2016|17

Annual Report

MacDonnell Regional Council

Aboriginal employment cover story

Paul Fly was living in Mount Liebig and working as our Essential Services Officer when offered a promotion to become the Council Service Coordinator (CSC) in Haasts Bluff. He now leaves his family at Mt Liebig each week to lead MacDonnell Regional Council works 120km away in Haasts Bluff.

"*When I was a young fella, I did not even want to ask a question*," Paul said.

Today Paul is confident of further success at work and feels the training provided by Council will help. But he most relishes learning new skills by persisting on the job. He is confident of overcoming the challenges of his new role and holds great hope for the improvements he and the Haasts Bluff staff can bring to that community.

When a number of CSC positions become vacant Council encouraged Aboriginal staff already working in those or neighbouring communities to act in these positions, our most senior positions in communities. Along with Paul, Max Baliva in Wallace Rockhole, Clint Healy in Papunya and Annalisa Young in Santa Teresa accepted the opportunities and have received training and support while initially employed as Acting CSCs.

MacDonnell Regional Council works hard at its goals, particularly its goal to increase its Aboriginal employment. Over the years Council has maintained its Aboriginal employment rate at around 80%. Through experience Council understands that promoting suitable Aboriginal staff is as important as employing them and supporting them. This is widely recognised as the best way to maintain and increase a high number of Aboriginal staff.

By the end of their three month probation periods Paul, Max, Clint and Annalisa had all passed their reviews and were promoted to become permanently employed CSCs. Following these promotions MacDonnell Regional Council has almost half of its 13 community council offices with Aboriginal people in this senior position. Council now has six Aboriginal CSCs leading our remote communities and serving as role models to other staff and residents.

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MacDonnell Regional Council

2016|17 Annual Report of the MacDonnell Regional Council is produced in accordance with the *Local Government Act*.
MacDonnell Regional Council consistently works with its funding partners in an endeavour to achieve our shared goals, provide real employment and improve life opportunities for constituents.

Message from the Council President

Welcome to the 2016/17 Annual Report for MacDonnell Regional Council. This is the time when we reflect on the year that was, without taking our eyes off the work ahead.

So, 2016/17 was a year of consolidation, of strengthening; but it was also very much one of looking to the future. Preparations for the Council elections occurred through the second half of 2016/17 to elect leaders to take Council into the next four years. Nominations are in as I prepare this message. In fact the result is known in wards where the number of nominations matched the number of seats, electing those candidates unopposed. I am pleased to say I am one such candidate and I'm happy to again serve my community, my ward and the whole Council region. Whether or not I'm President, I'm excited by the prospect of working with other re-elected and newly elected Councillors over the years to come.

We also looked to the future in other ways.

Youth Boards supported by our Youth Services staff - what we call MacYouth - have been active in all nine of the Council communities where our youth services are delivered. These boards typically meet to discuss what activities MacYouth should run in their communities. This helps Council to design activities that young people will participate in and benefit from. But it is also an introduction to governance for our young people, getting them together to make good decisions. They are our future!

We trialled ways to link Youth Boards up with our Local Authorities. In one community the Local Authority invited the Youth Board to help it make project funding recommendations to Council, reserving a small portion of this funding in 2016/17 for a project nominated by the Youth Board. Through these practical ways, we hope to get more young people involved in our Local Authorities and indeed elected to Council one day.

Across our 13 communities, the Local Authorities took very seriously their role in facilitating projects to assist the communities into the future. This has resulted in local benefits, from playgrounds to public ablution blocks to solar street lighting, and more.

Local Authorities assisted our regional planning too. Each provided comprehensive input during 2016/17 into our 2017 – 2021 Regional Plan, helping to set strategies and key performance indicators, or KPIs, to guide Council into the coming years.

Senior Council staff report back to Councillors on progress against these KPIs. It is part of our important ongoing monitoring of Council work. The progress is captured in this annual report. I am pleased with Council's progress over 2016/17, in difficult circumstances, while doing the above planning towards the future and meeting a wide range of strict compliance demands. Of course there is room for improvement in the coming year.

I am particularly pleased with Council's KPI of a near 80 per cent Aboriginal employment rate through 2016/17. But Council is not satisfied to simply employ many Aboriginal people; it is also promoting them into positions of responsibility and higher salaries. Six of our 13 Council Service Coordinators are now Aboriginal people. This is the most senior Council position in our communities. This Annual Report's cover story celebrates the success of these coordinators. I congratulate them. It is great for them, and is a sign of a better future where more Aboriginal people are in positions of management and serving as role models for the next generation.

R McKenny

Roxanne Kenny
President, MacDonnell Regional Council

Message from the Chief Executive Officer

MacDonnell Regional Council has continued another year of strong growth and financial stability. Over the last nine years Council has established a process for strong community engagement that instructs its strategic direction. Its clear and consistent vision, mission and values continue to inspire and maintain the focus of its direction into the future.

Council's vision of *many voices, one dream, building a quality desert lifestyle* is lived out through an engaging administration that: develops goals with our Councillors to develop and promote Indigenous leadership while maintaining our Indigenous employment at 77% of the workforce; acts on Local Authority ideas to manage 45 Local Authority projects to completion, with support from the NT Department of Housing and Community Development; works with our constituents to make our communities healthier and happier places to live.

Our mission *to improve the lives of Council residents by delivering valued and relevant services* were highly visible this year. For the fourth year running, a MacDonnell Regional Council community was recognised as the Territory Tidy Town. This was the result of Areyonga residents engaging with increased pride in the direction of their community. The longer term benefits of this come from investment by Government in collaborative projects such as the Central Australian Waste Management Working Group.

MacDonnell Regional Council's service delivery continues to support community endeavour and promote economic development opportunities. Our municipal teams are working examples of place based leadership consultation in action. Our departments have sourced funding and applied upgrades: to our roads; to community infrastructure; and through a significant revegetation project. Our community services continue to strengthen the fabric of the community from within by assisting and supporting its growing, vulnerable and disadvantaged members. Our engagement through commercial contracts delivers opportunities to support the service delivery of fellow stakeholders while creating vital employment opportunities and income for Council.

Despite a $7m reduction in income and other financial impacts applying increased pressure on a balanced budget, our careful control of expenses and investment has maintained an operating surplus. Transfer of funds from the surplus to a Future Capital Works Reserve will ensure Council has the capacity to meet its projected Capital Replacement Plan. Income from grants and subsidies increased to 76% of total revenue and was offset by a significant decrease in self-generated funds. Council maintains a heavy reliance on our ability to win and deliver upon commercial contracts to fully resource our local government operations. Council acknowledges the support of the Commonwealth through the Financial Assistance General Purpose and Roads funding grants and applaud its decision to re-instate indexation from the 2017/18 year.

My special thanks go to President Roxanne Kenny and her Deputy Braydon Williams for assuming the leadership responsibilities of Council. As we approach the Local Government Elections in August, I can only praise the 12 councillors I serve and thank them for their tireless commitment to their constituents over this current extended term of Council.

Finally and without hesitation, I thank our wonderful MacDonnell Regional Council staff who apply their efforts on a daily basis toward our goals and help deliver the great improvements Council brings to the lives of our residents.

Jeff MacLeod
Chief Executive Officer, MacDonnell Regional Council

About the Council

Situated in an arid desert environment at the centre of the Australian continent, MacDonnell Regional Council 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 Region is uniquely beautiful and has a deep and powerful strength that can only be felt when travelling across the land.

Our culture

At MacDonnell Regional Council we recognise and respect the fact that Aboriginal culture is the oldest continuing culture in the world and that Indigenous people have had their own form of governance for tens of thousands of years.

Having strong and effective Indigenous representatives on the Council has provided an opportunity to discuss and develop effective 'two-way' (Aboriginal and non-Aboriginal) communication and governance principles and practices. Council discussions are multi-lingual, moving easily between one of the Indigenous language groups spoken in the MacDonnell region (Luritja, Pintubi, Pitjantjatjara and Arrernte) and English. Councillors explore vastly different perspectives and expectations, and analyse the impacts of decisions made.

Our communities

	Council Workforce	Community Population*	Distance (km) from Alice Springs
Amoonguna	26	275	21
Areyonga (Utju)	35	235	240
Docker River (Kaltukatjara)	19	295	670
Finke (Aputula)	28	162	434
Haasts Bluff (Ikuntji)	27	150	250
Hermannsburg (Ntaria)	43	625	130
Imanpa	11	185	200
Kintore (Walungurru)	27	454	530
Mount Liebig (Watiyawanu)	23	156	325
Papunya (Warumpi)	42	418	240
Santa Teresa (Ltyentye Apurte)	33	555	85
Titjikala	34	201	130
Wallace Rockhole	7	67	120

*Population figures shown are from ABS 2011 Census of residents living on each community.

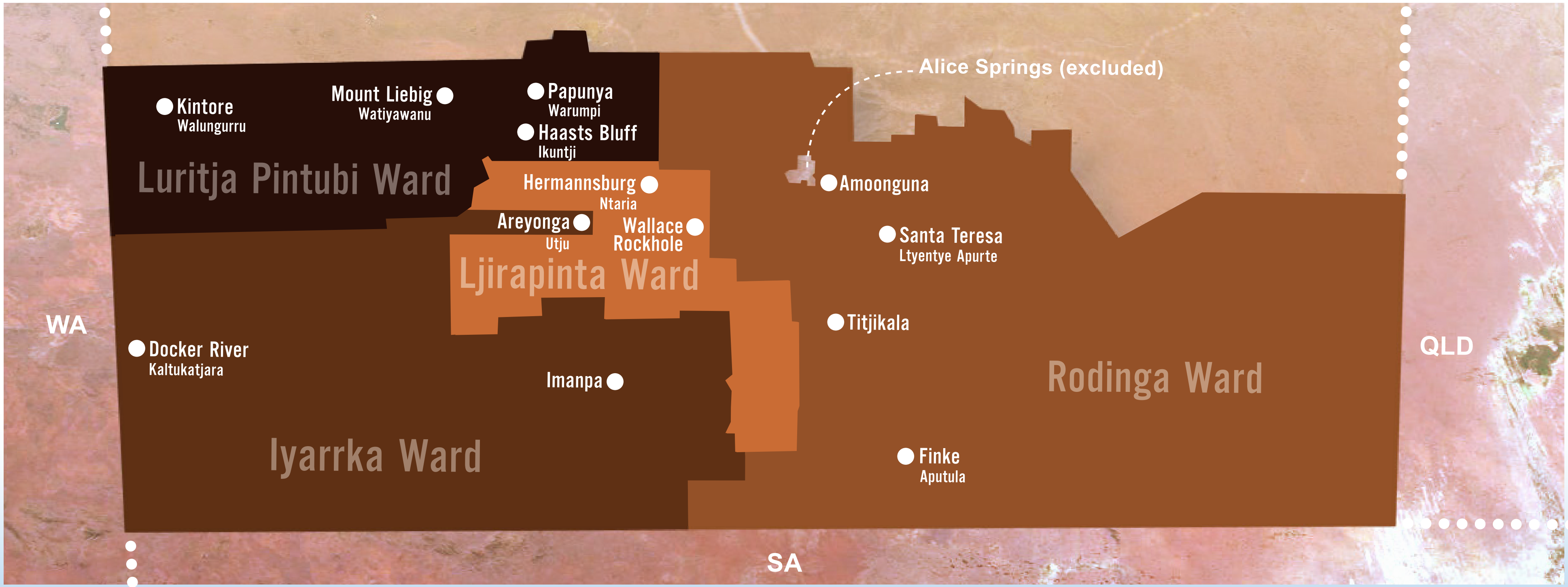
We are committed to delivering quality services for all of our residents, with service delivery operating from Service Delivery Centres in all 13 communities. The coordination of all services and the administration of governance, finance, funding agreements and arrangements, program management and human resources is undertaken centrally in our Alice Springs office.

Our Council

MacDonnell Regional Council was established in 2008 and its area of 268,887km2 covers our 13 major remote communities as well as many outstations and numerous established and emerging enterprises in the pastoral, tourism and mining industries. The towns of Alice Springs and Yulara are excluded from the Council. The total estimated population of MacDonnell Regional Council is 6,988 (based on the 2014 Estimated Resident Population Census Data).

MacDonnell Regional Council has 12 elected members in four wards. Councillors are elected to serve four year terms with the next election due in August next year. The President and Deputy President are elected from and by the Council.

The Council holds an Ordinary Council Meeting every two months, and Special Council Meetings as required. Meetings are held in Alice Springs, in one of the 13 communities or elsewhere within the Council's area. All Council meetings are open to the public unless confidential business is being considered. Along with our Local Authority members' attendance at Council meetings, we encourage attendance by residents of our communities, our region and other members of the public. Agendas and minutes are available on the MacDonnell Regional Council website.



Ljirapinta Ward

Council President
Roxanne Kenny
via Hermannsburg (Ntaria) Service Delivery Centre

Deputy President
Braydon Williams
via Hermannsburg (Ntaria) Service Delivery Centre

Barry Abbott
via Wallace Rockhole Service Delivery Centre

Iyarrka Ward

Marlene Abbott
via Docker River (Kaltukatjara) Service Delivery Centre

Selina Kulitja
via Docker River (Kaltukatjara) Service Delivery Centre

Luritja Pintubi Ward

L Abbott
via Kintore (Walungurru) Service Delivery Centre

Sid Anderson
via Papunya (Warumpi) Service Delivery Centre

Irene Nangala
via Kintore (Walungurru) Service Delivery Centre

Rodinga Ward

Louise Cavanagh
via Santa Teresa (Ltyentye Apurte) Service Delivery Centre

Richard Doolan
via Finke (Aputula) Service Delivery Centre

Jacob Hoosan
via Finke (Aputula) Service Delivery Centre

Greg Sharman
via Titjikala Service Delivery Centre

MacDonnell Regional Council

MacDonnell Council administration

- **Chief Executive Officer**
  
  Jeff MacLeod
  - **Director Corporate Services**
    
    Chris Kendrick
    - Manager Information Services — Information Services
    - Manager Human Resources — Recruitment, Workplace Health and Safety, Employee Relations, Training and Development, Performance Management
    - Manager Finance — Grants, Rates, Accounts Payable and Receivable, Procurement, Payroll
    - Manager Governance and Planning — Governance, Planning, Media and Public Relations, Policy, Records Management
  - **Director Technical Services**
    
    Simon Murphy
    - Manager Property — Council Buildings, Council Housing, Fencing Projects
    - Manager Infrastructure and Fleet — Roads, Civil Contracts, Swimming Pools, Fleet and Plant, Workshops
  - **Director Service Centre Delivery**
    
    Graham Murnik
    - Area Managers x 3 positions — Office Administration, Waste Management, Animal Control, Parks and Gardens, Cemeteries, Outstations, Project Management, Stores, Centrelink, Postal Services, Power and Water
  - **Director Community Services**
    
    Rohan Marks
    - Manager Children's Services — MacKids: Early Learning Programs, Outside School Hours Care
    - Manager Youth Services — MacYouth: Youth Development, Youth Diversion, Sport and Recreation
    - Manager Home Care Services — Home Care, Home Support, Disability Services, School Nutrition
    - Manager Community Safety — Community Safety, Night Patrol

Services Offered by MacDonnell Regional Council by Community

	Amoonguna	Areyonga	Docker River	Finke	Haasts Bluff	Hermannsburg	Imanpa	Kintore	Mount Liebig	Papunya	Santa Teresa	Titjikala	Wallace Rockhole
Council Infrastructure	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Municipal Services	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Libraries											✓		
Outstations					✓	✓			✓	✓	✓	✓	
Swimming Pools		✓						✓			✓		
Airstrip Maintenance		✓	✓	✓	✓	✓		✓	✓	✓	✓		
Australia Post	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Centrelink	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
Community Store	✓												
Power		✓	✓	✓	✓		✓	✓	✓	✓		✓	
Water	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sewerage	✓	✓	1/2*	✓		✓	✓	✓		✓	✓	✓	
Early Learning Centres		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	
Outside School Hours Care		✓			✓	✓		✓	✓	✓	✓	✓	
Community Night Patrol	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Home Care and Disability Services	✓	✓		✓	✓	✓	✓			✓		✓	
School Nutrition		✓		✓	✓		✓		✓			✓	
Youth Services	✓	✓	✓⌖	✓⌖	✓	✓	✓⌖	✓	✓	✓	✓	✓	

*Half the community recieves mains sewerage and half is on septic ⌖Limited Sport and Recreation service only

Strategic planning assessments

MacDonnell Regional Council's mission is *to improve the lives of Council residents by delivering valued and relevant services* and our vision is *many voices, one dream, building a quality desert lifestyle*. In order to achieve this we set goals, outcomes and actions, supported by key performance indicators that provide a measure of our progress in fulfilling our mission and accomplishing our vision.

The 2016/17 financial year was one of consolidation – building on the solid foundations established over the previous years, despite a challenging fiscal environment.

We acknowledge the importance of Federal funding through the Financial Assistance Grants (FAG) program to support our continued delivery of quality services. And we welcome the lifting of the indexation freeze on FAG late in the financial year. Council is faced with increasing constituent expectations against what is overall a shrinking income stream and rising costs. To address this, we have had to look to other sources of income and a reduction in expenditure. Our performance measured below should be seen in that context, a performance as a whole we remain very proud of.

In order to measure progress across all our goals, outcomes (sub-goals) strategies and KPIs, MacDonnell Regional Council has again used a ratings system below to quickly show the progress.

Strategic rating key

A	Achieved completely or almost completed
B	Partially achieved
C	Not achieved or very little achieved

When committing to ambitious targets, success is not always guaranteed. From a total of 57 KPIs, we achieved 32 As, 17 Bs and 8 Cs. Of 11 outcomes, 6 had a majority of A KPIs, 4 had a majority or median of B KPIs, and 1 had a majority of A – B (where there were 2 As, 2 Bs and 1 C KPI within that outcome).

Rating summary

KPIs	**57**	**total**
A	32	achieved
B	17	partially achieved
C	8	not achieved
Outcomes	**11**	**total**
A	majority in 6	outcomes
B	majority or median in 5	outcomes

Goal 1 Developing communities

A

Outcome (majority rating)

1.1 Residents receive quality services through continuous improvement in the standards of our services

Strategies	Target	Key Performance Indicators
Provide quality municipal services to residents	A	Roads maintained according to the MRC Transport Asset Management Plan
	A	Street lights maintained as per service level standards
	A	Waste management maintained as per service level standards
Children are supported to grow and develop through the provision of quality early education and care programs	A	MacKids demonstrate continuous improvement against the National Quality Framework
Aged residents and residents with a disability are supported to live in their community through the provision of quality care	A	Home Care services demonstrate continuous improvement against the MRC Home Care Standards
Community safety is improved through the delivery of quality Community Night Patrols	A	Community Night Patrol service delivered in line with the Community Night Patrols Projects Operational Framework
Youth are engaged in their communities and are provided opportunities for development through quality youth programs	A	Service standards are developed

Council is now certainly about much more than rates, roads and rubbish, as the saying once went. But in these latter two functions Council still consistently met the relevant standards, maintaining community roads and managing community waste. It similarly met high street light service level standards, important for community safety. And it showed consistent progress if not full compliance in Children's, Home Care, Community Safety and Youth Services, working with other relevant stakeholders to in fact develop and adopt a set of standards for youth service provision.

B **Outcome** (median rating)

1.2 Contribute to the economic development of the region

Strategies	Rating	Key Performance Indicators
Local employment is supported through Council's procurements	B	Indigenous employees used by Council engaged contractors as a percentage of staff involved in projects
Pursue opportunities for Council to deliver additional services that would create local employment	A	Number of additional contracts / services secured that create employment
	A	Number of days added in short term employment
	C	Number of positions created / and FTEs of positions created lasting six months or longer
Provide in-kind support to Indigenous enterprises developing tourist facilities in communities	C	Number of tourist facilities supported

Council attracted housing, fencing and outstation contracts and two community service contracts that all generated jobs in our communities, including work or work opportunities for Aboriginal residents. Though not necessarily permanent, these are real jobs doing much needed work in communities.

Unfortunately, Council was not effective throughout the year in supporting Indigenous tourist facilities in and around our communities.

Goal 2 Liveable communities

A

Outcome (majority rating)

2.1 Community members are proud of where they live

Strategies	Rating	Key Performance Indicators
Community consultation guides Council's actions	A	Community surveys conducted every year
	A	Community feedback reports provided to Council, Local Authority and relevant government departments
Beautifying our communities	A	Landscaping plan developed for each community
	A	Trees and shrubs planted across 13 communities

Council surveyed Local Authorities on the conduct of their meetings, their capacity and their communication with the communities they represent, to optimise their function as a voice of the communities. A survey report will go to Council, back to the Local Authorities and perhaps beyond in the next reporting period.

Landscaping plans were developed in each of our 13 communities and hundreds of trees planted to shade and beautify. Trees are welcome practical additions to our communities, especially in the desert's searing summer heat.

Liveable communities
COUNCIL GOAL #2

A **Outcome** (majority rating)

2.2 Our communities are fun places to live

Strategies	Rating	Key Performance Indicators
Support active lifestyles through quality sporting facilities	B	Develop an asset management plan for Council's sporting facilities
	A	Sporting grounds are developed as per service level standards
	C	Percentage of external funding for swimming pools secured
Parks developed for community use	A	Number of compliant parks
	A	Number of parks upgraded
Providing in-kind support for community-wide events	A	Number of community-wide events supported

In all our communities, AFL is huge. Council has now brought eight of its 13 communities' footy ovals up to the appropriate standard, with two more on the way. We are likewise proud of our development and maintenance of community parks, nearly half to service level standard – no mean feat in the desert – and all the subject of our park and playground inspection reports.

Council provided strong support for community events across the region, for example Tidy Towns events, sports weekends and the Yamba roadshow strongly promoting community health.

The swimming pools Council manages, however, struggled to secure the external funding needed to run them. Nevertheless, we were able to keep these popular and healthy community resources open and safe in the long spring and summer months.

Liveable communities
COUNCIL GOAL #2

B **Outcome** (majority rating)

2.3 Building a quality desert lifestyle for our grandchildren

Strategies	Rating	Key Performance Indicators
Increase our use of solar energy across our communities	B	Every community park has at least one solar light
Reduce our energy consumption	B	Develop a set of energy standards for Council facilities
	B	Kilowatts used by all Council facilities
Advocate for sustainable funding to our homelands / outstations	A	Advocate to the Northern Territory Government on behalf of outstation / homelands residents for sustainable funding for homelands / outstations

Solar power makes good sense in Central Australia, using our abundance of sun to help save the environment while saving money! Twelve of Council's 13 communities now have solar lights installed in parks. Council work is in progress to develop energy standards and indeed reduce energy use in Council facilities.

Council is frequently called upon to advocate on behalf of its constituents for funding support for their outstation or homeland communities, very small, family-based and usually very remote satellites to Council's 13 main communities. This is in the context of diminishing NT and Federal funding for outstations. But the advocacy remains a Council strategy, under which we urged NT funding reinstatement to three outstations in particular in this reporting period.

Goal 3 Engaged communities

B **Outcome** (majority rating)

3.1 Council and Local Authorities engaging with the community

Strategies	Rating	Key Performance Indicators
Increase community understanding of what Council and Local Authorities do	B	Develop and implement education campaign for community members on Council and Local Authority roles and responsibilities
Local Authority meetings are engaging for community members	A	Governance engagement strategy developed
	B	Average number of community residents per Local Authority meeting
Support the development of Local Authority members	B	Each Local Authority receives two training sessions a year

Council's engagement strategy is now in final draft; and some training needs assessment of Local Authorities is now available through Council's survey of Local Authorities (see 2.1). Capacity building of Local Authorities, their stronger community engagement, and the education of communities about Council and Local Authority roles and responsibilities, is expected to follow. (However, see also key challenges in Governance and Engagement below).

Engaged communities
COUNCIL GOAL #3

A **Outcome** (majority rating)

3.2 Council's methods and processes for engagement are improved

Strategies	Rating	Key Performance Indicators
Young people are engaged with Council and their community	A	Number of active Youth Boards is expanded to nine
Councillors, Local Authority members and staff are trained to deal with conflict	B	Percentage of Councillors and Local Authority members that receive conflict resolution and reduction training
	C	Percentage of staff that receive conflict resolution and reduction training
Council engagement improved through development of engagement planning processes	A	Engagement plan processes developed
	A	Implementation of engagement processes

In addition to the engagement and training matters mentioned in 3.1, and notwithstanding the key challenges mentioned in Governance and Engagement below, Council strongly engaged with Local Authorities throughout the reporting period, facilitating their strong decision-making. Council's Youth Services strongly supported Youth Boards to help guide youth activities in communities and as something of a governance training ground for the next generation of leaders in the Council region. Efforts were made to practically link Local Authorities up with Youth Boards, so the membership of the Boards might one day feed into that of the Authorities. In one community the Local Authority invited the Youth Board to help it make project funding recommendations to Council, reserving a small portion of this funding in 2016/17 for a project nominated by the Youth Board.

Goal 4 A supportive organisation

A **Outcome** (majority rating)

4.1 Supporting local employment

Strategies	Rating	Key Performance Indicators
Maximise Indigenous employment to support local communities	A	Maintain an Indigenous staff rate of 80% or increase
	A	50% of community-based team leaders and above are Indigenous
	C	Develop and implement a special measures plan to ensure Indigenous employment

While Council's special measures plan to promote Indigenous employment is delayed, our rate of such employment was a very high 77 per cent at 30 June, just under our ambitious target of 80 per cent. This is an outcome about which Council is rightly very proud, as it is about reaching the target of 50 per cent Indigenous community-based team leaders. These are all real jobs for many Aboriginal people in the service of their communities. In the ongoing debates about remote Aboriginal employment, other organisations and programs would do well to follow the Council example. The human face of our success is in the cover story of this annual report.

A supportive organisation
COUNCIL GOAL #4

A **Outcome** (majority rating)

4.2 Supporting our staff

Strategies	Rating	Key Performance Indicators
Promoting career pathways and staff satisfaction	A	Workforce Development Plan is developed and actions implemented
	B	Surveys conducted annually measuring staff satisfaction
	C	Review employee reward and recognition process
MacDonnell Regional Council is a safe workplace	A	Percentage of incidents reported within required timeframe
	A	Identify opportunities for continuous improvement in WHS
	B	Reduction in risk profile
Increase our understanding of the barriers to workforce participation amongst Indigenous staff	B	Develop and implement a formal exit interview process for all staff
	A	Research conducted and recommendations made on reducing barriers to workforce attendance

As above, Council takes its human resources very seriously. Workforce development planning workshops occurred throughout the reporting period towards a capability framework. Opportunities have been identified to improve work health and safety; and in this context, we have seen an increase in incident reporting. To assess job satisfaction, exit interviews have been implemented and their process is being reviewed.

The renewal for short terms only of some Community Services contracts due to the funding bodies reviewing their policy direction, and thus the continued dependence of these important services on short-term funding, represented an increased financial risk to the organisation in this reporting period.

A supportive organisation
COUNCIL GOAL #4

B **Outcome** (median rating)

4.3 Building our organisation culture

Strategies	Rating	Key Performance Indicators
Our values are ingrained in the organisation	B	Develop materials for values workshops
	C	Percentage of staff that have completed MRC values workshop
Staff are working together across services	B	Number of inter-departmental staff meetings per community
New staff understand our Council, its role and identity	A	Development and implementation of induction process
	A	All staff have completed the induction process

Council has improved its induction processes to augment some excellent induction video material. A high number of staff have now completed Council's induction as a key initial measure towards their job satisfaction and productivity. Council values workshops towards a strong organisational culture have been delayed by the workforce development planning workshops (see 4.2), and Council's current enterprise agreement negotiations.

A supportive organisation
COUNCIL GOAL #4

B **Outcome** (majority rating)

4.4 Supporting financial sustainability and compliance

Strategies	**Rating**	**Key Performance Indicators**
Opportunities found to increase the impact of our limited resources	A	$ value of additional contracts / services secured
	A	Percentage of external funding secured towards Council's capital works
Compliant Workplace Health and Safety policy and processes	B	Risk assessment carried out on all Council activities in all Council offices
	B	Number of Health and Safety Representative group meetings occurring per community
New staff understand our Council, its role and identity	B	New file structure approved and implemented
	B	All Alice Springs staff have received InfoXpert and records training

The dollar value of additional contracts to Council far exceeded the target, bringing additional infrastructure, services and jobs to our communities. In the Alice Springs office, however, records management changes were delayed partly because of relevant staff shortage and because NT Government mandated policy and procedure reviews took priority over the review of the documents to guide the records management transition.

Service Centre Delivery

The Service Centre Delivery directorate is responsible for the effective delivery of Council's municipal services and some non-Council services such as commercial operations or agency functions delivered on behalf of government agencies and other stakeholders. A total of 165 employees now work in the Service Centre Delivery directorate of whom 133 are Aboriginal and 32 are non Aboriginal.

Council Services

Waste Management

MacDonnell Regional Council delivers best practice waste management services to the 13 remote communities in its region. Services include general waste collection, landfill management, litter management, and staff training. Domestic kerbside collections are conducted twice weekly in all communities, with landfill sites effectively managed and maintained against the relevant service level standard across all 13 remote locations.

Waste management operations are delivered in accordance with the *Central Australian Remote Landfill Operating Manual* (CARLOM), developed by MacDonnell, Central Desert, and Barkly Regional Councils, the Local Government Association of the NT (LGANT), and the NT Department of Health. They make up the Central Australian Waste Management Working Group. CARLOM documents the best practice methods for managing landfills in the Central Australian region.

MacDonnell Regional Council is hosting the Central Australian Waste Management Coordinator until 30 June 2018. This coordinator reports regularly to the Central Australian Waste Management Working Group. Through this regional collaboration, consistent waste management practices are delivered across all three Councils in the group.

Key achievements

A total of 1352 waste collections occurred throughout 2016/17 across 13 locations. Waste collections are conducted twice a week at each of our 13 communities.

40 new tipping skips were purchased for use at each community landfill to transfer waste from newly developed public drop off areas.

13 standardised signage kits were purchased for all landfill sites, which included signs for public drop off areas to identify separation bays and internal landfill signage to assist with identification of landfill stockpile areas.

Two new landfill pits were excavated at Finke community 'in house', using the Council's Indigenous plant operators assisted by local civil works officers. Further such works will continue into 2017/18.

Rehabilitation legacy waste facility guidelines for LGANT were submitted and accepted by the NT Environment Protection Authority. These guidelines were developed to provide guidance for the closure of legacy waste facilities.

A community litter app was developed, designed specifically to help Council to implement its community litter action plans with audits of key performance areas. The app helps Council employees with language, literacy and numeracy skills towards reports in the following areas:

- bin audits
- waste collection equipment
- litter hot spot maintenance
- Tidy Towns reporting

A legacy asbestos mapping project, which included GIS mapping of legacy asbestos in the remote communities of Santa Teresa, Kintore, Finke and Docker River, was completed by the Central Australian Waste Management Coordinator. A case study on the mapping project has been written and displayed on the Asbestos Safety Eradication Agency website detailing the benefits of the project. It can be viewed at the following link: **https://www.asbestossafety.gov.au/annual-report-2014-15/report-performance/working-community-%E2%80%93-grant-funding.**

Temporary landfills were set up as part of the Kintore flood recovery efforts in December 2016 and January 2017.

Key challenges

A key challenge in waste management was the heavier than expected rainfall through December 2016 and January 2017 which made waste disposal services very difficult to deliver.

Monitoring landfills and who accesses them on a daily basis again proved challenging due to their locations necessarily outside communities. The landfills are of a size where it is impractical to have them permanently staffed.

Animal Management

The MacDonnell Regional Council currently delivers its animal management services to all communities in the Council's region. The primary objective of the program is to improve human health and safety in Indigenous communities by implementing effective animal control measures, and to improve the health of animals in a culturally-sensitive and sustainable way.

The Council contracts two veterinarians, Dr Robert Irving BVSc, and Dr Alexander Burleigh BSC (Vet) Hons BVSc Hons. Both vets visit remote communities treating animals for internal parasites and to conduct sterilisation treatments.

Education is an essential component of dog health, welfare and control. Both formal and informal educational campaigns are administered by the vets when they visit, which includes engagement with schools, health centres, working with local service providers and/or community stakeholders. Vets are often accompanied and supported by Council Civil Works employees when they are in communities.

Key achievements

Full year of vet visits to communities

	Number of visits	**$ expenditure at June 2017**
Amoonguna	2	7,180.59
Areyonga (Utju)	2	4,919.68
Docker River (Kaltukatjara)	2	9,897.05
Finke (Aputula)	2	7,968.96
Haasts Bluff (Ikuntji)	4	8,350.91
Hermannsburg (Ntaria)	2	5,797.36
Imanpa	2	7,311.36
Kintore (Walungurru)	3	6,350.91
Mount Liebig (Watiyawanu)	4	10,350.91
Papunya (Warumpi)	4	10,350.91
Santa Teresa (Ltyentye Apurte)	3	11,522.14
Titjikala	2	7,618.14
Wallace Rockhole	2	2,499.82
Totals	**34**	**100,188.74**

Key challenges

A key challenge for Council is the level of funds available to deliver animal management services, Council currently fully funds these services from its operational funding. Increased funds would enable improved veterinary services, including enhanced education and de-sexing, to be delivered to communities. Council has lobbied for funding to deliver an enhanced program that would see a dedicated Animal Welfare Officer and thirteen Indigenous Animal Officers employed across the Council region.

Cemeteries, Parks and Open Spaces

Cemetery management services are conducted in 12 MacDonnell Regional Council communities. Services include general maintenance of cemetery reserves and surrounds, preparation of burial plots, upkeep of burial details and identification of burial places within the cemetery.

Council has developed Cemetery Management Guidelines, providing the basis of a four level implementation plan for cemeteries. This outlines the service level standards that Council aims to achieve, taking into account the Council's goal of 'Developing Communities' and relevant legislation.

Service levels for the development of cemeteries include:

- site identification and clearing, including fencing, car parks and grave shoring
- shade structures, seating, wheelie bins and water
- signage and plot markers, including a cemetery register and grid plan of grave locations
- pathways and landscaping

Parks and public spaces in each community are the responsibility of Council and work in this area includes upgrades and maintenance of facilities, such as shade structures, park furniture, signage, and playground equipment. It also includes the provision of lighting for public safety, carrying out safety audits monthly on playground equipment, litter control and ensuring grass is kept short to mitigate fire risks.

Community ovals are maintained by the Council. Many of the ovals received upgrades throughout the year, including the installation of shade structures, seating, grandstand fencing and lighting.

Key achievements (cemetery management)

Mt Liebig community planted an additional 50 trees at the cemetery as part of the community beautification plan.

Areyonga and Docker River community cemeteries installed new fencing and pedestrian access gates.

New portable shelters and artificial turf were purchased for each community cemetery.

Santa Teresa community purchased a coffin lowering device with Local Authority project funding.

Papunya works team in collaboration with Papunya Community Development Program (CDP) initiated a major clean up of the Papunya cemetery. 250 tonnes of crusher dust was purchased with Local Authority project funding for use around the cemetery and car parking area.

Key achievements (parks maintenance)

13 solar lights were installed at 13 community parks. Funding for the purchase of such solar lights was made available through the Family Safe Environment Funding round of the Department of Housing and Community Development.

The Department of Chief Minister's Community Champions Program provided $49k for Imanpa community via Council for new playground equipment and solar lights.

100 additional trees and shrubs were planted at Titjikala Park as part of the community beautification plan.

Installation of recycled rubber soft fall was completed at the two playgrounds in Santa Teresa. The soft fall is made from recycled care tyre rubber and ensures Council playgrounds are compliant with Australian Safety Standards (AS/NZ 422:1996).

A 50-point parks and playgrounds inspection was completed at each community park to ensure Council meets work health and safety obligations and community parks meet relevant Australian standards.

Fencing around the oval at Areyonga was completed at the request of the Local Authority.

4000 Trees re-vegetation project status

Council received an NT Government grant in February 2016 of $100k to establish 4000 trees/shrubs across our 13 communities over a two year period. A total of 2,600 plants have been distributed across the 13 communities since the program commenced. This will provide much desired shade and dust suppression for all our communities. Alice Springs nurseries are commissioned to grow the plants.

Local Emergency Management

Local emergency management plans and community recovery plans have been developed for all 13 communities in the MacDonnell Regional Council region. Council employees regularly attend emergency management committee meetings held in their communities and contribute to the development and maintenance of these plans.

On 25 December 2016 a severe weather event brought 231.6mm of rain in a 2 hour period to Kintore community, causing extensive flooding that affected the whole community. The event was declared a natural disaster and Council played an integral role in both the emergency response and the recovery phase.

The impact of the storm saw 96 people evacuated to an emergency shelter at the Kintore school after 40 per cent of the houses in the community were affected by flood waters. The community was isolated for six weeks due heavy impacts on the Kintore road, rendering it impassable. All transport in and out of the community during the period was by air charter. This included contractors, food supplies and essential items.

Key achievements

During the emergency response, Council attended all emergency committee meetings, providing important information and coordinating logistics on the ground in Kintore.

Local staff worked alongside local Police to transport people to the emergency shelter.

Council's Essential Service Officer reinstated the water supply to Kintore after the advanced water treatment plant was damaged; the officer maintained power to the community throughout the event.

During the recovery phase, Council's Area Manager was appointed to the position of Local Recovery Coordinator under the *Emergency Management Act*.

Works staff established a temporary waste facility and removed both domestic and hard rubbish from the community to the facility until such time as the community landfill could be re-accessed.

Council coordinated impact assessments on all Council buildings and infrastructure, including Council maintained roads, with damages to road infrastructure estimated at $1.6m as a result of the rain event.

Local Authority Projects

Local Authority funded projects status

The Department of Housing and Community Development again provided the Council with funds for projects decided by Local Authorities and endorsed by Council to improve community life.

Amoonguna

Commenced: grandstands and shade shelters at basketball courts
Completed: tables and bench seating at Ross Park
Completed: trailer gas BBQ

Areyonga

Commenced: shade at sorry camp
Completed: chainmesh fencing of the football oval

Docker River

Commenced: upgrade of sports grounds and fencing football oval

Finke

Commenced: decommission BMX track
Completed: upgrade ablution block
Completed: trailer gas BBQ ute style

Haasts Bluff

Commenced: no projects identified

Hermannsburg

Commenced: upgrade at racetrack with 5 x shade shelters and solar lights
Commenced: commentary box at football oval
Completed: playground repair at Sandhill Park
Completed: drainage works near cemetery
Completed: trailer gas BBQ
Completed: pedestrian walkway bridge

Imanpa

Commenced: sorry camp upgrade
Completed: repairs to ablution block

Kintore

Commenced: 3 x shade structures (2 x business camp 1 x sorry camp)
Commenced: 6 x solar Lights for church, sorry camp, business camp
Commenced: concrete for shade structures
Commenced: concrete for solar lights
Commenced: fencing and backstop of softball oval
Commenced: meshless fencing for football oval
Commenced: relocate playground to be near basketball court

Mount Liebig

Completed: watertank trailer
Completed: trailer gas BBQ

Papunya

Commenced: softball oval scoreboard
Commenced: football oval scoreboard
Commenced: stage at sports precinct
Commenced: softball oval commentary box
Commenced: second diamond for softball clearing, fencing and shade
Commenced: cemetery upgrade

Santa Teresa

Commenced: coffin lowering device
Commenced: 7 x signs advising of restricted areas on community
Commenced: 5 x solar lights in community black spots
Commenced: trees for community entrance
Commenced: fences around 2 parks
Commenced: additional play equipment for parks
Commenced: info booth at community entrance

Titjikala

Completed: install bollard and chains near store
Commenced: commentary box at football oval
Commenced: rest area at entrance of community

Wallace Rockhole

Completed: install shade and seating visitor rest area
Completed: upgrade public toilets across from office

Non–Council Services

Outstations

Council is contracted and funded by the NT Government to deliver services to 21 occupied outstations or homelands. Services include municipal and essential services, housing maintenance services and special purpose infrastructure projects. The Council’s focus is to ensure reliable delivery of power, water and sewerage and to provide a safe and healthy environment for outstation residents. Regular inspections of outstations are conducted by outstation works team members.

Municipal services provide waste collection, roads maintenance, animal control, fire breaks and environmental activities. Essential services maintain power, water, and sewerage provision. Housing maintenance services include both urgent repairs, to address electrical risks, loss of power, sewerage issues or loss of water, and general structural, plumbing, electrical and gas repairs.

Key achievements

Major servicing of bore – West Waterhouse

Replacement generator – West Waterhouse

Connect new bore hole and pump to level switch – Warren Creek

Replace CU200 controller – Warren Creek

Inspect and install new bore pump – 5 Mile

Replace flow switch and adjust main switch – 3 Mile

Replace bore pump – 3 Mile

Repair hot water unit at ablution block – Ulambara

Plumbing and septic tank pumping – Ulambara

Plumbing and septic tank pumping – Blackwater

Plumbing and septic tank pumping – Mbunghara

Major repairs and service of generator - Mbunghara

Major plumbing repairs to ablution block - Ultiliy

Upgrade septic system – Town Bore

Upgrade plumbing work at ablution block – Town Bore

Regular servicing of generators, maintenance of firebreaks, waste collection and vet visits – all outstations

Commercial operations

Australia Post

The Council is the service provider of Australia Post services at 12 of its remote communities. Mail services are provided to each community weekly and are usually delivered by air services. Where airstrips are not available the Council organises a weekly mail collection from Alice Springs.

Centrelink

Council is contracted by the Department of Human Services to deliver remote Centrelink Agent services on behalf of the Commonwealth. These services are provided in 12 communities and include:

- accepting claim forms and other required documents
- responding to customer enquiries and provision of assistance, guidance or referral if needed
- assisting customers to access self service facilities

All sites are staffed by local Indigenous employees who receive remote agent training from the Department of Human Services.

Community Store

One community store is currently operated by the Council: at Amoonguna community. The store ensures the community has access to fresh produce and offers a range of well-priced goods and healthy food with a strong focus on fresh fruit and vegetables.

Essential Services

The Council delivers essential services across all 13 Council communities under contract to the Power and Water Corporation (PowerWater). Here Council employs 13 Essential Service Officers (ESOs), with a strong focus on training and developing local Indigenous employees in the role. ESOs are responsible for the day to day maintenance and upkeep of power, water and sewerage infrastructure in their community.

Key achievements

30 per cent of Essential Service Officers employed under the PowerWater period contract are Indigenous.

All ESOs attended the required PowerWater familiarisation training.

Mandatory training requirements under the contract ensured all first-on-call ESOs had completed training in the areas of: safe working at heights, 4WD awareness, senior first aid and cross cultural training.

Council successfully negotiated a six month extension to deliver the PowerWater period contract.

Council completed additional works and Medivacs to the value of $139k.

Tidy Towns

In its efforts to improve the quality of life of the residents of its remote communities, Council registers each community in the Keep Australia Beautiful NT Tidy Towns Awards each year. The program encourages sustainable communities with better, healthier living conditions that improve the quality of life of residents.

The program enables Council to develop and promote effective partnerships with community stakeholder groups; and to acknowledge the hard work and efforts of the people living in the communities and working towards these better conditions.

Key achievements

At the Northern Territory Tidy Towns awards night held in Darwin, MacDonnell Regional Council was awarded the Best Regional Council for the third year in a row.

Communities in the Council region were the most highly awarded at the NT awards night.

Areyonga Community was naned the 2016 Territory Tidy Town and went on to represent the NT at the national Tidy Town awards held in Triabunna Tasmania. There it received the following national recognition, in four of the six available categories:

- Highly Commended: Dame Phyllis Frost Litter and Prevention
- Highly Commended: Waste Management and Resource Recovery
- Highly Commended: Community Action and Wellbeing
- Highly Commended: Heritage and Culture

At the NT awards night held in Darwin, MacDonnell Regional Council was awarded the Best Regional Council for the third year in a row.

Communities in the Council region were the most highly awarded at the NT awards night.

As part of Council’s ongoing commitment to clean and healthy communities, Council initiated a roadshow of performances by Yamba the Honey Ant of TV fame which included songs to educate children about keeping communities clean and tidy, recycling and the resulting health and hygiene. The Yamba roadshow visited all 13 MacDonnell Regional Council communities where it was very well received. It was supported by the NT Environmental Health branch and the Trachoma Eye Health Program.

Technical Services

The Technical Services directorate manages and delivers ongoing services in property and tenancy, fleet and mechanical, roads and infrastructure as well as discrete projects in all of these areas.

Property and Tenancy

The Property and Tenancy team is responsible for maintenance, repairs and upgrades of all MacDonnell Regional Council buildings and facilities and tenancy services for all staff housing. Buildings include Service Delivery Centres, ie. Council's offices in all 13 Council communities, depots, aged care and childcare centres, recreation halls, staff and outstation housing as well as swimming pools and other sporting facilities.

Additionally, the team often delivers commercial and grant funded projects on behalf of the NT Department of Housing and Community Development and other departments.

Key achievements

Completion of 12 houses under the National Partnership Agreement on Remote Indigenous Housing (NPARIH) Program at Kintore.

Major insurance claims and subsequent works at Alice Springs office after a huge June hail storm; and at Kintore, Docker River and Hermannsburg after Boxing Day storm damage.

Award of NT Government contract for Kintore yard clean up and fence replacement.

Award of NT Government Room to Breathe Program contracts (for housing extensions) for Kintore and Titjikala.

Conclusion of a four year NT Government fencing program of 265 houses in many of our communities.

Successful delivery of 35 NT Government Homeland Extra Allowance (HEA) program upgrades and notification by the NT Government of program continuation.

Purchase and installation of three 4-bedroom demountable visiting staff accommodation buildings at Finke, Areyonga and Titjikala.

Renovation of existing staff housing at Docker River and Haasts Bluff.

Conclusion of 'all of community' sacred site clearances with Central Land Council to permit maintenance and minor infrastructure work without requiring works-specific clearances.

Aboriginal Land Rights Act Section 19 leasing and licence-to-maintain agreements finalised in all communities with the exception of Wallace Rockhole.

Key challenges

Limited budgets from untied Council funds for leasing, repairs, maintenance and upgrades are a constant challenge particularly given the ageing housing and building stock the Council has acquired through the Section 19 leasing process. Commercial contracts such as NPARIH assist with funding these areas, however there are no guarantees from year to year that Council will be awarded such contracts.

Fleet Services

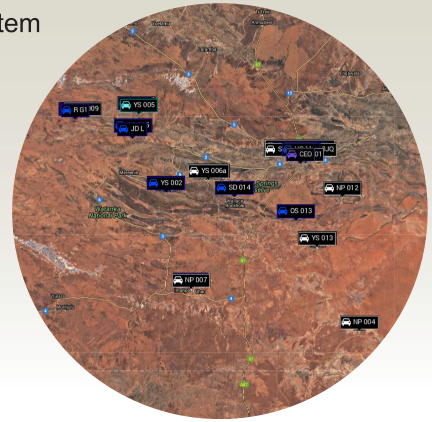
The MacDonnell Regional Council Fleet Services team works from a well-equipped workshop in Alice Springs. There the team services and maintains the large Alice Springs-based vehicle fleet. The team travels in purpose built and equipped vehicles to also service and maintain Council's large vehicle and machinery fleet in all 13 communities. The team of Coordinator, Fleet officer and three mechanics performed over 950 individual services last year and ensured that all of the eligible vehicles were registered and inspected if required.

The fleet is managed through Fleetio, a web based system that allows all staff with vehicles assigned to them to raise issues, update odometers and make comments. Fleetio greatly enhances service levels that the Fleet team is able to offer vehicle and machinery users within Council.

Fleet team members are also responsible for planning capital replacement. MacDonnell Regional Council has had a long-term commitment to fleet planning to ensure the safety of staff by providing vehicles that are fit for purpose and relatively new. The Council fleet plan details an optimal period to ensure that warranties don't expire and good returns are achieved on sale. The average age of the 100 plus vehicles in the Council fleet is around 2 years, an exceptional achievement of financial management for a Council with such a large fleet.

Key achievements

During the year the installation and commissioning of the Ezy2C GPS tracking system to around 70 vehicles took place, facilitating enhanced work, health and safety monitoring and contract compliance. The Council now logs many thousands of kilometres of remote travel throughout the year. This is a high risk activity and having the Ezy2C system in place allows for 15 minute checks to ensure that vehicles and staff are safe.



Record capital expenditure of over $2.5m was invested in the purchase of new vehicles, plant and equipment to progress the Council's fleet plan. This expenditure is made possible through careful financial management across the organisation. It enables Council to keep its large fleet up-to-date and able to safely service its many communities spread across a huge geographical area.

Three successful grant applications were received from NT Department of Housing and Community Development to purchase a new backhoe, garbage compactor truck and a specialist deck widener trailer to transport Council's 20-tonne excavator.

Key challenges

Driver accountability for vehicle usage and condition is always a challenge when fleet assets are located across such a large area. Against this challenge, mechanical staff members monitor fleet usage closely and address fleet management issues by checking regular odometer updates and issues raised in Fleetio.

Ongoing costs are another challenge managed closely. Every fleet asset adds to Council's maintenance, insurance and registration bill for the year. By closely examining fleet maintenance records and usage patterns the Fleet team is able to assess under utilised assets or those beyond economic repair and recommend either moving the item to another community or sail by auction.

Infrastructure and Projects

Our Infrastructure and Projects department is responsible for management of the 1555km Council road network in and around communities, maintenance of community street lighting and airstrips, operation of three swimming pools, as well as the delivery of numerous and diverse projects.

Key achievements

Access road upgrade at Imanpa (6.2km – contract value $150k).

Reinstatement of 98.8km Haasts Bluff to Mount Liebig back road by the Council grader team.

Successful black spot grant application of $160k for installation of traffic calming devices.

Secured National Disaster Relief and Recovery Arrangements (NDRRA) Program, grant funding of $2.8m to restore Boxing Day storm and flood damaged road infrastructure.

Grading of unsealed internal and outstation roads by the Council grader team (made up of 100 per cent Indigenous staff) was successfully completed based on the frequency schedule, priorities, annual plans and programs.

Successful $770k grant application to NT Department of Transport for the construction of a new Council Service Delivery Centre at Papunya.

Submission of 30 outstation special purpose grant applications on behalf of residents for the financial year 2017/18.

Purchase and commissioning of a high quality drone aircraft. This is used for providing high quality images of Council facilities such as waste management facilities, buildings, outstations, swimming pools and cemeteries to assist with monitoring, upgrades and compliance.

Streetlights maintained at 85 per cent operational average throughout the year, exceeding Council's standard of 70 per cent. Council is gradually introducing LED lighting when major repairs are required, with six communities partially converted.

More than 20,000 visitors attended Council swimming pools over the season. New synthetic turf and a new replacement trampoline mat were installed at the Areyonga pool.

All airstrip maintenance performance standards were met and audits and requests were submitted to the NT Department of Infrastructure, Planning and Logostics within agreed time frames.

All authorised works were completed within time frames, income was above budget and expenses relating to works were below budget.

Completion of numerous outstation special purpose infrastructure grant projects:

Key challenges

Swimming pool staffing continues to be a major challenge. Few suitable candidates for the relevant Team Leader positions are willing to relocate to live and work in the remote communities of these pools.
And unfortunately there are very few community-based candidates despite best efforts to train staff in previous seasons. Additionally, the Pool Assistant positions all need annual training or training updates. This is very difficult to coordinate in the pre season as training providers usually only deliver in September or February.

Community Services

The Community Services directorate delivers children's services, community safety, home care and youth services across 12 of our remote communities. These programs are delivered by our team of 273 dedicated staff, of which 226 (83 per cent) are Indigenous.

Community Services strives to deliver culturally sensitive programs that meet the needs of community residents, through innovative and sustainable service delivery models. We are committed to investing in our local Indigenous staff and seeing them progress into senior roles within the organisation.

Children's Services

Children's Services is known on community as MacKids. It delivers an early learning program in 10 of MacDonnell Regional Council's remote communities and outside school hours and vacation care programs in eight of those communities.

The early learning program is play-based and reflective of the children's interests, abilities, and culture. The program exists to provide all children from birth to school age access to quality early childhood education and care, and provides parents with opportunities to develop their parenting skills to support continued learning in the home environment.

In the outside school hours and vacation care programs educators work together with school aged children (5 – 12years) to provide play and leisure opportunities that are meaningful to children and support their well-being, learning and development. The children in the outside school hours programs are consulted on program development and actively contribute to the activities provided, expanding their life skills and developing their sense of social responsibility.

Programs delivered by MacKids in 2016/17 included:

- Early Learning Program – funded by the Federal Department of Education and Training
- Early Childhood Education and Care Program – funded by the Department of the Prime Minister and Cabinet
- Outside School Hours and Vacation Care Program – funded by the Federal Department of Education and Training

Key achievements

82 per cent Indigenous employment.

15 Indigenous educators undertook a Certificate III Early Childhood Education and Care; three Indigenous educators have progressed to a Diploma of Early Childhood Education and Care.

All services have continued to make significant progress towards the National Quality Standards for early childhood education and care, meeting all targets of their Quality Improvement Plans.

Significant improvement in attendance patterns of local educators; 78 per cent in 2015/16 to 89 per cent in 2016/17.

‘Community yarning circles’ were held in five communities. These community consultations have been invaluable in the continued development of programs across all communities that reflect local aspirations and culture.

After extensive stakeholder consultation in 2015/16, weekly fees were implemented in all early leaning programs in accordance with funding requirements. There was no decrease in attendance and fees received exceeded the budget estimate by 200 per cent.

Key Challenges

The implementation of a new funding model for childcare (under the Jobs for Families Package) by the Federal Department of Education and Training, was deferred until 2018, after being scheduled for implementation during 2017. The funding targets the provision of childcare to enable parents to work, as opposed to Council’s primary focus of providing quality early learning programs to as many children as possible (with childcare being a secondary benefit). Council has provided continuous feedback to the funding body around the viability of services under the new model and the potential for children to have reduced access to services if their parents are not working. Council will continue to work through the challenges of the new funding model with the funding body, as well as explore alternative options for funding.

Under the National Quality Standards (NQF) it is a requirement for all educators to hold a minimum of Certificate III Early Childhood Education and Care. As we seek to meet the NQF, providing this training is a challenge as staff must travel to Alice Springs or Darwin to undertake the course. Two parallel training schedules have been developed to enable all staff the opportunity to attend the training while ensuring each centre remains adequately staffed to deliver the services. Community-based opportunities for this training are also being explored with registered training organisations (RTOs).

Community Safety

Community Safety oversees the delivery of the community night patrol program in 12 of Council’s remote communities. This program is funded by the Department of the Prime Minister and Cabinet and exists to divert Indigenous people away from contact with the criminal justice system, increase personal and community safety, and to improve school attendance by ensuring children are at home or in a safe location at night so they are ready and able to go to school every day.

Council’s Community Safety teams in communities are all local Indigenous staff members, who work collaboratively with the community, NT Police, service providers and other stakeholders to ensure a partnership approach to community specific issues.

Key Achievements

92 per cent Indigenous employment.

34 per cent female employment.

Support provided to 12 community events, including community sports weekends, concerts and cultural events.

Community Safety meetings held bi-monthly in each community (in partnership with NT Police), providing valuable insights into current community safety issues and improving collaboration between service providers.

Recruitment process revised to include Local Authority representatives, ensuring the right community members are recruited into the Community Safety team.

A full service review was undertaken in May, including consultation with each Local Authority, with a number of key improvements to be implemented in early 2017/18.

Key Challenges

A funding body KPI for the program is to ensure all Community Safety staff have completed a Cert III in Community Night Patrol. This continues to be a challenge due to both the cost of the training and gaps in the level of language, literacy and numeracy (LLN) required to complete the course. A variation to utilise a program underspend from 2015/16 was approved, and an RTO has been engaged to undertake LLN assessments and develop training programs for all Community Safety staff.

Communities have been providing consistent feedback that they would like the service to increase operations from five to seven nights a week. This was confirmed during the Local Authority consultations that were carried out in May. Stagnant funding levels over the past 3 years have made this very challenging. The staffing structure and service hours have been reviewed and a revised model will be implemented in early 2017/18, enabling a seven day a week service in all communities.

Home Care Services

Home Care provides aged and disability services in eight of our remote communities. These person-centred care services support clients to live in their own communities and provide choice and flexibility in the way their care and services are delivered. Services include personal care, meals, transport, domestic assistance and social activities to assist clients to connect with their community.

The service also delivers a school nutrition program in six of our remote communities, to promote school attendance and thus achieve positive educational outcomes.

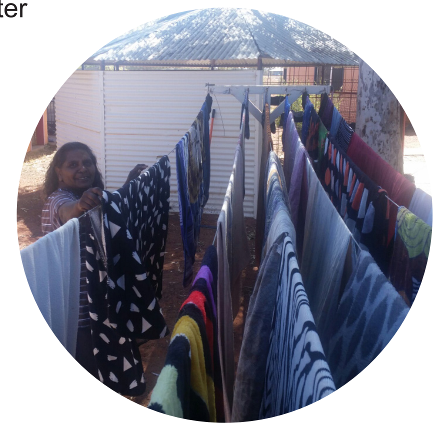
Programs delivered by Home Care in 2016/17 include:

- Community Aged Care Packages – funded by the Federal Department of Health
- Commonwealth Home Support Program – funded by the Federal Department of Health
- Disability in Home Support Program – funded by the NT Department of Health
- School Nutrition Program – funded by the Department of the Prime Minister and Cabinet

Key Achievements

93 per cent Indigenous employment.

Staff retention remained strong with staff turnover at 9 per cent in 2015/16 and 2016/17, compared to 15 per cent in 2014/15.



28 staff members progressed through a Certificate III Individual Support Community Services; two staff members undertook a Certificate II Community Services.

Commenced transition to a cloud-based care management system across all locations to further Council's commitment to quality service and maintaining compliance and accurate, up to date reporting.

39,757 services were delivered to aged care clients and community members living with a disability.

45,325 meals were delivered across six communities through the school nutrition program.

Key Challenges

The transition to community aged care packages over the past two years has resulted in a significant increase in the amount of program administration required at a community level, which can be very challenging for team leaders. A mentorship program is being developed to be trialled in early 2017/18, for Indigenous team leaders to have access to culturally appropriate peer support and advice.

The National Disability Insurance Scheme (NDIS) commenced rolling out in the NT in 2017 with a trial site in the Barkly Region that experienced a high number of issues implementing the model in remote communities. There has been little information passed on to community members in remote Central Australia regarding the NDIS, creating uncertainty for those living with a disability in remote communities. As a provider of the current Disability in Home Support program, MacDonnell Council Region is working with the NDIS and NT Department of Health to ensure continuity of service provision for clients living with a disability.

Youth Services

MacDonnell Regional Council's Youth Services are known in communities as MacYouth. MacYouth operates in nine of our remote communities, delivering structured activities for young people as effective diversion from at-risk behaviours and meaningful opportunities for development. MacYouth also delivers the Remote Sport Program in three additional communities.

Programs delivered by MacYouth in 2016/17 included:

- Youth Development Program - funded by the Department of Prime Minister and Cabinet
- Remote Sport Program – funded by the NT Department of Sport and Recreation
- Remote Sport Vouchers Scheme – funded by the NT Department of Sport and Recreation
- Youth Diversion Services – funded by the NT Department of Corrections
- Volatile Substance Abuse Program (Kintore) – funded by the NT Department of Health
- Tjilirra Men's Camps – funded through the NT Department of Health – Alcohol Action Initiative
- Youth Engagement Strategy (Papunya, Hermannsburg and Santa Teresa) – funded by Central Australian Youth Link Up Service (CAYLUS)
- Hermannsburg Holiday Programs – funded by Tjuwanpa Outstation Resource Centre Aboriginal Corporation (facilitating partner for Stronger Communities for Children Program)
- Santa Teresa Holiday Programs – funded by Atyenhenge Atherre Aboriginal Corporation (AAAC, (facilitating partner for Stronger Communities for Children Program)
- National Youth Week Events – funded by the NT Office of Youth Affairs

Key Achievements

80 per cent Indigenous employment rate

10,729 hours of youth activities delivered across nine communities, averaging 16 young people engaged per activity.

41 young people supported through the Youth Diversion Services across nine communities, preventing them from entering the criminal justice system.

Establishment of Youth Boards in all nine communities. As well as providing regular input into programming of youth activities, discussion of community issues and developing the leadership skills of participants, the Youth Boards also coordinated National Youth Week events funded through the Office of Youth Affairs.

An independent analysis of the Council's service to youth in Hermannsburg was undertaken by the Nous group and found that every $1 invested had a social return of $4.03.

Continued development and expansion of holiday programming in Hermannsburg and Santa Teresa through partnership with the Stronger Communities for Children Program.

Nine young people travelled to Melbourne as part of a cross cultural exchange enabled through a partnership with the Glen Iris Football Club. As a result of this partnership, one young person from Papunya is now boarding with a host family in Melbourne and attending school there.

Six cultural camps were held for young men and women identified as being at risk of harm from substance misuse or at risk of entering the criminal justice system.

16 staff members have undertaken a Certificate II and III in Sport and Recreation.

Key Challenges

Youth Diversion client referrals continued to increase across the region, with this service expanding into Docker River and Finke to support clients who otherwise would not be able to access the service. Referrals exceeded funded places by 13 per cent, with several clients being referred for more serious offences which fall outside of the existing scope of the program. MacYouth has written to Territory Families in relation to this and will continue to advocate for increased funding, training and support so as to better equip staff to work with young people who are presenting with complex needs.

Young people under the age of 12 wishing to access MacYouth continue to present a challenge for staff trying to effectively engage the target group aged 12-25. This service gap has been previously identified however no solution identified. MacYouth continues to work with internal and external stakeholders to seek a solution.

MacYouth continues to meet regularly with Department of Prime Minister in Cabinet, as well as with other youth service providers in the region to address challenges associated with young people accessing and remaining engaged with school. An extensive number of students have been supported with school enrolments and transport to school.

Corporate Services

The Corporate Services directorate supports the Council's service delivery across the region through the provision of human resources, information technology (IT), finance and governance and engagement.

The activities of the directorate ensure the Council and its 13 Local Authorities have strong governance and are compliant with the *Local Government Act*, other relevant legislation and related regulations and guidelines. This is achieved in good regional planning, close, consistent and accurate secretariat support for Council and Local Authority meetings, training for Councillors and Local Authority members, and the development and review of a wide range of policies to guide Council operations and services in communities. Strong human resource practices, financial systems and IT management, provide critical support for these operations and services.

Human Resources

The Human Resources department of MacDonnell Regional Council manages recruitment, staffing, performance management, training and development, work, health and safety as well as all other aspects of employee wellbeing. At 30 June 2017 the Council had a total of 476 employees, of which 367 were Indigenous and 109 were non-Indigenous. The Council is a very significant, and consistent, employer of Indigenous people.

Key achievements

Council continued to focus on increasing the percentage of Indigenous staff. With a target of 80 per cent, 77 per cent Indigenous employment was reached.

Continuous improvement strategies including ongoing development of Council's workforce development plan to develop new pathways for Indigenous engagement, recruitment and promotion.

Total staff turnover in 2016/17 was 204, a reduction from 207 in 2015/16, 260 in 2014/15, 289 in 2013/14 and 324 in 2012/13.

Total new hires were 164.

Indigenous employees in team leader and above positions increased from 54 in 2015/16 to 63 in 2016/17. Eleven of those positions are Alice Springs based and 52 are community based.

A key achievement was completing a position description review whereby an employee committee reviewed each position in line with the proposed new classification structure as part of the renegotiated Council Enterprise Agreement 2017-2021.

The above review, including of performance appraisals, will continue to support the workforce development plan and to assist in identifying skill gaps and training needs for succession planning to ensure pathways for Indigenous employees to succeed in supervisory positions.

A Council induction DVD package was completed and implemented in January 2017. Showcasing each of the 13 communities, the videos highlight the cultural and corporate expectations for new employees. A new induction checklist was implemented to complement the videos.

Continual improvement in work, health and safety is evident in the increased receipt of incident reports from all services and communities in the required timeframe. Visits by Council's WHS Officer to communities was well received by staff eager to learn and expand their WHS knowledge. WHS training in manual handling, risk and hazard handling, anti-bullying and harassment is ongoing.

Key challenges

A key challenge has been attracting experienced candidates for manager positions, particularly in Home Care and Governance and Planning. Recruiting to Alice Springs is a challenge given high costs and frequent poor media coverage of the town. However review of recruiting practices and different advertising avenues to attract quality candidates is underway.

The Council is currently awaiting approval from the Fair Work Commission of its proposed 4 year Enterprise Agreement 2017 – 2021.

Governance and Engagement

Secretariat support to the Council and its 13 Local Authorities as well as strategic/regional planning, records management, policies and procedures, reporting, communications and customer service are carried out by the Governance and Planning department. Council gratefully acknowledges Local Authority support by the NT Department of Housing and Community Development through its various grants. Noteworthy is the grant to facilitate projects, mostly infrastructure projects, in Council's communities. To streamline decision making here, Council delegates decision making on this funding to the Local Authorities in each community. Supported by Governance and Planning, this leads to projects that are responsive to local needs.

The Governance and Planning department includes a Communications Officer doing the critical work of: circulating staff efforts and successes around the Council's far flung, remote offices in the MacNews newsletter six times annually; promoting Council in mainstream media coverage; maintaining and improving Council's website, now including the likes of mini videos of each of Council's 13 communities presented by community members; a range of sharp graphic design material for consistent Council badging and messaging; and the preparation, close to completion, of an important engagement strategy document.

Key achievements

Governance and Planning's close secretariat support of its 13 Local Authorities helped thorough discussion, decision-making and documentation in four meetings each, leading to a range of community beneficial projects, from playgrounds, to public ablution blocks to solar street lighting and more.

With this support the Local Authorities each also provided valuable input into Council's 2017-2021 Regional Plan and Local Authority survey .

Communications achievements, in addition to those highlighted above, include support for and coverage of Areyonga's bid for the National Tidy Towns Award; and such support and coverage for Council's successful Yamba roadshow, promoting to children and families important health messages to prevent the likes of trachoma eye disease..

A systematic review of key policies among Council's many was undertaken, and a procedure adopted to guide further such review.

Key challenges

A key challenge is the current requirement for each of Council's 13 Local Authorities to hold four meetings annually with Governance and Planning department support. The department's preparation of these, including agendas, then writing minutes and carefully following up their many actions – plus like work for six Council meetings annually amid other governance requirements – leaves little time for value adding at Local Authorities: capacity building, communicating with the relevant communities and better local planning. It can mean meetings too fast and in terms not always suitable for people whose first and/or second language may not be English.

In this context, high compliance demands amounting to reporting 'up' to the NT Government and in relation to the Local Government Act can be at the expense of good community development, including suitably and thoroughly reporting 'down' to the communities that Council serves.

Staff shortage and changes in the Governance and Planning department also presented challenges.

Information Technology

The Information Technology department manages the Council's information and communications technology across its 14 locations (13 remote communities and the Alice Springs office). This includes ensuring connectivity through close relations with providers such as Telstra and CouncilBiz, Council's computer network provider; and continuous enhancement of the IT operating environment through equipment improvements while reducing capital and ongoing costs.

Key achievements

Standardisation of the IT operating environment and equipment at the Alice Springs office and community offices, eg. printers; Community Safety and Youth Services 'tiny computers' for each community office; upgrading computers to Windows 10, with those too old stripped, hard drives kept for re-use and remainders disposed of per electronic waste guidelines.

Communications black spot program, providing Titjikala community with Wifi and mobile coverage.

Telstra communications network upgrade and maintenance of network viability, including: upgrade to commercial grade satellite connectivity, with two Council communities' upgrade imminent; planning for removal of seven other communities from satellite connectivity to Next G/3G or 4G capable services, with one of those complete; progress on four others to improved 3G-4G services; and Merakai routers and switches replacing old equipment in all Council offices. These improvements should see increases in service access and speeds.

Implementation of video conferencing capability to communities, towards less travel for meetings, less wear and tear on vehicles and staff.

Key challenges

MacDonnell Regional Council's vast distances continue to pose enormous challenges to running modern IT services between the communities scattered across the region. Weather – namely unusually heavy rainfall and flooding over the Christmas period – only added to these challenges, delaying and disrupting Council's IT services in this period.

Finance

The Finance department ensures that Council income, payments and financial reporting is done in a timely and accountable manner. They manage all payments across the 14 offices of the Council.

Key achievements

The MacDonnell Regional Council finished the year with a healthy operating net surplus of $5,990,319. This includes the early receipt of $1,389,247 of Commonwealth Government Financial Assistance General Purpose and Roads funding for the 2017/18 year.

At the end of the financial year the Council holds $6.40 in current assets for every $1 owed in current liabilities. This comes partly as a result of a change in Significant Accounting Policies for the Council to enable it to comply with Australian Accounting Standard AASB1004 where current liabilities have been reduced in 2017 by the removal of deferred income. When the 2015/16 financials were adjusted for the change in accounting policy, Council held $3.94 in current assets for every $1 owed in current liabilities. The result provides a clear indication that Council is in a good position to pay its debts when due.

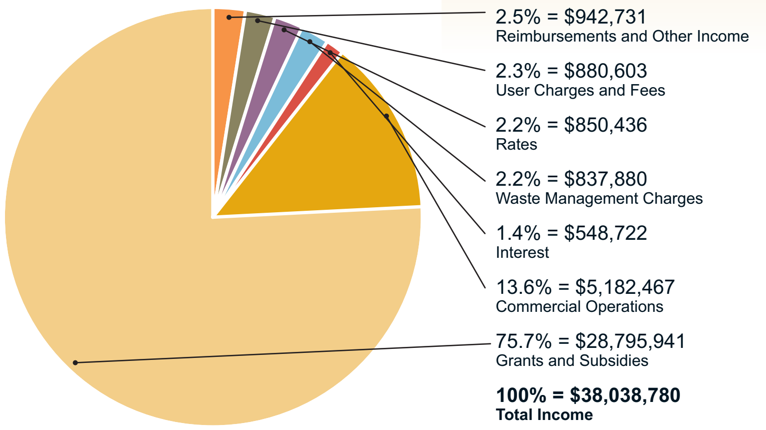
Key challenges

The income from grants and subsidies in 2016/17 increased to 75.7% of total revenue and was offset by a significant decrease in self-generated funds. This area continues to be a challenge and unless the decline is reversed it could leave the Council once again being at risk of being reliant on too few income streams.

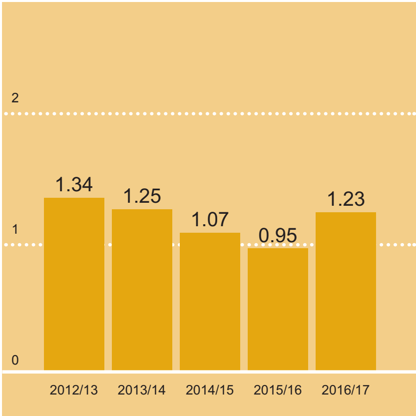
The Council's 2016/17 Asset Refresh or Depreciation ratio of $1.23 was up on the previous year when expenditure on new assets was at a rate of $0.95 for every $1 of depreciation. The challenge for Council in the 2017/18 year will be to ensure this increase continues so the longer term replacement of assets keeps pace with, or exceeds, depreciation.

The MacDonnell Regional Council's audited Financial Reports are shown on the following pages.

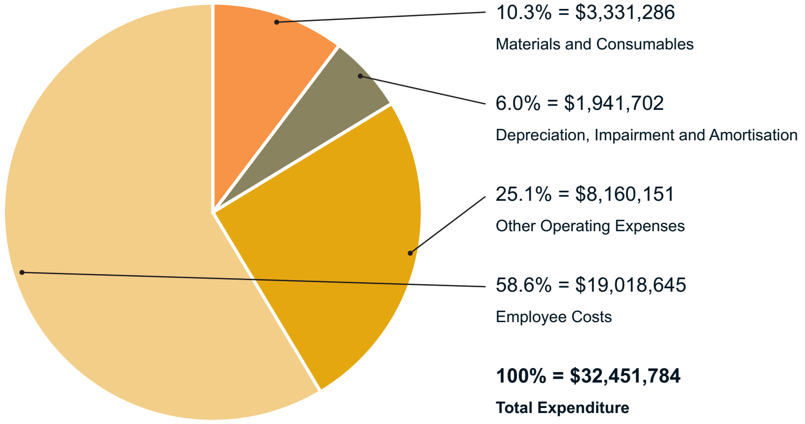
Sources of Income 2016/17



Asset Refresh Rate



Operating Expenditure 2016/17



General Purpose Financial Report

MacDonnell Regional Council

General Purpose Financial Report
For the Year Ended 30th June 2017

MacDonnell Regional Council

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For the Year Ended 30th June 2017

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MacDonnell Regional Council

CHIEF EXECUTIVE OFFICER'S CERTIFICATE
For the Year Ended 30th June 2017

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

a) The Financial Statements have been properly drawn up in accordance with the applicable Australian Accounting Standards, the Local Government Act, and the Local Government (Accounting) Regulations so as to present fairly the financial position of the Council for the year ended 30 June 2017, and

b) the Financial Statements are in accordance with the accounting and other records of the Council, and

c) there are reasonable grounds to believe that the Council will be able to pay its debts when they become due and payable.

Chief Executive Officer

27.9.17
Date

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Alice Springs NT 0870
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INDEPENDENT AUDITOR'S REPORT TO MACDONNELL REGIONAL COUNCIL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MacDonnell Regional Council (the "Council"), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration, as set out on pages 6 to 29.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Northern Territory Local Government Act.

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 Council 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.

The Responsibility of the Chief Executive Officer for the Financial Report

The chief executive officer of the Council is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the Northern Territory Local Government Act and for such internal control as the chief executive officer determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the chief executive officer is responsible for assessing the ability of the Council to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless chief executive officer either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO MACDONNELL REGIONAL COUNCIL (continued)

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the chief executive officer.

- Conclude on the appropriateness of chief executive officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO MACDONNELL REGIONAL COUNCIL (continued)

We communicate with the chief executive officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

EDry

E Dry
Partner
Chartered Accountants

Alice Springs, 28 / 09 / 2017.

MacDonnell Regional Council

INCOME STATEMENT
For the Year Ended 30th June 2017

	Notes	2017 $	2016 $
INCOME			
Rates		850,436	846,503
Statutory Charges - Waste Management		837,880	825,374
User Charges & Fees - Other	3a	880,603	1,185,642
Grants, Subsidies & Contributions	3b	28,795,941	25,681,694
Interest		548,722	461,097
Income from Commercial Operations	3c	5,182,467	15,724,414
Reimbursements & Other Income	3d	942,731	420,238
Total Income		**38,038,780**	**45,144,962**
EXPENSES			
Employee Costs	4a	19,018,645	19,606,764
Materials & Consumables	4b	3,331,286	3,662,701
Depreciation & Amortisation	4c	1,941,702	1,862,206
Other Operating Expenses	4d	8,160,151	16,459,515
Total Expenditure		**32,451,784**	**41,591,186**
OPERATING SURPLUS / (DEFICIT)		**5,586,996**	**3,553,776**
Grants Received for New or Upgraded Assets	3b	-	-
Gains from Disposal of Assets	5	403,323	362,675
NET SURPLUS / (DEFICIT)		**5,990,319**	**3,916,451**

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 30th June 2017

NET SURPLUS / (DEFICIT)	**5,990,319**	**3,916,451**
Other Comprehensive Income	-	-
TOTAL COMPREHENSIVE INCOME *	**5,990,319**	**3,916,451**

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

** This includes amounts transferred to reserves see the Statement of Changes in Equity.*

Note: In June 2017 the Council received early payment of the Commonwealth's Local Government Financial Assistance General Purpose and Roads Funding for the 2017-2018 year. The total amount of the early payment is $1,389,247 and is included in Grants, Subsidies and Contributions above.

MacDonnell Regional Council

BALANCE SHEET
As 30th June 2017

	Notes	2017 $	2016 $
CURRENT ASSETS			
Cash on Hand & at Bank	6	2,521,355	1,809,790
Investments - Term Deposits	7	20,000,000	15,000,000
Trade & Other Receivables	8	1,050,312	2,144,479
Inventories & Work in Progress	9	252,427	261,817
		23,824,094	**19,216,086**
NON CURRENT ASSETS			
Property, Plant & Equipment	10	6,186,149	5,853,112
		6,186,149	**5,853,112**
TOTAL ASSETS		**30,010,243**	**25,069,198**
CURRENT LIABILITIES			
Payables & Accruals	11a	1,871,984	2,554,171
Employee Benefits	11b	1,852,156	2,322,374
		3,724,140	**4,876,545**
NON CURRENT LIABILITIES			
Employee Benefits	11c	454,065	350,934
		454,065	**350,934**
TOTAL LIABILITIES		**4,178,205**	**5,227,479**
NET ASSETS		**25,832,038**	**19,841,719**
EQUITY			
Unexpended Grants Reserve		7,063,204	3,394,637
Accumulated Funds		15,362,776	10,904,894
Future Capital Works Reserve		3,406,058	5,542,188
TOTAL EQUITY		**25,832,038**	**19,841,719**

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

MacDonnell Regional Council

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30th June 2017

	2017 $	2016 $
Unexpended Grants Reserve		
Unexpended Grants Reserve at Beginning of the year	3,394,637	4,090,401
Transfers To / (From) Reserve	3,668,567	(695,764)
Unexpended Grants Reserve at End of the year	**7,063,204**	**3,394,637**
Capital Infrastructure Reserve		
Capital Infrastructure Reserve at Beginning of the Year	5,542,188	1,210,000
Transfers To / (From) Reserve	(2,136,130)	4,332,188
Capital Infrastructure Reserve at End of the Year	**3,406,058**	**5,542,188**
Accumulated Surplus		
Accumulated Surplus at the Beginning of the Year	10,904,894	10,624,867
Net Surplus / (Deficit)	**5,990,319**	**3,916,451**
Transfers To / (From) Unexpended Grant Reserve	(3,668,567)	695,764
Transfers To / (From) Capital Infrastructure Reserves	2,136,130	(4,332,188)
Accumulated Surplus at End of the Year	**15,362,776**	**10,904,894**
Total Equity	**25,832,038**	**19,841,719**

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

MacDonnell Regional Council

STATEMENT OF CASH FLOWS
For the Year Ended 30th June 2017

	Notes	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		900,809	785,508
Statutory Charges - Waste Management		848,815	825,374
User Charges & Fees - Other		880,603	1,036,043
Grants, Subsidies & Contributions		28,795,941	27,384,583
Interest		548,722	461,097
Income from Commercial Operations		5,012,837	16,341,601
Reimbursements & Other Income		940,177	433,586
Payments			
Employee Costs		(19,003,077)	(19,272,348)
Materials & Consumables		(3,026,131)	(4,608,350)
Other Operating Expenses		(8,315,715)	(18,195,722)
Net Cash provided by (or used in) Operating Activities	12a	**7,582,981**	**5,191,372**
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Grants Received for New or Upgraded Assets		-	-
Sale of Replaced Property, Plant, Equipment & Vehicles		345,788	460,118
Sale of Surplus Property, Plant, Equipment & Vehicles		57,535	24,306
Work in Progress		114,046	-
Payments			
Purchase of Replacement Property, Plant, Equipment & Vehicles		(2,388,785)	(1,949,540)
Purchase of New/Upgraded Property, Plant, Equipment & Vehicles		-	-
Net Cash Provided By (or Used In) Investing Activities		**(1,871,416)**	**(1,465,116)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayments of Borrowings		-	(2,313)
Net Cash Provided By (or Used In) Financing Activities		-	**(2,313)**
Net Increase (Decrease) in Cash Held		5,711,565	3,723,943
Cash & Cash Equivalents at Beginning of the Reporting Period		16,809,790	13,085,847
Cash & Cash Equivalents at End of the Reporting Period	12b	**22,521,355**	**16,809,790**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial report is a general purpose report, which has been prepared in accordance with the Local Government Act, Local Government Regulations and Australian Accounting Standards.

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.

Date of authorisation for issue
The date the financial statements were authorised for issue is as shown on the Chief Executive Officer's certificate.

Critical accounting estimates
In the application of the Australian Accounting Standards 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.

Judgments made by management in the application of the Australian Accounting Standards 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.

Because the major assets and liabilities 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.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Rounding
All amounts in the financial statements have been rounded to the nearest dollar.

The local Government reporting entity
MacDonnell Regional Council (MRC) is a not-for-profit local government authority incorporated under the Local Government Act of the Northern Territory of Australia. The principal place of business and registered address of MRC is:

1 Bagot Street, Alice Springs, NT, 0870.

All funds through which MRC 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.

CouncilBiz
MRC is a member of CouncilBiz, a local subsidiary operating under the auspices of the Local Government Act (NT). The other members are Barkly, Central Desert, East Arnhem, Roper Gulf, Tiwi Islands, Victoria Daly, West Arnhem and West Daly Regional Councils and the Local Government Association of the Northern Territory.

CouncilBiz provides an Information Technology support service and charges its members on a user-pays basis based on a formula agreed to by all members.

Under the terms and conditions of CouncilBiz Constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members.

The CouncilBiz Constitution also provides that all income and property, however derived, must be applied solely towards promoting their objectives.

Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation, as agreed to by the members, with similar purpose and with similar rules prohibiting the distribution of assets and income to its members.

Information regarding CouncilBiz can be found on MRC's Web Site:
www.macdonnell.nt.gov.au

Income tax
MRC is not subject to income tax.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Revenue recognition
Revenue from the sale of goods and disposal of other assets is recognised when MRC 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 on an accrual basis.

Government grants
Grants, contributions and donations are recognised as revenues when MRC 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 shown within the Equity section of the Balance Sheet in an account called Unexpended Grants Reserve.

Unexpended grants at year end which are refundable to the funding body are also shown within the Equity section of the Balance Sheet in an account called Unexpended Grants Reserve. This change was to enable the MRC to fully comply with Australian Accounting Standards and in particular AASB1004.

Economic dependency
A significant proportion of the Council's revenue is derived from Government grants.

Income from commercial operations
For works undertaken on a contract basis, revenues and expenses are recognised on a percentage of completion basis. Costs incurred in advance of future claimed entitlement are classified as work in progress.

Financial instruments
Trade receivables, 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.

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.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Property, plant and equipment
At each reporting date, MRC 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, MRC 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.

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%

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

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

The current portion of employee benefits is the portion to which employees will become unconditionally entitled to within 12 months from 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 MRC in respect of services provided by employees up to reporting date.

The superannuation expense for the reporting period is the amount of the contributions MRC makes to the superannuation plans which provide benefits to its employees plus provision for superannuation in respect of leave entitlements owed.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Council does not have any employees who are members of defined benefit funds.

All superannuation schemes to which Council makes contributions on behalf of employees are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Provisions
Provisions are recognised when MRC has a present obligation (legal or constructive) as a result of a past event, it is probable that MRC 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.

Leases
Lease arrangements have been accounted for in accordance with Australian Accounting Standard AASB 117.

Section 19 leases held are treated as operating leases as the value of the lease is calculated purely on the land which remains the property of the lessor who substantially retains all of the risks and benefits incidental to ownership, lease payments are therefore charged to expense over the lease term.

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.

Comparative amounts
The comparative amounts in the balance sheet, statement of changes in equity and income statement and statement of comprehensive income have been restated. Refer to Note 17.

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

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Standards and Interpretations in issue not yet adopted
At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. These standards are not expected to result in any material impact on the financial statements.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' and the relevant amending standards	01 Jan 2018	30 Jun 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	01 Jan 2018	30 Jun 2019
AASB 16 'Leases' - Disclosure Initiative: Amendments to AASB 101'	01 Jan 2019	30 Jun 2020
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	01 Jan 2017	30 Jun 2018
Clarifications to IFRS 15 'Revenue from Contracts with Customers	01 Jan 2018	30 Sep 2019

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

2a ACTIVITIES UNDERTAKEN

The MacDonnell Regional Council commenced operations on 1st July 2008, it undertakes all local government functions in the following communities:

Amoonguna
Areyonga (Utju)
Docker River (Kaltukatjara)
Finke (Aputula)
Haasts Bluff (Ikuntji)
Hermannsburg (Ntaria)
Imanpa
Kintore (Walungurru)
Mount Liebig (Watiyawanu)
Papunya (Warumpi)
Santa Teresa (Ltyentye Apurte)
Titjikala
Wallace Rockhole

The major functions undertaken are:

General public services
Corporate management, administrative support and governance.
Public order and safety
Night patrol, Companion animal management.
Economic affairs
Centrelink services, Essential services, Local roads maintenance, Community store.
Postal services, Commercial fuel sales.
Housing, Community Amenities
Outstation and Staff Housing repairs and maintenance, Fencing.
Health
Child nutrition program.
Recreation, Culture & Religion
Provision of sports, recreation and leisure facilities, Swimming pools.
Social Protection
Children's Services Public Behaviour & Youth Programme, Aged care.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

2b FUNCTION RESULTS

	General Public Services		Public Order & Safety		Economic Affairs		Environmental Protection		Housing & Community		Health		Recreation, Culture & Religion		Social Protection		Total Actual	Total Budget
	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	Actual 2017 $	Budget 2017 $	$	$
OPERATING REVENUES																		
Rates	850,436	869,040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	850,436	869,040
Statutory Charges – Waste Management	837,880	827,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	837,880	827,500
User Charges & Fees - Other	152,622	87,550	28,364	-	100	185,910	-	-	244,762	177,500	115,068	114,100	14,675	15,075	325,012	295,770	880,603	875,905
Grants - Cth Operational	-	-	3,437,429	3,437,420	1,063,325	1,063,329	-	-	-	-	513,716	513,720	-	-	8,791,085	8,058,292	13,805,555	13,072,761
Grants - Cth Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants - NT Operational	9,315,333	7,420,500	-	-	2,270,567	1,240,670	51,271	50,080	1,042,355	796,270	-	-	96,789	96,790	1,628,193	1,383,750	14,404,508	10,988,060
Grants - NT Capital	241,163	1,931,691	-	-	140,000	2,210,860	54,310	54,310	-	408,770	-	-	48,765	165,520	101,640	336,530	585,878	5,107,681
Interest	548,722	400,000	-	-	-		-		-	-	-	-	-	-	-	-	548,722	400,000
Income from Commercial Operations	30,351	20,000	-	-	5,152,116	5,733,110	-	-	-	-	-	-	-	-	-	-	5,182,467	5,753,110
Reimbursements & Other Income	413,555	283,533	3,401	2,400	51,700	50,000	146,495	146,360	267,087	290,300	-	-	2,153	16,000	58,340	44,830	942,731	833,423
	12,390,062	11,839,814	3,469,194	3,439,820	8,677,808	10,483,879	252,076	250,750	1,554,204	1,672,840	628,784	627,820	162,382	293,385	10,904,270	10,119,172	38,038,780	38,727,480
OPERATING EXPENSES	-	-	-		-		-	-	-		-	-	-		-			
Employee Costs	8,880,274	9,456,692	1,925,930	2,252,780	1,890,343	2,019,856	106,319	106,510	161,057	172,630	147,563	149,740	167,068	208,306	5,740,091	5,977,320	19,018,645	20,343,834
Materials & Consumables	342,813	1,175,242	79,732	78,270	598,093	1,058,792	27,444	51,390	407,375	490,500	209,460	206,440	156,149	251,393	1,510,220	1,538,957	3,331,286	4,850,984
Depreciation & Amortisation	1,941,702	1,778,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,941,702	1,778,910
Other Operating Expenses	(122,891)	141,844	973,532	936,840	2,869,291	4,999,596	62,384	92,850	834,395	1,401,122	271,762	271,640	108,082	107,986	3,163,686	4,751,292	8,160,241	12,703,170
	11,041,898	12,552,688	2,979,194	3,267,890	5,357,727	8,078,244	196,147	250,750	1,402,827	2,064,252	628,785	627,820	431,299	567,685	10,413,997	12,267,569	32,451,874	39,109,213
OPERATING SURPLUS / (DEFICIT)	1,348,164	(712,874)	490,000	171,930	3,320,081	2,405,635	55,929	-	151,377	(391,412)	(1)	-	(268,917)	(274,300)	490,273	(2,148,397)	5,586,996	(381,733)

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

		Notes	2017 $	2016 $
3a	**USER CHARGES & FEES - OTHER**			
	Equipment Hire		78,113	52,583
	Landfill Tipping Fees		61,251	61,669
	Property Fees		286,285	260,124
	Service Fees		440,279	801,791
	Other User Charges & Fees		14,675	9,475
	Total User Charges & Fees - Other		**880,603**	**1,185,642**
3b	**GRANTS, SUBSIDIES & CONTRIBUTIONS**			
	Commonwealth of Australia Government Agencies			
	Operating Grants		939,639	967,014
	Special Purpose Grants		-	386,573
	Capital Grants		-	276,640
	Agency Services Grants		12,865,916	12,531,326
	Sub-total		**13,805,555**	**14,161,553**
	Northern Territory Government Agencies			
	Operating Grants		11,038,283	9,478,464
	Special Purpose Grants		1,981,627	3,224,893
	Capital Grants		585,878	1,729,362
	Agency Services Grants		1,384,598	1,177,823
	Sub-total		**14,990,386**	**15,610,542**
	Grants Received for Operating Purposes		*28,795,941*	*29,772,095*
	Grants Received for New or Upgraded Assets		-	-
	Restatement adjustment		-	(4,090,401)
	Total Grants Revenue	13	**28,795,941**	**25,681,694**
3c	**INCOME FROM COMMERCIAL OPERATIONS**			
	Contract Fees		4,959,060	15,498,375
	Fuel Sales		24,338	13,238
	Sales - Amoonguna Store		199,069	212,801
	Total Income from Commercial Operations		**5,182,467**	**15,724,414**
3d	**REIMBURSEMENTS & OTHER INCOME**			
	Fuel Tax Rebate		32,193	35,413
	Fundraising & Donations		1,903	25,567
	Insurance Recoveries		518,805	156,227
	Reimbursements		371,251	170,711
	Other Income		18,579	32,320
	Total Reimbursements & Other Income		**942,731**	**420,238**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

		Notes	2017 $	2016 $
4a	**EMPLOYEE COSTS**			
	Salaries, Wages, Leave and Allowances, including On-Costs		16,565,940	16,953,640
	Employer's Superannuation Contributions		1,565,301	1,579,430
	Workers Compensation Insurance		369,914	423,477
	Protective Clothing		7,503	5,187
	Recruitment Expenses		78,317	102,570
	Training Programs		176,852	231,486
	Employee Benefits & Other Employee Costs		254,818	310,974
	Total Employee Costs		**19,018,645**	**19,606,764**
4b	**MATERIALS & CONSUMABLES**			
	Building Materials		579,180	749,894
	Builidings Repairs & Maintenance		167,471	248,844
	Cleaning Services & Materials		82,473	73,267
	Community Infrastructure		658,630	760,892
	Food for Services & Catering Costs		637,316	618,292
	Furniture & Fittings		139,553	153,656
	Plant & Equipment		107,861	119,743
	Purchases - Amoonguna Store		133,134	144,611
	Road Furniture & Signage		13,213	69,473
	Tools, Equipment & Minor Assets		449,783	372,141
	Vehicles Parts & Tyres		209,832	207,443
	Other Materials & Consumables		152,840	144,445
	Total Materials & Consumables		**3,331,286**	**3,662,701**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

	Notes	2017 $	2016 $
4c DEPRECIATION & AMORTISATION			
Buildings & Facilities		133,451	130,790
Furniture & Fittings		98,314	101,072
Plant & Equipment		422,666	411,329
Vehicles		1,287,271	1,219,015
Total Depreciation & Amortisation		**1,941,702**	**1,862,206**
4d OTHER OPERATING EXPENSES			
Advertising & Promotional Activities		15,534	26,571
Audit Services – Deloitte Touche Tohmatsu		61,000	61,000
Computer Services		423,503	419,131
Consulting Fees		152,377	147,783
Contract Labour		3,235,315	11,731,858
Elected Members' Allowances & Training		345,655	352,446
Freight Charges		172,821	272,946
Fuel for Plant & Vehicles		468,407	469,505
Gas, Power, Sewerage & Water		720,615	732,254
Insurance Premiums & Fees		500,682	413,549
Legal & Professional Services		44,648	32,896
Local Authority Members' Allowances		20,024	18,356
Memberships & Subscriptions		57,364	53,063
Operating Leases		308,297	312,058
Provision for Bad & Doubtful Debts		-	-
Repayment of Unaccrued Grant Liabilities		45,805	147,509
Telephone & Internet Services		772,527	581,891
Transaction Fees & Taxes		8,968	16,296
Travel, Accommodation & Entertainment		408,662	378,492
Vehicle Registration, Repairs & Maintenance		397,947	291,911
Total Other Operating Expenses		**8,160,151**	**16,459,515**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

	Notes	2017 $	2016 $
5 ASSET DISPOSALS			
PLANT & EQUIPMENT			
Assets renewed or directly replaced			
Proceeds from disposal		56,087	7,397
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		**56,087**	**7,397**
Assets surplus to requirements			
Proceeds from disposal		-	13,553
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		**-**	**13,553**
VEHICLES			
Assets renewed or directly replaced			
Proceeds from disposal		347,236	410,893
Less: Carrying amount of assets sold		-	(77,711)
Gain (Loss) on disposal		**347,236**	**333,182**
Assets surplus to requirements			
Proceeds from disposal		-	8,543
Less: Carrying amount of assets sold		-	-
Gain (Loss) on disposal		**-**	**8,543**
NET GAIN (LOSS) ON DISPOSAL OF ASSETS		**403,323**	**362,675**
6 CASH ON HAND AND AT BANK			
Westpac Operating Account		11,794	30,502
Westpac Trust Account		2,501,699	1,439,964
Westpac Territory Housing Account		1,112	318,566
Bank Accounts for Community Stores		2,393	7,984
Westpac Centrelink Processing Account		357	9,091
Petty Cash		1,000	683
Amoonguna Store Float		3,000	3,000
Total Cash on Hand & at Bank		**2,521,355**	**1,809,790**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

	Notes	2017 $	2016 $
7 INVESTMENTS - TERM DEPOSITS			
Analysis of term deposits			
Restricted funds			
- Capital Infrastructure Reserve		3,406,058	5,542,188
- Unexpended Grant Reserve		7,063,204	3,394,637
Unrestricted funds		9,530,738	6,063,175
Total Term Deposits		**20,000,000**	**15,000,000**
8 TRADE AND OTHER RECEIVABLES			
Trade Receivables		246,544	793,527
Allowance for Doubtful Debts		(150,000)	(150,000)
Rates & Charges Receivable		243,079	304,547
Accrued Income		463,525	1,106,378
GST Receivable		247,164	87,947
Prepayments		-	2,080
Total Trade & Other Receivables		**1,050,312**	**2,144,479**

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 debtors	2017 $	2016 $
30-90 days	15,038	274,031
90-180 days	-	49,313
Greater than 180 days	18,320	16,940
	33,358	**340,284**

Movement in the Allowance for Doubtful Debts	2017 $	2016 $
Balance at the Beginning of the Year	150,000	150,000
Balance at the End of the Year	**150,000**	**150,000**

A loyalty fund has been set up on Council's behalf by Telstra as part of a contract entered into in the 2015/16 financial year. The remaining balance as at 30 June 2017 available to Council under this loyalty fund is $148,240. The fund has not been recorded in these accounts as an asset as the actual amount of benefit the Council will receive is unknown.

9 INVENTORIES & WORK IN PROGRESS	2017 $	2016 $
Goods for Sale Held at Community Stores & in Bulk Fuel Tanks	79,784	97,126
Work in Progress	172,643	164,691
Total Inventories & Work in Progress	**252,427**	**261,817**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

10 PROPERTY, PLANT AND EQUIPMENT

Year Ended 30th June 2017	Land	Buildings & Facilities	Furniture & Fittings	Plant & Equipment	Vehicles	Total
Gross Carrying Amount at Cost	$	$	$	$	$	$
Opening balances at 1st July 2016	404,250	20,304,422	803,958	6,073,781	8,522,931	36,109,342
Additions	-	-	85,028	827,831	1,475,926	2,388,785
Less: Disposals	-	-	-	(1,089,010)	(2,302,534)	(3,391,544)
Adjustment to correct asset classification balance	-	-	-	-	-	-
Balance at 30th June 2017	404,250	20,304,422	888,986	5,812,602	7,696,323	35,106,583
Accumulated Depreciation						
Opening balances at 1st July 2016	-	19,690,625	462,961	5,144,088	4,958,556	30,256,230
Charge for the year	-	133,451	98,314	422,666	1,287,271	1,941,702
Less: Accumulated depreciation on disposals	-	-	-	(1,089,010)	(2,188,488)	(3,277,498)
Adjustment to correct asset classification balance	-	-	-	-	-	-
Balance at 30th June 2017	-	19,824,076	561,275	4,477,744	4,057,339	28,920,434
Net Book Value						
Carrying value at 1st July 2016	**404,250**	**613,797**	**340,997**	**929,693**	**3,564,375**	**5,853,112**
Carrying value at 30th June 2017	**404,250**	**480,346**	**327,711**	**1,334,858**	**3,638,984**	**6,186,149**

Year Ended 30th June 2016	Land	Buildings & Facilities	Furniture & Fittings	Plant & Equipment	Vehicles	Total
Gross Carrying Amount at Cost	$	$	$	$	$	$
Opening balances at 1st July 2015	404,250	19,841,550	803,958	6,428,415	8,031,736	35,509,909
Additions	-	28,980	-	162,181	1,581,148	1,772,309
Less: Disposals	-	-	-	(72,015)	(1,100,861)	(1,172,876)
Adjustment to correct asset classification balance		433,892	-	(444,800)	10,908	-
Balance at 30th June 2016	404,250	20,304,422	803,958	6,073,781	8,522,931	36,109,342
Accumulated Depreciation						
Opening balances at 1st July 2015	-	19,403,967	361,889	4,968,068	4,755,265	29,489,189
Charge for the year	-	130,790	101,072	411,329	1,219,015	1,862,206
Less: Accumulated depreciation on disposals	-	-	-	(72,015)	(1,023,150)	(1,095,165)
Adjustment to correct asset classification	-	155,868	-	(163,294)	7,426	-
Balance at 30th June 2016	-	19,690,625	462,961	5,144,088	4,958,556	30,256,230
Net Book Value						
Carrying value at 1st July 2015	**404,250**	**437,583**	**442,069**	**1,460,347**	**3,276,471**	**6,020,720**
Carrying value at 30th June 2016	**404,250**	**613,797**	**340,997**	**929,693**	**3,564,375**	**5,853,112**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

		2017 $	2016 $
11a	**PAYABLES & ACCRUALS**		
	Creditors	844,626	664,697
	Unearned Income	36	2,591
	Accruals & Other payables	1,027,322	1,886,883
	Total Trade and Other Payables	**1,871,984**	**2,554,171**
11b	**CURRENT EMPLOYEE BENEFITS**		
	Annual leave, including on-costs	1,311,881	1,296,312
	Sick leave	-	502,840
	Long service leave	540,275	523,222
	Total Current Employee Benefits	**1,852,156**	**2,322,374**
11c	**NON CURRENT EMPLOYEE BENEFITS**		
	Long service leave	454,065	350,934
	Total Non Current Employee Benefits	**454,065**	**350,934**
12	**RECONCILIATION OF STATEMENT OF CASH FLOWS**		
	Net Surplus / (Deficit)	**5,990,319**	**3,916,451**
	(Profit) loss on disposal of assets	(403,323)	(362,675)
	Depreciation of non-current assets	1,941,702	1,862,206
	Grants Received for New or Upgraded Assets	-	-
	Changes in Net Assets:		
	Change in assets and liabilities		
	(Increase) / Decrease in trade and other receivables	1,094,167	(932,047)
	Decrease / (Increase) in Inventory	9,390	115,832
	Increase / (Decrease) in trade and other payables	(682,187)	190,377
	Increase / (Decrease) in provisions	(367,087)	401,228
12a	**Net cash provided by operating activities**	**7,582,981**	**5,191,372**
12b	**Reconciliation of Cash and Cash Equivalents**		
	Cash on Hand & at Bank	2,521,355	1,809,790
	Investments - Term Deposits	20,000,000	15,000,000
	Cash & Cash Equivalents at End of the Reporting Period	**22,521,355**	**16,809,790**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

2017 $ — 2016 $

13 UNEXPENDED GRANTS RESERVE

The following grants have been paid to the Council for specific purposes. Any unexpended amounts are shown within the Equity section of the Balance Sheet.

	Closing Balance at 30 June 2017	Movements		Opening Balance at 1 July 2016
		Income	Expenses	
General Purpose				
FAA General Purpose	893,441	2,626,238	1,732,797	-
FAA Roads	952,551	1,454,626	783,646	281,571
NT Operational Subsidy	-	3,587,965	3,587,965	-
Specific Purpose				
Asbestos Program	-	69,208	69,208	-
Active Remote Communities (ARC) - NRETAS	-	505,000	505,000	-
Black Spot Funding	(72,677)	-	72,677	-
Baby Fast NT	6,615	10,620	4,005	-
Childcare Support Program - PM&C	40	-	418	458
Children's Services - DoE	141,288	2,305,429	2,255,972	91,831
Children's Services - IAS	-	748,774	748,774	-
Children's Services Establishment Grant -Hermannsburg	-	-	46,106	46,106
Children's Services Transition Grant - BBF	-	-	52,085	52,085
Community Safety Program	259,939	3,279,832	3,203,667	183,775
Disability in Home Support Services (DIHS) - DOH	-	201,733	201,733	-
Docker River Road Upgrade	-	-	-	-
Football Oval Lighting Papunya - ABA	-	-	-	-
CTG Video Conferencing	(176)	-	238,436	238,260
Hazardous Waste Facility Papunya - NTEPA	(23)	-	104	81
Holiday Program Ntaria	21,533	54,800	58,906	25,640
Holiday Program Santa Teresa	9,390	51,243	57,629	15,777
Home and Community Care (CHSP) - DOHA	-	652,861	652,861	-
Home Care Papunya & Haasts Bluff Nurse Advisor	-	125,000	103,616	(21,384)
Home Care Services	541,688	900,229	488,504	129,963
Housing Management Program Fencing Grant	963	-	677,814	678,776
HR Community Info Induction Package	474	-	-	474
Imanpa Playground & Solar Light Installation	45,151	45,151	-	-
Litter & Recycling Hot Spot Infrastructure Papunya-NTEPA	(108)	-	119	11
Local Authority Project Funding	500,524	585,717	512,099	426,906
Matching Funds	-	1,241,000	1,241,000	-
Medical Equipment Docker River CO-483 - DOHA 11/12	-	-	9,906	9,906
Mount Liebig Basketball Court Upgrade	83,904	83,904	-	-
Natural Disaster Relief Fund	500,000	500,000	-	-
NT Establishment of Local Authorities	-	-	-	-
NT Jobs Package Aged Care - DOHA	117,614	962,052	885,043	40,605

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

	Closing Balance at 30 June 2017	Movements Income	Movements Expenses	Opening Balance at 1 July 2016
NT Library Grant Santa Teresa	4,613	38,351	47,024	13,287
NT Youth Week	-	13,300	15,300	2,000
Outside School Hours Care (OSHC) - DoE	40,000	1,147,449	1,107,449	-
Outstations - Homelands Extra Allowance	380,526	350,000	63,917	94,443
Outstations - Housing Maintenance Program	53,971	284,106	277,855	47,720
Outstations - Municipal and Essential Services Program	44,834	859,656	814,822	-
Outstations - MES SPG	988,422	1,213,906	464,713	239,299
Papunya SDC Building	138,845	140,000	1,155	-
Remote Sport Voucher Scheme - DSR	6,551	159,000	152,449	-
Remote Sport Facility Upgrade - DSR	-	-	40,000	40,000
Roads to Recovery	892,266	939,639	165,411	118,038
School Nutrition Program - PM &C	-	-	5,119	5,119
School Nutrition Program - IAS	-	623,665	623,665	-
Self Funded Sport & Rec	1,409	599	344	1,154
Shade Picnic Area Titjikala	31,196	-	13,164	44,360
Solar Park Lighting in 13 Communities	-	-	48,100	48,100
Solar Light Project	48,100	48,100	-	-
SPG Backhoe	167,530	167,530	-	-
SPG 20T Excavator	450	-	270,570	271,020
SPG Compactor Truck Mt Liebig	134	-	3,238	3,372
SPG 45' Drop Deck Trailer	136,254	136,254	-	-
SPG Infrastructure Upgrades to 6 Community Ovals	(11)	-	676	665
SPG 8m Refuse Compactor Truck	142,094	142,094	-	-
SPG Re-vegetation Project	61,059	-	11,334	72,393
SPG - Waste Management Coordinator	6,812	50,000	43,188	-
Sport & Rec Ltyentye Apurte - 2008	15	-	17,016	17,031
Tjilirra Camps	20,000	20,000	-	-
Volatile Substance Abuse (VSA) - DOH	-	71,746	73,940	2,194
Youth Development - CAYLUS	141,414	198,166	214,736	157,984
Youth Diversion Services - DCS	-	129,600	129,600	-
Youth Program - IAS	17,045	2,631,415	2,614,370	-
Waste Management Co-Ordinator - Council	49,115	77,287	28,172	-
Waste Management Co-Ordinator - Health	324	51,190	50,866	-
Other Purposes				
Other Committed Funds 15-16 FY	-	-	15,447	15,447
Other Committed Funds 16-17 FY	(312,787)	-	312,787	
Social Club Funds	892	652	-	240
	7,063,207	**28,795,941**	**25,816,517**	**3,394,637**
Total Unexpended Grants Reserve	**7,063,207**	**28,795,941**	**25,816,517**	**3,394,637**

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

14 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.

2017	Ave. Int. rate %	Variable Int. rate $	Fixed Interest rate Less than 1 year	Fixed Interest rate 1 to 5 years	Non-Interest Bearing	Total
Financial Assets						
Cash *	0.60	2,521,355				2,521,355
Term deposits at bank	2.68		20,000,000			20,000,000
Trade receivables					96,544	96,544
Rates Receivable					243,079	243,079
Total financial assets		2,521,355	20,000,000	-	339,623	22,860,978
Financial Liabilities						
Trade payables					844,626	844,626
Total financial liabilities		-	-	-	844,626	844,626

2016	Ave. Int. rate %	Variable Int. rate $	Fixed Interest rate Less than 1 year	Fixed Interest rate 1 to 5 years	Non-Interest Bearing	Total
Financial Assets						
Cash *	1.05	1,809,790				1,809,790
Term deposits at bank	3.06		15,000,000			15,000,000
Trade receivables					643,527	643,527
Rates Receivable					304,547	304,547
Total financial assets		1,809,790	15,000,000	-	948,074	17,757,864
Financial Liabilities						
Trade payables					664,697	664,697
Total financial liabilities		-	-	-	664,697	664,697

* Interest is calculated on the closing daily balance on each account in excess of $2,000. Tiered rates of interest apply to the credit balance. Interest is calculated daily and credited monthly in arrears on the last business day of each calendar month.

There is no foreign exchange risk.

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

15 RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL
The Key Management Personnel of the Council include the President, Vice President, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 17 persons were paid the following total compensation:

	2017 $
Salaries, allowances & other short term benefits	1,270,824
Post-employment benefits	0
Long term benefits	0
Termination benefits	0
TOTAL	**1,270,824**

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

	2017 $
Contributions for fringe benefits tax purposes	0
Planning and building applications fees	0
Rentals for Council property	0
TOTAL	**0**

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL
Four close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with the *Local Government Act.*

16 POST BALANCE DATE EVENTS
There were no Post Balance Date Events

17 RESTATEMENT OF COMPARATIVES
During the year the council reviewed its accounting for unexpended grants and determined it to be more appropriate to change the recognition basis for unexpended grants to only record unspent grants compulsorily repayable to funding bodies as a liability, as opposed to the prior treatment where all grants unspent were treated as a liability. This treatment correctly reflects the recognition of unspent funds as revenue under AASB 1004 Contributions as the council has no obligation to repay the unspent funds and has therefore earned the revenue. This change has been applied retrospectively and the comparative amounts have been restated as follows:

MacDonnell Regional Council

Notes to and forming part of the Financial Statements
For the Year Ended 30th June 2017

	Original 1-Jul-15	Restated 1-Jul-15	Difference 1-Jul-15
Statement of Financial Position			
Liabilities			
Deferred Income	(4,090,401)	-	(4,090,401)
Equity			
Unexpended grants reserve	-	(4,090,401)	4,090,401
Statement of Changes in Equity			
Unexpended grants reserve	-	(4,090,401)	4,090,401

	Original 30-Jun-16	Restated 30-Jun-16	Difference 30-Jun-16
Statement of Financial Position			
Liabilities			
Deferred Income	(3,394,637)	-	(3,394,637)
Equity			
Unexpended grants reserve	-	(3,394,637)	3,394,637
Statement of Profit or loss			
Grants, Subsidies & Contributions	(26,377,458)	(25,681,694)	(695,764)
Statement of Changes in Equity			
Unexpended grants reserve	-	(3,394,637)	3,394,637

Statement of changes in equity

	Accumulated Funds	Unexpended grants reserve	Total
Balance at 1 July 2015 (as previously reported)	10,624,867	-	10,624,867
Adjustments (see note 17 above)	-	4,090,401	4,090,401
Balance at 1 July 2015 (restated)	**10,624,867**	**4,090,401**	**14,715,268**
Net Surplus/(Deficit) (restated – see note 17 above)	3,916,451	-	3,916,451
Transfers from unexpended grants reserve to accumulated funds	695,764	(695,764)	-
Transfers from other reserves	(4,332,188)	-	
Balance at 30 June 2016 (restated)	**10,904,894**	**3,394,367**	**14,299,261**

MacDonnell Regional Council

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MacDonnell
Regional Council