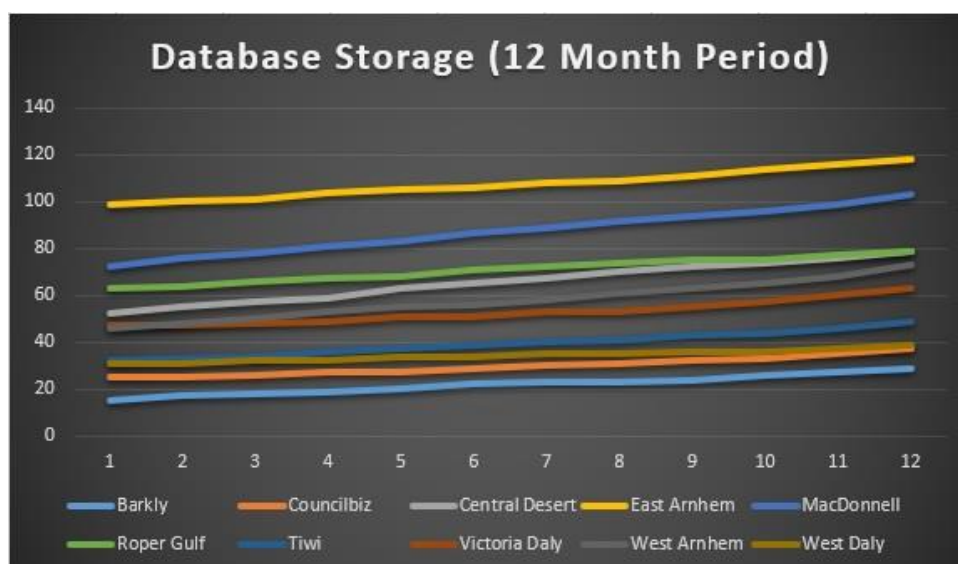
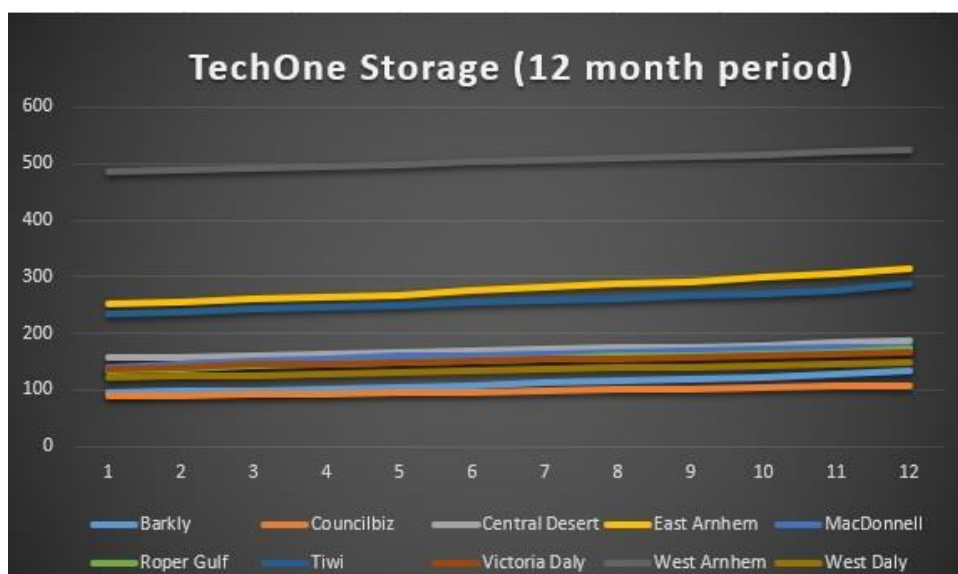
Concurrent users of the system at any point in time varies between 450 and 480 users.

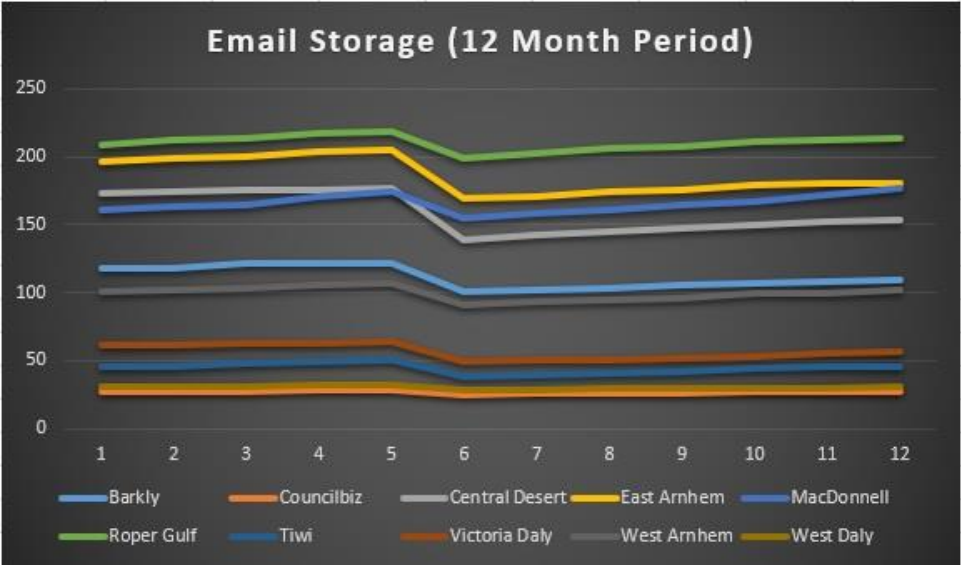


A major portion of the shared resources are consumed by the storage of data and documents by the member Councils. The following charts give an indication of the size and scope of the operation:



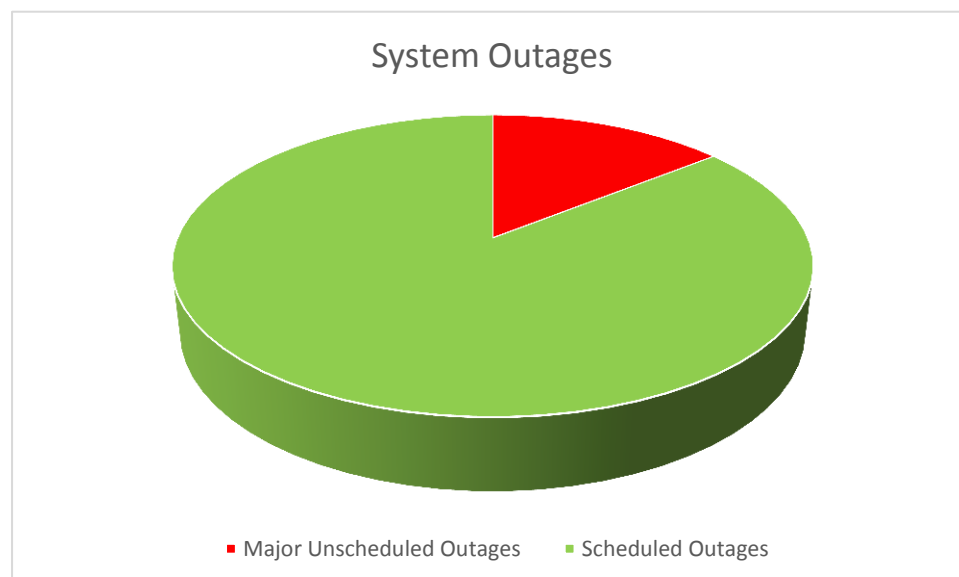






System Outages

The past 12 months has seen higher than usual scheduled outages primarily due to the replacement of the hardware kit, reconfiguration changes necessary for the data centre migration and early issues with the HPE 3PAR storage firmware.



Major Unscheduled Outages

Date	System Impacted	Outage Period	Cause
19/9/17	All Councils Email	24 Hours	3PAR Firmware Issue.
4/1/18	All Systems	2.5 Hours	3PAR Firmware Issue.

Scheduled Outages

Date	System Impacted	Outage Period	Cause
20/10/17	All Systems	4 Hours	3PAR Firmware installation.
2/12/17	All Systems	4 Hours	Network configuration changes.
20/1/18	All Systems	5 Hours	3PAR Firmware installation.
17/2/18	All Systems	5 Hours	3PAR Firmware installation.
24/2/18	All Systems	5 Hours	Citrix Upgrade.
4/3/18	All Systems	5 Hours	Network Changes.
25/3/18	All Systems	5 Hours	Network Changes.
20/4/18	All Systems	2 Hours	3PAR Firmware installation.
12/5/18	All Systems	12 Hours	Firewall Reconfiguration.
1/6/18	All Systems	2 Hours	Telstra Network Changes.
16/6/18	External Access	10 Hours	NetScaler Reconfiguration.
25/6/18	All Systems	1 Hour	TechnologyOne Update.

CouncilBIZ Annual Accounts 2017-18

CouncilBIZ continues to be in a healthy financial state. Accumulated funds exceed \$2.2m.

In June 2018 the Department of Housing and Community Development provided \$39,000 in funding for the engagement of assistance with the implementation of improved records management processes. These funds were unspent at 30 June 2018 and have been carried forward.

Additional carryovers of \$105,000 have been made for the relocation of the hardware from one data centre to the new government data centre (\$45,000); for the councils contribution to the records project (\$30,000); and for engaging an Information Technology General Controls audit (\$30,000).

COUNCILBIZ

GENERAL PURPOSE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2018**

COUNCILBIZ

**GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**


	Page
Executive Officer's Statement	3
Independent Auditor's Report	4
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

COUNCILBIZ

**EXECUTIVE OFFICER'S STATEMENT
FOR THE YEAR ENDED 30 JUNE 2018**

I, the Executive Officer of CouncilBIZ, certify that the Annual Financial Statements:

- (a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act, Local Government (Accounting) Regulations and the CouncilBIZ Constitution so as to present fairly the financial position of CouncilBIZ and its results for the year ended 30 June 2018; and
- (b) are in accordance with the accounting and other records of CouncilBIZ.



Michael Freeman
General Manager
Darwin, 12/ September 2018

INDEPENDENT AUDITOR'S REPORT

To the members of CouncilBIZ

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of CouncilBIZ, which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the executive officer's statement.

In our opinion the accompanying financial report presents fairly, in all material respects, financial position of CouncilBIZ as at 30 June 2018, and its financial performance and cash flows for the year ended in accordance with Australian Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The board members are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Board Members for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the CouncilBIZ's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Board Members are responsible for overseeing the CouncilBIZ's financial reporting process.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.



BDO Audit (NT)



C Taziwa
Partner

Darwin, 12 September 2018

COUNCILBIZ

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Operating Revenues			
Investment revenue	3(a)	19,645	34,278
Service fee and other operating revenues	3(b)	3,004,283	2,784,682
Grant income	3(c)	39,000	-
Total operating revenues		<u>3,062,928</u>	<u>2,818,960</u>
Operating Expenses			
Employee costs	4(a)	1,543,005	1,568,963
Depreciation and amortisation expenses	4(b)	212,871	160,973
Contract expenditure	4(c)	901,338	839,705
Other operating expenses	4(d)	379,217	382,698
Total operating expenses		<u>3,036,431</u>	<u>2,952,339</u>
Surplus/(Deficit) for the year		<u>26,497</u>	<u>(133,379)</u>
Other comprehensive income		-	-
Total Comprehensive Income/ (Loss)		<u><u>26,497</u></u>	<u><u>(133,379)</u></u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes

COUNCILBIZ

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	1,478,106	2,037,782
Trade and Other Receivables	6	73,841	32,794
Other assets	7	220,975	296,892
Total Current Assets		<u>1,772,922</u>	<u>2,367,468</u>
Non-Current Assets			
Other assets	7	8,148	8,148
Property, Plant and Equipment, and Intangibles	8	867,454	270,247
Total Non-Current Assets		<u>875,602</u>	<u>278,395</u>
Total Assets		<u>2,648,524</u>	<u>2,645,863</u>
LIABILITIES			
Current Liabilities			
Trade and Other Payables	9	204,033	271,437
Provision for Employee Entitlements	9	164,117	163,218
Total Current Liabilities		<u>368,150</u>	<u>434,655</u>
Non-Current Liabilities			
Provision for Employee Entitlements	9	74,872	32,203
Total Non-Current Liabilities		<u>74,872</u>	<u>32,203</u>
Total Liabilities		<u>443,022</u>	<u>466,858</u>
NET ASSETS		<u>2,205,502</u>	<u>2,179,005</u>
EQUITY			
Asset Replacement Reserve		295,038	667,826
Business Reserve		752,482	752,482
Productivity Reserve		79,880	300,000
Accumulated Funds		1,078,102	458,697
Total Equity	10	<u>2,205,502</u>	<u>2,179,005</u>

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

COUNCILBIZ

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Asset Replacement Reserve \$	Business Reserve \$	Productivity Reserve \$	Accumulated Funds \$	Total \$
Accumulated Funds					
Balance at 1 July 2016	700,000	1,000,000	300,000	312,384	2,312,384
Deficit for the year	-	-	-	(133,379)	(133,379)
Transfer to Other Reserves	(32,174)	(247,518)	-	279,692	-
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2017	667,826	752,482	300,000	458,697	2,179,005
(Deficit) for the year	-	-	-	26,497	26,497
Transfer from Other Reserves	(372,788)	-	(220,120)	592,908	-
Other comprehensive income for the year	-	-	-	-	-
Balance at 30 June 2018	295,038	752,482	79,880	1,078,102	2,205,502

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

COUNCILBIZ

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Cash flow from operating activities			
Receipts from user charges and fees		2,999,141	2,773,873
Interest received		19,645	34,278
Payments to employees		(1,586,575)	(1,376,524)
Payments for materials and contracts		(1,181,809)	(1,157,540)
Net cash from/(used in) operating activities	11(b)	<u>250,402</u>	<u>274,087</u>
Cash flow from investing activities			
Purchase of property, plant and equipment		(589,958)	(32,176)
Purchase of intangibles		<u>(220,120)</u>	<u>(247,518)</u>
Net cash (used)/provided by investing activities		<u>(810,078)</u>	<u>(279,694)</u>
Net decrease in cash and cash equivalents		(559,676)	(5,607)
Cash and cash equivalents at the beginning of the financial year		2,037,782	2,043,389
Cash and cash equivalents at the end of the financial year	11(a)	<u>1,478,106</u>	<u>2,037,782</u>

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

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements of CouncilBIZ, is a not-for-profit-entity, are set out below. The financial statements were authorised for issue by the Board on 31 October 2018. These policies have been consistently applied, unless otherwise stated.

The Local Government Reporting Entity

The consolidated fund through which CouncilBIZ controls resources to carry on its functions has been included in the financial statements forming part of this report.

In the process of reporting on CouncilBIZ as a single unit, all transactions and balances between functional areas have been eliminated. A summary of contributions to the operating result and net assets by function is provided at note 2(a).

General information

CouncilBIZ is a Local Government Subsidiary established under the Local Government Act.

Its members are:

- Local Government Association of the Northern Territory (LGANT)
- Barkly Regional Council
- Central Desert Regional Council
- East Arnhem Regional Council
- MacDonnell Regional Council
- Roper Gulf Regional Council
- Tiwi Islands Regional Council
- Victoria Daly Regional Council
- West Arnhem Regional Council
- West Daly Regional Council

The principal activity of CouncilBIZ is to provide information technology support, shared services, financial services and procurement services to the Northern Territory Regional Councils.

New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to CouncilBIZ. The Board have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to CouncilBIZ but applicable in future reporting periods is set out as follows:

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

New Accounting Standards for Application in Future Periods (cont.)

AASB 9 : Financial Instruments and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect CouncilBIZ on initial application include certain simplifications to the classification of financial assets and upfront accounting for expected credit loss.

Although the Board anticipate that the adoption of AASB 9 may have an impact on the CouncilBIZ's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Board anticipate that the adoption of AASB 16 will impact the CouncilBiz's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

New Accounting Standards for Application in Future Periods (cont.)

AASB 1058: Income of Not-for-Profit Entities (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application.

Although the Board anticipate that the adoption of AASB 1058 may have an impact on the CouncilBIZ's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

New Accounting Standards for Application in Future Periods (cont.)

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ('AASB') and the Local Government Act and Regulations. The financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB').

These financial statements comprise CouncilBIZ financial statements as an individual entity. For the purposes of preparing the financial statements, the entity is a not-for-profit entity.

The financial statements are presented in Australian dollars, which is the functional and presentation currency. All amounts have been rounded off to the nearest dollar.

Historical cost convention

The financial statements have been prepared on a historical cost convention.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying CouncilBIZ accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1(m).

(a) Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to CouncilBIZ and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable.

(i) Services fee revenue

Service fee revenue is recognised when the outcome of such transactions can be measured reliably.

(ii) Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Sale of property, plant and equipment

The profit or loss on sale of an asset is determined when control of the asset has passed from CouncilBIZ.

COUNCILBIZ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(a) Revenue recognition (cont.)

(iv) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

(b) Income tax

CouncilBIZ is exempt from Income Tax under section 50-25 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and cash equivalents

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

(e) Trade and other receivables

Trade receivables are recognised at original invoice amounts less an allowance for uncollectable amounts and have repayment terms between 30 and 90 days. Collectibility of trade receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for doubtful debts where there is objective evidence that CouncilBIZ will not be able to collect all amounts due according to the original terms. Objective evidence of impairment include financial difficulties of the debtor, default payments or debts more than 60 days overdue. On confirmation that the trade receivable will not be collectible the gross carrying value of the asset is written off against the associated provision.

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(f) Property, plant and equipment

All property, plant and equipment is stated at historical cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, less depreciation and any impairment.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment / Furniture and fittings / Infrastructure	3 to 11 years
---	---------------

The residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to CouncilBIZ. Gains and losses between carrying amount and the disposal proceeds are taken to profit or loss.

(g) Intangibles

Intangible assets acquired are recorded at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each reporting period, with any changes in this accounting estimates being accounted for on a prospective basis.

Software is recorded at cost. It has a useful life of five years and is carried at cost less accumulated amortisation and any impairment losses. It is assessed annually for impairment.

(h) Impairment of non financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(i) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to CouncilBIZ prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(j) Employee benefits, wages and salaries and Annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of reporting date are recognised in respect of employees' services rendered up to reporting date and measured at amounts expected to be paid when the liabilities are settled. Liabilities for wages and salaries are included as part of Trade and other payables and liabilities for annual leave are included as part of provisions.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future cash payments to be made in respect of the services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

(k) Goods and services tax

Revenues, expenses are recognised net of Goods and Service Tax (GST) except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights and obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Assets

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Non-derivative financial liabilities, including loans and borrowings, are recognised at amortised cost, comprising original debt less principal payments and amortisation.

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. SUMMARY OF ACCOUNTING POLICIES (cont.)

(l) Financial Instruments (cont.)

Impairment

At the end of each reporting period CouncilBIZ assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of 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.

(m) Critical Accounting Estimates and Judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at financial reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of useful lives of property and equipment

CouncilBIZ determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. Net book value of property and equipment amounted to \$867,454 as at 30 June 2018 (\$270,247 in 2017).

Impairment of property and equipment

CouncilBIZ assesses impairment of non-current assets at each reporting date by evaluating conditions specific to CouncilBIZ and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. No impairment loss recognised as at 30 June 2018 (nil in 2017).

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, pay increases through promotion and inflation have been taken into account. Long service leave provision recognised amounted to \$86,322 as at 30 June 2018 (\$65,345 in 2017).

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2(a) Components of functions

Revenues, expenses and assets have been attributed to the following functions/activities. Details of these functions/activities are provided at Note 2(b).

	GENERAL PUBLIC SERVICES	
	2018 \$	2017 \$
OPERATING REVENUES		
User Charges and fees:		
- Barkly Regional Council	309,680	278,070
- Central Desert Regional Council	342,584	292,187
- East Arnhem Regional Council	304,237	265,712
- MacDonnell Regional Council	342,655	307,127
- Roper Gulf Regional Council	354,370	297,513
- Tiwi Islands Regional Council	244,371	216,622
- Victoria Daly Regional Council	251,840	217,983
- West Arnhem Regional Council	245,965	218,230
- West Daly Regional Council	196,159	191,074
	2,591,861	2,284,518
Finance Processing fees		
- Barkly Regional Council	37,500	37,500
- Victoria Daly Regional Council	37,471	37,500
- West Daly Regional Council	329,113	372,300
	404,084	447,300
Supplied Management Services		
- Victoria Daly Regional Council	-	3,300
- West Daly Regional Council	6,969	45,064
	6,969	48,364
Investment revenue	19,645	34,278
Grant income	39,000	-
Other income	1,369	4,500
TOTAL REVENUES	3,062,928	2,818,960
OPERATING EXPENSES		
Employee costs - Normal	997,452	966,750
Employee costs - Finance Processing	366,668	409,773
Materials and contracts	776,424	704,505
Depreciation and amortisation expenses	212,871	160,973
Other operating expenses	683,016	710,338
TOTAL EXPENSES	3,036,431	2,952,339
TOTAL	26,497	(133,379)
ASSETS (Non-current)	867,454	270,247

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2(b) Components of functions

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

General Public Services

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services.

	2018	2017
	\$	\$
3. Operating revenues		
(a) Investment revenue		
Interest on Bank deposits	19,645	34,278
Total investment revenue	19,645	34,278
(b) Service fee and other operating revenues		
Service fee income	2,995,945	2,731,818
Supplied Management Services	6,969	48,364
Other income	1,369	4,500
Total service fee and other operating revenue	3,004,283	2,784,682
(c) Grant income		
NTG Grants - Record project	39,000	-
Total grant income	39,000	-
4. Operating expenses		
(a) Employee costs		
Salaries and wages - Normal	840,039	830,278
Salaries and wages - Finance Processing	312,901	355,218
	1,152,940	1,185,496
Employee leave benefits - Normal	157,413	136,472
Employee leave benefits - Finance Processing	53,767	54,555
	211,180	191,027
Superannuation	127,356	127,596
Training costs	31,868	49,449
Other	19,661	15,395
Total operating employee costs	1,543,005	1,568,963

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
4. Operating expenses (cont.)		
(b) Depreciation and amortisation expenses		
Infrastructure	116,490	120,902
Furniture and fittings	2,538	2,538
Plant and equipment	316	371
Intangibles	93,527	37,162
Motor vehicles	-	-
Total depreciation and amortisation expenses	<u>212,871</u>	<u>160,973</u>
(c) Contract expenditure		
Operating lease expense property	124,914	135,200
Software license maintenance and development	277,622	307,714
Server management	498,802	396,791
Total contract expenditure	<u>901,338</u>	<u>839,705</u>
(d) Other operating expenses		
Audit fees	30,000	14,800
Communication expenses	200,151	241,687
Consulting fees	13,826	23,201
LGANT insurance project	24,150	33,150
Insurance	33,837	28,361
Legal expenses	1,107	2,000
Training and development	13,813	-
Travel, accommodation and airfares	11,184	2,016
Utilities	12,438	11,515
Other	38,711	25,968
Total other operating expenses	<u>379,217</u>	<u>382,698</u>
5. Cash and cash equivalents		
Cash at bank - Operational general	1,477,606	2,037,282
Petty cash	500	500
Total cash and cash equivalents	<u>1,478,106</u>	<u>2,037,782</u>
6. Trade and other receivables		
Trade and other receivables	<u>73,841</u>	<u>32,794</u>
Total unrestricted trade and other receivables	<u>73,841</u>	<u>32,794</u>

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
7. Other assets		
Current		
Accrued revenue	1,141	-
Prepayments	219,834	296,892
Total other assets	<u>220,975</u>	<u>296,892</u>
Non-current		
Other	8,148	8,148
	<u>8,148</u>	<u>8,148</u>
8. Property, Plant and Equipment and Intangibles		
Infrastructure		
Cost	1,439,408	1,808,614
Accumulated Depreciation	(925,649)	(1,768,323)
	<u>513,759</u>	<u>40,291</u>
Furniture and fittings		
Cost	58,336	58,336
Accumulated Depreciation	(41,590)	(39,052)
	<u>16,746</u>	<u>19,284</u>
Plant and Equipment		
Cost	1,928	1,928
Accumulated Depreciation	(1,928)	(1,612)
	<u>-</u>	<u>316</u>
Intangibles		
Cost	474,747	254,627
Accumulated amortisation	(137,798)	(44,271)
	<u>336,949</u>	<u>210,356</u>
Property, Plant and Equipment and Intangibles	<u>867,454</u>	<u>270,247</u>

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

8. Property, Plant and Equipment and Intangibles (cont.)

	2017 \$					CARRYING AMOUNT MOVEMENTS DURING THE YEAR \$							2018 \$		
	At Cost	Accumulated Depreciation/Amortisation	Carrying Amount	Asset Purchase	Asset Transfers (Cost)	Asset Disposal (Cost)	Asset Transfer (Accum Depr)	Asset Disposal (depreciation/amortisation)	Depreciation/Amortisation Expense	At Cost	Accumulated Depreciation/Amortisation	Carrying Amount			
UNRESTRICTED															
Infrastructure	1,808,614	(1,768,323)	40,291	589,958	-	959,164	-	959,164	(116,490)	1,439,408	(925,649)	513,759			
Furniture and Fittings	58,336	(39,052)	19,284	-	-	-	-	-	(2,538)	58,336	(41,590)	16,746			
Plant and Equipment	1,928	(1,612)	316	-	-	-	-	-	(316)	1,928	(1,928)	-			
Total Property, plant and equipment	1,868,878	(1,808,987)	59,891	589,958	-	959,164	-	959,164	(119,344)	1,499,672	(969,167)	530,505			
Intangibles	254,627	(44,271)	210,356	220,120	-	-	-	-	(93,527)	474,747	(137,798)	336,949			
Total Intangibles	254,627	(44,271)	210,356	220,120	-	-	-	-	(93,527)	474,747	(137,798)	336,949			
TOTAL UNRESTRICTED	2,123,505	(1,853,258)	270,247	810,078	-	959,164	-	959,164	(212,871)	1,974,419	(1,106,965)	867,454			

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
9. Trade and other payables and provisions	\$	\$
<i>Trade and other payables:</i>		
Trade and other payables	1,439	209,919
Accrued expenses	178,074	61,518
PAYG Payable	24,520	-
Total trade and other payables	204,033	271,437

No interest is charged on the trade payables for the first 30 days from the date of the invoice. CouncilBIZ has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Provisions for Employee Entitlement

Annual leave (current)	152,667	130,076
Long service leave (current)	11,450	33,142
Total current provisions for Employee Entitlement	164,117	163,218

Long service leave (non-current)	74,872	32,203
Total provisions	238,989	195,421

10. Equity and Reserves

Reserves

Asset replacement reserve	295,038	667,826
Business reserve	752,482	752,482
Productivity reserve	79,880	300,000
Accumulated surplus	1,078,102	458,697
Total Reserves	2,205,502	2,179,005

Productivity reserve

The productivity reserve is for the upgrade and replacement of Microsoft desktop software. The movement of \$220,120 from prior year relates to the purchase of property, plant and equipment. See Note 8.

Business reserve

The business reserve is for the upgrade and implementation of the business software used by Members.

Asset replacement reserve

The asset replacement reserve is for the core hardware and operating system software.

The movement of \$472,788 relates to the purchase of property, plant and equipment. See Note 8.

COUNCILBIZ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

11 Statement of cash flows reconciliation

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2018	2017
	\$	\$
Cash on hand and at bank	1,478,106	2,037,782
Balance per Statement of Cash Flows	<u>1,478,106</u>	<u>2,037,782</u>

(b) Reconciliation of surplus for the year to net cash flows provided by operating activities

(Deficit)/Surplus for the year	26,497	(133,379)
Add back non-cash items:		
Depreciation and amortisation expense	212,871	160,973
Net cash provided by operating activities before change in assets and liabilities	<u>239,368</u>	<u>27,594</u>
Change in assets and liabilities during the reporting year:		
Movement in trade and other receivables	(41,047)	27,522
Movement in other assets	75,917	(66,908)
Movement in trade and other payables	(183,901)	181,507
Movement in provisions	43,568	69,344
Movement in other liabilities	116,497	35,028
Net cash (expended)/ provided by operating activities	<u>250,402</u>	<u>274,087</u>

(c) Non-cash financing and investing activities

CouncilBIZ does not have any other non-cash financing and investing activities.

(d) Financing facilities

CouncilBIZ does not have any financing facilities or arrangements in place.

12. Commitments for expenditure - operating lease

(a) Operating lease

Committed at the reporting date but not recognised as a liability

Within one year	105,144	110,000
One to five years	-	108,333
	<u>105,144</u>	<u>218,333</u>

Leasing arrangements

Operating lease relate to office accommodation of CouncilBIZ at 14 Shepherd Street, Darwin and the lease runs till 31 May 2019, with option of renewal from 1 June 2019 to 31 May 2022 with CPI increment.

(b) Grants

Operating grants - record project	<u>39,000</u>	<u>-</u>
-----------------------------------	---------------	----------

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

13. Financial risk management

(a) General objectives, policies and processes

In common with all other businesses, CouncilBIZ is exposed to risks that arise from its use of financial instruments. This note describes CouncilBIZ objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in CouncilBIZ exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

CouncilBIZ hold the following financial instruments:

	2018 \$	2017 \$
Financial assets		
Cash and cash equivalents	1,478,106	2,037,782
Trade and other receivables	73,841	32,794
	<u>1,551,947</u>	<u>2,070,576</u>
Financial liabilities		
Trade and other payables	204,033	271,437
	<u>204,033</u>	<u>271,437</u>

CouncilBIZ had no financial instruments that are carried at fair value as at 30 June 2018 and 2017.

The General Manager have overall responsibility for the determination of risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the management team. CouncilBIZ risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of CouncilBIZ where such impacts may be material. The General Manager receives monthly reports from management through which they review the effectiveness of the processes put in place and the appropriateness of the objectives and policies set.

The overall objective of the General Manager is to set policies that seek to reduce risk as far as possible without unduly affecting CouncilBIZ flexibility. Further details regarding these policies are set out below:

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in CouncilBIZ incurring a financial loss. Credit risk arises from cash assets and deposits with financial institutions, as well as credit exposures to CouncilBIZ outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. The maximum exposure to credit risk at the end of the reporting period is as follows:

COUNCILBIZ

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

13. Financial risk management (cont.)

	2018	2017
	\$	\$
Cash and cash equivalents	1,478,106	2,037,782
Trade and other receivables	73,841	32,794
	<u>1,551,947</u>	<u>2,070,576</u>

(c) Liquidity risk

Vigilant liquidity risk management requires CouncilBIZ to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. CouncilBIZ manages liquidity risk by maintaining adequate cash reserves by continually monitoring actual forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Maturity Analysis - 2018

Financial Liabilities	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$	> 3 years \$
Non-interest bearing						
Trade and other payables	204,033	204,033	204,033	-	-	-
TOTAL	<u>204,033</u>	<u>204,033</u>	<u>204,033</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Assets	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$	> 3 years \$
Non-derivatives						
Trade and other receivables	73,841	73,841	73,841	-	-	-
TOTAL	<u>73,841</u>	<u>73,841</u>	<u>73,841</u>	<u>-</u>	<u>-</u>	<u>-</u>

Maturity Analysis - 2017

Financial Liabilities	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$	> 3 years \$
Non-interest bearing						
Trade and other payables	271,437	271,437	271,437	-	-	-
TOTAL	<u>271,437</u>	<u>271,437</u>	<u>271,437</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Assets	Carrying Amount \$	Contractual Cash flows \$	< 6 mths \$	6- 12 mths \$	1-3 years \$	> 3 years \$
Non-derivatives						
Trade and other receivables	-	-	-	-	-	-
TOTAL	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

COUNCILBIZ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. Contingent Liabilities

CouncilBIZ had no contingent liabilities as at 30 June 2018 (nil in 2017).

15. Events Subsequent to end of Reporting Date

No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations, results of operations and the state of affairs of CouncilBIZ in subsequent financial years.

For information purposes, CouncilBIZ purchased a new Microsoft Suite totalling \$220,120 in FY2018/19.

The carrying amount of assets and liabilities as recorded in the financial statements and the realisation and settlement amounts of assets and liabilities have not changed materially since end of reporting date.

17. Related Party Transactions

Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation:

	2018	2017
	\$	\$
- short-term employee benefits	171,456	191,423
	<u>171,456</u>	<u>191,423</u>

The short-term employee benefits relate to the remuneration of the General Manager's contract. The General Manager's current contract is from 12 January 2018 to 11 January 2021.

Transactions with members

The following table provides quantitative information about related party transactions entered into during the year with CouncilBiz.

Further details are provided in Notes 2, and 4.

Related Party	Revenue from related parties	Payments to related parties	Amounts owed by related parties	Amounts owed to related parties
Members	3,004,283	-	67,313	-

Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

CouncilBIZ has not identified any other related party transaction of this nature.