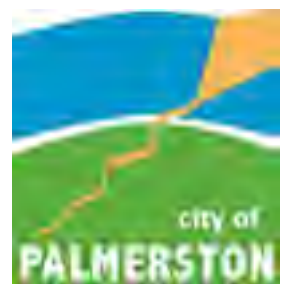




## Annual Report 2013-2014



# Contacting the City of Palmerston

Council Offices address: Civic Centre  
2 Chung Wah Terrace  
Palmerston NT 0831

Postal address: PO Box 1  
Palmerston NT 0831

General enquiries: 08 8935 9922  
Council fax: 08 8935 9900

Email: [palmerston@palmerston.nt.gov.au](mailto:palmerston@palmerston.nt.gov.au)  
Website: [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au)

Library address: The Boulevard  
Palmerston NT 0831

Library: 08 8935 9999  
Library fax: 08 8935 9998



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## Message from the Mayor



The City of Palmerston has grown exponentially over the past twelve months. Palmerston is the epicenter of the NT Government's fast tracking of land release and desire to bring online affordable housing. Council through its long term vision is pro-actively facing the challenges this brings by not only encouraging new commercial development but upgrading the City Centre to meet the demand.

Council has already completed stage one of redesigning Goyder Square and is in the midst of developing a Public Open Space Master Plan that will ensure the CBD is a people friendly and vibrant hub, this also sees the completion of Stage One of Palmerston City Centre's Main Street, The Boulevard that will create the vista that the future city will be built around.

Cranes on the CBD horizon have started and are here to stay for the foreseeable future with the Gateway Shopping Centre, new hotel accommodation, potential commercial high-rise on the Superblock and Council preparation of an EOI for a Residential / Commercial development next to the Library.

Palmerston will see the creation of two new shopping centres and the upgrade of existing centres over the next twelve months highlighting the exceptional appetite that a growing city demands.

Council believes the City of Palmerston is best placed to encapsulate the residential expansions of Berrimah Farm and Holze as these become significant urban infrastructure that is in close proximity to predominately Palmerston based services.

Council has sought to diversify its income stream by taking advantage of the NTG Real Housing for Growth program and is building quality units in Rosebery, so it can lessen its dependency on ratepayers and ever shrinking Government grants.

Social growth was supported by means of grants to community groups and clubs that have either chosen Palmerston as their new home or are looking to upgrade their facilities. From sponsoring Basketball NT in bringing the Adelaide 36ers against the Japan National side, financially assisting Palmerston Cricket Club to install new training nets to putting out the welcome mat to refugees have had positive outcomes for the community's wellbeing.

The City of Palmerston is committed to being progressive and open to new commercial and social developments, we are excited about Palmerston's future and your place in it.

**Ian Abbott JP**  
**Mayor**

## Message from the CEO



- Bakewell Woolworths Development;
- New schools in Zuccoli;
- Bellamack Special School

During 2013, the Department of Local Government and Regions conducted a legislative compliance review and it is extremely pleasing to report that this review did not disclose any serious matters requiring remedial action by Council.

Following the resignation of Aldermen Rebecca Forrest, a by-election was conducted which resulted in the election of Ms Seranna Shutt. I congratulate Aldermen Shutt on her election and I look forward to working with her for the balance of this term.

Council continues to provide a wide range of services and facilities which are well received by residents. In addition to this, it has also embarked on an aggressive capital works program to improve infrastructure and facilities. Some of these works will provide an alternative revenue source for Council which is important given the reliance on Council rates to balance the budget.

There is a growing confidence across the Top End that Palmerston is set for some exciting times and the days of being a satellite city and existing in the shadows of Darwin are over.

I wish to acknowledge the support I receive from the Elected Members of Council and the commitment of our 73 staff members who are all striving to make Palmerston the best possible place to live and work in.

I am sure the 2014/2015 year will be an exciting one as we start to realise the Council vision for the CBD.

Ricki Bruhn  
Chief Executive Officer

A key focus during 2013/2014 was the commencement of works associated with the implementation of the Palmerston City Centre 2030 Master Plan. This included the removal of the remnant hill in Goyder Square and the installation of infrastructure to support the Palmerston Markets.

Although this Master Plan is currently under review, design work has commenced which will see the first stage of 'The Boulevard' redevelopment completed by the end of 2014. In addition, planning and design of the city centre open space, including Goyder Square will occur early in 2014/2015 with Council to consider a commencement date for these works.

Given the considerable residential growth in recent years and the likelihood that this could escalate over the next 5 years, it is important that the Central Business District is revitalised and transformed into an area that all Palmerston residents can be proud of.

These improvements are just the start of a much broader plan which will see considerable building developments occur within the CBD. Council has also identified surplus land which it owns in the CBD and will facilitate development options on this land to create new jobs and residential options to grow the CBD.

This is indeed an exciting time for Palmerston with major developments commencing including the \$300m Gateway Shopping Centre, \$50m Palmerston Hotel and the extensions to the Oasis Shopping Centre. Planning is also underway for key NT Government and private infrastructure projects including:

- \$103m duplication of Tiger Brennan Drive;
- \$150m Palmerston Regional Hospital;



## Vision and Mission

Our Vision: “A Place for People”

Our Mission: The City of Palmerston is committed to:

- Developing and maintaining our reputation for being clean and green
- Improving the safety of all our citizens
- Maintaining our own identity
- Providing services, facilities and amenities to support the community’s needs

We will achieve this through:

- Delivering to our community high quality value for money services that meet their diverse needs.

Our Values: We are committed to:

- Teamwork
- Commitment and accountability
- Sustainability and self sufficiency
- Quality resources
- A culture of continuous improvement



## City of Palmerston Annual Report 2013-2014

# Who We Are

### Our Council

In accordance with the Local Government Act, Council is made up of 7 Elected Members: a Principal Member holding the title of Mayor, and six elected members holding the title of Alderman.

Each year, Council elects one Alderman to serve as Deputy Mayor for a term of 12 months. The City of Palmerston operates under a single (or 'no wards') system with each of the seven elected members representing the entire city. With 17,475 electors as at 2014, this makes a ratio of 1 elected member for every 2,913 electors.

Shown in the photograph below are, from left to right: (back) Alderman Andrew Byrne, Alderman Paul Bunker, Deputy Mayor Heather Malone and Alderman Geoff Carter, and (front) Alderman Sue McKinnon, Mayor Ian Abbott and Alderman Seranna Shutt.

Over the course of 2013-2014, Deputy Mayor Byrne completed his twelve month term as Deputy Mayor, following which Alderman Malone was appointed Deputy Mayor. Alderman Rebecca Forrest resigned, and Alderman Seranna Shutt was elected in a By-Election on 5 November 2013.



## Council Staff

As per the Local Government Act, Council employs a Chief Executive Officer and delegates a number of authorities under the Act to carry out the day to day functions of Council. The CEO is responsible for the overall administration of Council affairs, and works closely with Elected Members to ensure Council goals and objectives are met. The CEO is charged by the Local Government Act with the responsibility for managing Council's human resources in an effective and compliant manner.

Approximately 70 staff members operate under the CEO's direction, divided amongst the Corporate and Community Services and the Technical Services departments.

Working at Council provides a number of career opportunities, from waste management to healthy eating and nutrition

specialisations, and staff are skilled professionals in each of their specialist areas. Council's dedication to continuous improvement means a wide range of professional development and training opportunities are regularly offered in order to strengthen the organisational capacity and broaden staff skills.

## Council and Committees

As well as attending regular Council meetings, Aldermen participate on a number of Committees of Council which provide governance to the strategies and operations of Council.

Below are the Council and Committee Meetings held under this structure, together with attendance details for Elected Members:

Committee Name	Total Meetings	Membership	Meetings Attended
<b>Council Meetings</b>	30	Mayor Abbott	29
		Deputy Mayor Malone	27
		Alderman McKinnon	27
		Alderman Carter	27
		Alderman Bunker	30
		Alderman Byrne	29
		Alderman Shutt ( <i>Appointed 5 Nov 2013</i> )	17
<b>Community, Culture and Environment Committee</b>	10	Deputy Mayor Malone (Chair)	9
		Alderman Carter	10
		Alderman McKinnon	6
		Alderman Shutt	7
<b>Economic Development and Infrastructure Committee</b>	11	Alderman Bunker (Chair)	11
		Alderman Byrne	10
		Alderman McKinnon	5
		Deputy Mayor Malone	8
<b>Governance and Organisation Committee</b>	9	Deputy Mayor Byrne (Chair)	9
		Alderman Bunker	8
		Alderman Carter	9
		Alderman Shutt	6
<b>Internal Audit Committee</b>	5	Mr Steve Gibson (External Chair)	5
		Mayor Abbott	5
		Alderman Byrne	4







# Strategic Planning Framework

The Annual Report plays an important role in Council’s Strategic Planning Framework, providing a report on Council’s activities and performance against the strategies outlined in Council’s Municipal Plan, which was reviewed and updated in May 2014. It reports on the four **Strategic Focus** areas which cover the services and responsibilities of Council: Community & Cultural Wellbeing; Economic Development; Environment & Infrastructure; Governance & Organisation.



# Measuring Performance: Understanding Council's Municipal Plan



## How We Measure Performance



### Primary Performance Indicators: Community Satisfaction Survey

Council is very aware performance is 'in the eye of the beholder', and the satisfaction of the community is the primary measure of performance. No matter how well we think we are doing, it is the community's opinion which matters most. In Council's Municipal Plan 2014-2019, Council promised to use these measures as the primary reporting mechanism to the community, and this Annual Report 2013-2014 provides this.

For this reason, wherever possible there is a survey score for a particular service or activity tied to each outcome. The survey is carried out annually by Roy Morgan Research on behalf of Council beginning in 2012 and the scores are used to determine overall performance of Council with regards to a particular outcome. With roughly 400 telephone interviews conducted completely at random, Council has no ability to influence the analysis of community satisfaction, thus providing an objective outcome the community can rely on.

Results from the survey are expressed with a numerical score. A score of 100 is the equivalent of the community expressing its satisfaction with Council's performance, with scores higher than 100 expressing a rising degree of satisfaction, and scores below 100 indicating that Council needs to perform better. **Council aims to have scores in all areas above 100.**



### Interested in learning more about the City of Palmerston's Municipal Plan?

The public is strongly encouraged to provide feedback regarding this plan. The success of this plan is reliant on it matching the needs and addressing the concerns of the community! Email us at [palmerston@palmerston.nt.gov.au](mailto:palmerston@palmerston.nt.gov.au), or call 08 8935 9922.

	2012	2013	2014
Sample Size	401	407	402
Projected population over 18	18,677	18,678	19,588

1.1	HEALTHY COMMUNITIES	97.09	98.69	97.73
1.2	SAFE COMMUNITIES	84.35	86.79	84.93
1.3	ARTS AND CULTURE	110.47	109.70	111.91
1.4	RECREATION	119.13	118.18	114.69
2.1	TOURISM	n/a	n/a	85.75
2.2	LOCAL BUSINESS AND INDUSTRY	85.63	85.53	85.54
2.3	CITY PLANNING	n/a	n/a	89.41
3.1	ENVIRONMENTAL SUSTAINABILITY	95.98	95.19	96.93
3.2	ASSETS AND INFRASTRUCTURE	110.61	111.79	107.75
3.3	WASTE	129.69	129.94	133.40
4.1	RESPONSIBILITY	83.89	82.74	80.93
4.2	SERVICE	82.02	82.34	82.00
4.3	PEOPLE	94.09	94.51	94.38
4.4	SYSTEMS	89.64	92.26	92.69

# 1. Community & Cultural Wellbeing

Focus: Council responsibility  
Focus: Community support



## 1.1 Healthy Communities

We are committed to providing quality health and family support services to our community

- ✓ Healthy Palmerston Programs
- ✓ COPAL (Childhood Obesity Prevention and Lifestyle) Programs
- ✓ Support and Advocacy: Families, Youth and Seniors
- ✓ Support and Advocacy: Medical Facilities and Services
- ✓ Support and Advocacy: Disability Access

Key Performance Indicator	2012	2013	2014	Trend
Healthy Communities	98.99	98.81	97.73	

Unfortunately, a slight drop was experienced by the community, as indicated above. However, the score continues to be relatively high, and Council believes it can achieve a score over 100 over the coming year. Participation in physical activity and general health awareness among residents continued to increase with a number of healthy lifestyle programs and services offered, with funding support from the Federal Government, within our community.

These programs include the Healthy Palmerston Physical Activity program, the Healthy Eating program, the ever popular Activate program, and the establishment of our first Community Garden “Harvest Corner” in Gray.

The 2013-2014 year also saw the installation of two outdoor exercise stations, one in Gray near the community garden and the other in President Park, Driver. The two stations provide equipment for a complete workout with a clearly marked walking trail between the two.

Also in conjunction with NT Government and the Federal Government, the City of Palmerston continues to be the only

Council in the NT to provide the COPAL program, which delivers initiatives aimed at healthy lifestyles amongst children. Some highlights of the year have included the rollout of the imagination playground and launch of the new theme “life looks brighter outside” in May.

Council is also active in supporting youth development, with an active Youth Advisory Group entitled “Youth Inspiring Palmerston” providing important feedback on youth issues. Youth events are regularly held across the municipality, with this year’s National Youth Week “Amazing Race around Palmerston” proving very popular.

Aldermen and Community Development staff also facilitate initiatives in support of seniors in the community. An active Seniors Advisory Committee, as well as annual Seniors Forums and Seniors Weeks are particularly popular. For more information on these and other activities Council facilitates, visit our website at [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



## 1.2 Safe Communities

We are committed to ensuring the safety and security of our community

- ✓ Animal Management
- ✓ Cyclone, Disaster and Emergency Management
- ✓ Regulatory Services
- ✓ Street Lighting
- ✓ Support and Advocacy: Emergency Services
- ✓ Support and Advocacy: Crime Prevention and Law Enforcement
- ✓ Support and Advocacy: Injury Prevention

Key Performance Indicator	2012	2013	2014	Trend
Safe Communities	78.24	80.28	84.93	

Although Council does not hold law enforcement authority, and its participation in natural disasters and emergencies is primarily a supporting role to the Federal and NT Governments, Council is responsible for several regulatory functions which

impact on safety and security, such as animal management and parking strategies. In addition, Council activities across the municipality impact this area as well. An increase of nearly 5 moves Council closer to its target of 100 in this important area.

The City of Palmerston works closely with Emergency Services and NT Police, as well as other organisations working to improve safety and security in the city through the facilitation of the Palmerston Safe Communities Committee. In addition, Council also facilitates the Palmerston Safe Kids Network, working with other groups to specifically improve the safety of children.

2013 – 2014 saw the City of Palmerston redesignated as a World Health Organisation dedicated Safe Communities, one of only a handful in Australia. Council has an active team devoted

to developing, implementing, monitoring and evaluating injury and safety issues. Through this, Council hopes to raise community awareness and reach solid outcomes in community safety.

Council is committed to fostering safety and security within Palmerston through these and other initiatives, including improved Animal Management By-Laws and better traffic management. For more information on what Council is doing to improve safety and security, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



### 1.3 Arts and Culture

We are committed to the fostering and promotion of arts and culture within our community, the awareness and promotion of our local history, and advocacy for increased cultural resources

- ✓ Library Programs and Services
- ✓ Events
- ✓ Public Artwork
- ✓ Support and Advocacy: Arts and Culture Programs
- ✓ Support and Advocacy: Community Groups, Events and Attractions

Key Performance Indicator	2012	2013	2014	Trend
Arts and Culture	90.47	86.63	111.91	✓

The City of Palmerston recognises the importance of the quality of life of its residents, however that may be defined, and is committed to providing an increasing array of arts and cultural initiatives to support this. Over the 2013-2014 year, residents identified a significant increase in Council’s performance in this area.

Council’s Library Services continue to grow from strength to strength, with popular programs and services continuing to grow in line with the needs and expectations of a modern community. Modern libraries are not just a place to borrow books, but also a place to inspire. Public internet terminals, community meeting and training rooms, children and adult literacy programs are increasingly popular with residents and visitors. Our library also travels the city in the KAT van, providing dry season activities for young people in outdoor venues. For more information, and to get involved, contact the Library.

Palmerston Festival made Goyder Square come alive again at the end of the Dry Season in 2013. This event once more proved to be a significant draw for residents and visitors alike, and included a concert in conjunction with the Palmerston Markets, a multicultural food and performance fair and a magnificent children’s show with Raa Raa the Lion and Oo Oo the Monkey. Council also introduced a new dry season initiative “FlicNics” in May showcasing a movie night and encouraging residents to enjoy a picnic at Sanctuary Lakes. The first “FlicNics” season has been met with great enthusiasm from residents.

For more information regarding Arts and Culture and our Library Services, please visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



### 1.4 Recreation

We are committed to providing quality recreation and sporting facilities, parks, gardens, playgrounds and open spaces for the benefit of our community

- ✓ Sporting, Recreational and Leisure Facilities and Programs
- ✓ Walking and Cycling Infrastructure
- ✓ Parks, Gardens and Playgrounds
- ✓ Streetscapes and Open Spaces
- ✓ Support and Advocacy: Increased Recreational Infrastructure

Key Performance Indicator	2012	2013	2014	Trend
Recreation	119.13	118.18	114.69	↔

Although well over our target of 100 indicating general satisfaction by the community for recreational facilities and offerings in the city, this area saw a slight drop over the 2013-2014 year. Council maintains over 100 parks, gardens, playgrounds, reserves and open spaces for use by residents and

visitors. It maintains a broad network of cycling and walking paths, several community centres and sporting grounds.

On Council’s behalf, the YMCA of the Top End operates Councils two major recreational facilities, the Palmerston Recreation

Centre in the CBD, and the Palmerston Swimming and Fitness Centre on Tilston Avenue.

Council's Open Spaces team carry out the complex work of ensuring parks and gardens are mowed and irrigated appropriately according to service levels, and the needs of the community. These recreational assets are important in ensuring community infrastructure support both healthy lifestyles for young and old, but also that the quality of life experienced by residents and visitors continues to improve.

Sport and recreational activities are popular amongst residents, and wherever possible Council lends a hand, be it through grants and donations to sporting clubs, or through promotion and facilitation of events. In 2013-2014 Council awarded 42 grants to community organisations, clubs and recreational groups, ten (10) donations to school awards and eight (8) scholarships to a total value of \$131,429 from the Community Development Grants program.

Applicant	Activity Project	\$
Life Education NT	Life Education for Moulden School	\$2,750
Palmerston Combined Probus Club Inc	1950/60/70's Dinner Dance	\$400
Palmerston Rugby Union Club	Redevelop/Upgrade Kitchen Facilities	\$8,500
Palmerston Game Fishing Club Incorporated	Junior Angler Education Club	\$2,000
COTA Palmerston Branch	Promotion of Health and Wellbeing for Palmerston Seniors	\$1,600
Palmerston and Rural Swimming Club	Operational Costs - Lane Hire	\$2,000
NT Ochres Indoor Netball	NT Ochres BBQ Fundraiser	\$500
Kidsafe NT	Working Together to Create Safer Homes and Communities for Infants and Children in Palmerston	\$2,000
Bakewell primary School	Annual School Awards	\$100
Driver Primary School	Annual School Awards	\$100
Durack Primary School	Annual School Awards	\$100
Good Shepherd Lutheran School	Annual School Awards	\$100
Gray Primary School	Annual School Awards	\$100
Palmerston Christian School	Annual School Awards	\$100
Palmerston Senior College	Annual School Awards	\$100
Rosebery Middle School	Annual School Awards	\$100
Sacred Heart Catholic School	Annual School Awards	\$100
Woodroffe Primary School	Annual School Awards	\$100
Role Models and Leaders Australia (Palmerston Girls Academy)	Nestle Deadly Chicks Mentoring Seminar	\$2,000
Special Children's Christmas Parties	Special Children's Christmas Party	\$1,000
Nepalese Association of the Northern Territory Inc	Palmerston Festival	\$1,871
Good Beginnings Australia	Children's Week 2013	\$2,000
Autism NT	Cox Plate Ladies Luncheon	\$1,500

Palmerston and Rural Swimming Club	Palmerston and Rural Swimming Club 2013 Invitational	\$2,000
Darwin Symphony Orchestra	Family Proms Concert	\$1,850
Australia Day Council NT Inc	Australia Day Family Fun Day	\$2,000
Palmerston Cricket Club	Development of the Palmerston Cricket Club Netting Facilities	\$16,000
Amity Community Services Inc	Palmerston Indigenous Village	\$500
Top End Mental Health Consumer Organisation Inc	Art and Computer Groups	\$1,980
Northern Territory Polocrosse Association	2014 Australian National Polocrosse Championships	\$2,000
Neighbourhood Watch NT	Safety House NT Family Fun Day	\$1,940
Palmerston 50+ Club Incorporated	May Day Celebrations	\$500
Northern Territory Association For The Education Of The Gifted and Talented Inc	"Kids Like Us" Educators - Workshops	\$500
Keep Australia Beautiful Council NT (KABCNT)	Environmental Gala "The Big Waste Day Out"	\$600
Sids and Kids NT	Sids and Kids NT	\$3,825
Top End RC Car Association	Facility and Development RC Track - Marlow's Lagoon	\$12,000
NT Space School Incorporated	NT Space School 2014	\$1,000
Darwin Junior Street stocks Inc	Darwin Junior Street stocks Inc	\$4,000
The Asthma Foundation of the Northern Territory	The Asthma Swim Program	\$10,904
YWCA of Darwin	Education Support for Young Mums	\$3,000
Darwin 2014 Inc	Badminton - 3rd Asia Pacific Out Games NT 2014	\$1,950
Woodroffe Child Care Centre Inc	Beautification of garden's - Rejuvenate with Sensory Garden	\$1,000
YMCA of the Top end	Community Progressive Dinner	\$1,700
Melaleuca Refugee Centre	World Refugee Day - Darwin based annual event	\$1,000
Northern Territory Indoor Cricket Incorporated	Competing in 2014 Australian Open Championships	\$2,000
Touch Football Australia	Palmerston Touch Rugby Competition	\$2,000
Alzheimer's Australia NT Inc	Palmerston Day respite program	\$1,800
Tumbledown Tots Playgroup	Tumbledown tots Playgroup equipment	\$500
Red Cross	Typhoon Haiyan Donation	\$10,000
RSL Palmerston Sub Branch	Anzac Day - Palmerston	\$12,000
Total Recreation	Dancing with Celebrities	\$1,000
Y-Change/Headspace	In Kind Support - YMCA Rec Hire for Youth Forum	\$1,459

Council continues to place a priority on providing and maintaining recreational facilities to the community. For more information, see Council's website: [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).

## 2. Economic Development



Focus: Council responsibility  
Focus: Community support



### 2.1 Tourism

We are committed to supporting tourism throughout our region

- ✓ Town and Business Signage
- ✓ Accommodation
- ✓ Support & Advocacy: Tourism Organisations and Operators
- ✓ Support & Advocacy: Government Initiatives

Key Performance Indicator	2012	2013	2014	Trend
Tourism (new indicator)	-	-	85.75	-

This is a newly designed indicator, tying results more closely with this important area. Even though Council does not play a primary role in the tourism industry, it seeks to influence and facilitate the growth of tourism through advocacy and support, as well as ensuring that By-Laws related to town and business signage, car parking strategies and recreational infrastructure, allow for growth.

Palmerston is a young city, and as such is seeking to become a destination for visitors rather than just a residential area. Initiatives such as the Master Plan for the Central Business District will play a major role in ensuring the infrastructure supports the growth of business and is capable of attracting tourists and the tourism industry.

This year, the emphasis on reviewing and improving Council's Master Plan showed renewed emphasis on creating a city centre which attracts business, tourism and residents to downtown Palmerston. In addition, ensuring that events and attractions come to Palmerston, and continuously seeking funding from the Federal and NT Governments to support the tourism industry are important roles for Council.

This has included beginning the reconstruction of Palmerston Boulevard, the closure of Palmerston Circuit, and the redevelopment of Goyder Square.

For more on Palmerston's many attractions, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



### 2.2 Local Business and Industry

We are committed to ensuring local businesses and industry receive the support they need in order to grow and prosper within our region

- ✓ Transport Infrastructure
- ✓ Local Purchasing and Procurement
- ✓ Support and Advocacy: Government Funding and Initiatives
- ✓ Support and Advocacy: Training and Employment Initiatives
- ✓ Support and Advocacy: Industry Organisations

Key Performance Indicator	2012	2013	2014	Trend
Local Business and Industry (new indicator)	85.63	85.53	85.54	✓

Council recognises that in order to properly support local business and industry, it needs to effectively communicate its strategies and initiatives in a manner that assists businesses to grow and prosper. Council also needs to proactively engage with local business groups, and act as a partner in influencing the continued growth of the city.

As Local Government in the Northern Territory does not have the planning authority functions existing in other states in Australia, it needs to be even more effective in communicating with and advocating for economic development to occur. Council is committed to improving this area over the course of the coming year.

Council participates in the Palmerston Regional Business Associations (PRBA), and partnerships with the Association continue to improve. Council is also making great efforts to bring car parking strategies for the Central Business District into line with the needs of industry, and seeing that the road network in the CBD encourages retail development as well as future residential development.

Another area of activity for Council is ensuring the transport network, particularly in and around the CBD, appropriately encourages economic development. Over the coming year, Council will be able to report improvements in this area back to the community.

Wherever possible, Council is committed to purchasing and procurement which benefits our local community and the Northern Territory. In 2013-2014, 80.25% of procurement by the City was with Northern Territory vendors, totalling \$4,455,110.

For more on Council’s activities relating to local business and industry, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



## 2.3 City Planning

We are committed to effective and responsible city planning which balances and meets both residential and commercial needs in our community

- ✓ City of Palmerston CBD Master Plan Implementation
- ✓ Public Land Use
- ✓ Support and Advocacy: NT Government Planning and Development Control

Key Performance Indicator	2012	2013	2014	Trend
City Planning (new indicator)	-	-	89.41	-

As with Local Business and Industry above, Council continues to refine its plans and strategies with regards to City Planning. This past year has seen Council’s Master Plan for the Central Business District be intensively reviewed, and work has begun to build urban design guidelines for our CBD which will be instrumental in defining our city. Over the coming year, Council will be working to ensure these are recognised by the NT Government and become policy documents which can properly influence and guide development.

Council has tasked the Economic Development and Infrastructure Committee to guide and oversee the implementation of the plan. Considerable effort has been made to envision the infrastructure investments which will be necessary over the coming years, and to budget for these needs.



Council continues to work closely with developers and NT Government planners as new suburbs are developed. Wherever possible, Council has sought to influence and persuade stakeholders to provide outcomes which benefit the community as a whole, while ensuring that civil infrastructure is constructed in a sustainable manner.

Planning for the growth of Palmerston can require hard decisions to ensure positive and sustainable outcomes across generations, rather than necessarily seeking quick, easy fixes. Council is committed to more effectively communicating these issues, and engaging with the community in seeking solutions.

For more information regarding the role of Council in City Planning, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



# 3. Environment & Infrastructure



Focus: Council responsibility  
Focus: Community support



## 3.1 Environmental Sustainability

We are committed to actively protecting and enhancing the environmental assets and infrastructure of the City of Palmerston, while supporting local businesses and industry in sustainable land use

- ✓ Climate Change Impact Reduction
- ✓ Greenhouse Emissions Measurement and Reduction
- ✓ Energy and Water Resource Management Initiatives
- ✓ Support & Advocacy: Planning and Development Controls
- ✓ Support & Advocacy: Community Action, Education and Organisations
- ✓ Support & Advocacy: Conservation and Biodiversity

Key Performance Indicator	2012	2013	2014	Trend
Environmental Sustainability	95.98	95.19	96.93	✓

Council is dedicated to maintaining and promoting a sustainable environment – and the community is recognising this. Council’s Sustainability Strategy 2013-2018 provides the framework for the City of Palmerston to deliver more effectively the requirements of Council’s operations and to support the actions required by the community for the city’s natural and built environment.

Conservation and Land Management Scholarship to the status of being awarded as an annual Scholarship.

Recognition of Council’s leadership and response to climate change and environmental planning, was rewarded with the City of Palmerston being selected to represent the Northern Territory at the KAB 2014 Sustainable Cities Awards.



In addition, management of noxious weeds in Palmerston’s lakes and stormwater detention infrastructure continues, ensuring any increase in weed infestation is eradicated swiftly.

Council’s cutting edge technology – an amphibious weed harvester - enables Council to successfully keep infestations under manageable control.

Council continues to advocate for increased water sensitive urban design in plans put forward by developers working on new residential developments which are more applicable to our local environment and climatic context. Council officers also carried out educational initiatives in the community, seeking to broaden the message and increase community capacity in this important area. Sustainability and enhancement actions for the environment continue to be embed across all Council operational areas.

Over the past year, a number of initiatives to influence both Council activities and community perceptions of environmental sustainability have taken place. One such initiative was to successfully progress the initial City of Palmerston

For more information on Council’s sustainability initiatives, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).





### 3.2 Assets and Infrastructure

We are committed to maintaining and developing community assets and infrastructure which meet the needs of our community

- ✓ Roads, Bridges, Footpaths and Car Parking
- ✓ Council Buildings and Facilities
- ✓ Stormwater Infrastructure
- ✓ Support and Advocacy: Traffic Management and Road Safety
- ✓ Support and Advocacy: Territory and Federal Infrastructure and Land

Key Performance Indicator	2012	2013	2014	Trend
Assets and Infrastructure	106.65	107.89	107.75	↔

Council is already well above its target of 100 in this area. Council maintains nearly \$300M worth of assets on behalf of the community – and we do it well. But we can do better.

The City of Palmerston has only reached its 30<sup>th</sup> year, and major components of Council’s infrastructure have not kept pace with the expansion of our population. There continues to be a severe lack of community space for organisations and community activities.

The City’s Aquatic and Leisure Centre has continued to deteriorate, with Council’s lone swimming pool nearing the end of its useful life. Remedial measures continue to be taken, but Council recognises this has left a large amount of disappointment in the community. Council continues to seek the most appropriate method of resolving pool issues for the community, be it that the existing pool be renovated, or that a new swimming pool in an alternate location is constructed.

Over 2014-2015, we hope to be able to address the community on this issue to gain a better understanding of their needs.

In addition, traffic management and road safety on Council and NT Government road networks, particularly around the CBD, continue to be an issue.

Council continues to carry out significant capital works to improve these and other issues, while advocating for continued support by the Federal and NT Governments.

For more on these and other asset and infrastructure topics, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).

During 2013-2014 Council adopted a risk based inspection and reports procedure for all its road assets. The procedure is a systematic and thorough approach to asset maintenance and safety.



### 3.3 Waste

We are committed to providing comprehensive and effective waste management services to our community

- ✓ Kerbside Waste Collection and Recycling
- ✓ Hard and Green Waste Facilities
- ✓ Support and Advocacy: Recycling, re-use and minimisation education initiatives

Key Performance Indicator	2012	2013	2014	Trend
Waste Collection & Disposal	129.69	129.94	133.40	✓

Council continues to recognise the importance of waste management to residents, and the scores in this area indicate residents are quite satisfied with the service they are receiving. An increase of 4% continues this trend.

Residents in the City of Palmerston benefit from an efficient and effective waste management strategy. Palmerston’s kerbside waste collection service continues to be the most comprehensive service in the NT, and hard and green waste facilities at Archer Transfer Station provide a free service for residents for residential waste.

With the repeal of the Carbon Tax, residents will also find that a savings averaging \$20 per connection will be passed on, keeping the waste charges as close as possible to actual costs.

All of this comes with a cost, however. Council continues to work hard to keep waste charges for residential waste services low. In addition, planned improvements to the Archer Transfer Station following successful negotiation with NT Government will mean these services continue to improve.



## 4. Governance & Organisation

Focus: Council responsibility  
Focus: Community support



### 4.1 Responsibility

We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

- ✓ Elected Member Accountability to the Community
- ✓ Governance, Strategy, Legislation and Policy
- ✓ Business Planning and Performance Reporting Frameworks
- ✓ Financial Sustainability and Asset Management
- ✓ Risk Management and Workplace Health and Safety

Key Performance Indicator	2012	2013	2014	Trend
Responsibility	81.78	84.03	80.93	✘

In the past, Council has not necessarily been successful in communicating to the community its strategies, plans, and much of its operations, nor sufficiently engaged the community in decision making which affects all. Most significantly, Council has not been proactive in ensuring the community understand what information is available to them, and where to find it. This has been evident in scores for this area.

The 2011-2012 year saw significant changes not only in the membership of Council, but also in the procedures, policies and mid to long term planning of Council. Although major improvements have occurred over a number of areas in the governance and compliance of Council, these changes have not been properly conveyed to residents.

This past year was the third year of our new Municipal Plan, continuing to bring a more rigorous – and more readable –

approach to the guiding strategies of Council. The new Strategic Planning Framework, combined with a concerted effort to bring Council and administrative policies up to date continues to provide operational improvements.

Of particular note, Council resolved to publish the decisions made in every Council meeting in the local newspaper in a timely manner, giving increased visibility to decisions which effect residents and businesses.

For more information regarding access to information, Council strategy or policy, or Elected Member accountability, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



## 4.2 Service

We value and encourage participation in Council activities by the community, and are committed to delivering the highest possible levels of service and community engagement

- ✓ Customer Service Standards
- ✓ Community Engagement and Voter Participation
- ✓ Governance and Participation on Council Advisory Groups
- ✓ Open Government and Transparency Initiatives

Key Performance Indicator	2012	2013	2014	Trend
Service	82.02	82.34	82.00	↔

Although Council has made great efforts to ensure it offers a superior level of customer service, and that it engages the community in Council decision making and encourages community participation – our scores do not reflect that we are taking adequate steps in this area to meet the needs of our residents. This is disappointing, but we believe planned improvements to front house processes and systems will result in an improvement in the coming year.

Clearly, this is unacceptable to our community. Residents do not feel that we either ask the right questions, or listen to the community when they respond.

This has been a wakeup call for Council, both Elected Members and staff. As Elected Members are elected by residents in order to represent their views and make decisions on their behalf, Aldermen have placed a high priority on resolving this issue. As

professional public servants, staff are keen to rise to the challenge.

Over the coming year, substantial resources will be invested in ensuring that Council is delivering on its promise of customer service excellence. Increasing initiatives in delivering transparency in decision making, and providing information to the community in a timely manner – and in the format residents wish – will take place over the coming year.

Council encourages all members of the community with an interest in improving our community to engage with us. For these, and more initiatives devoted to improving our customer service to the community, visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au).



## 4.3 People

We value our people, and the culture of our organisation. We are committed to continuous improvement and innovation whilst seeking to reduce the costs of Council services through increased efficiency

- ✓ Human Resources and Workforce Development
- ✓ Training and Development of Elected Members
- ✓ Cost Reduction and Efficiency Initiatives
- ✓ Continuous Improvement, Benchmarking, Research and Innovation

Key Performance Indicator	2012	2013	2014	Trend
People	94.09	94.51	94.38	↔



Council's commitment to workforce development and continuous improvement continues to be substantial. Without a skilled and dedicated workforce, Council would be unable to

meet its commitments to the Community, and deliver effective and efficient council services.

Over the years, as Palmerston has grown, Council's own workforce has not kept pace. Training budgets dwindled, and workforce attraction and retention strategies were ineffective. However, improved policies and retention strategies are resulting in steady improvements.

Recognising and appreciating its workforce provides Council with a number of benefits affecting the community – skilled and dedicated staff are more productive, and seek ways to 'do things better'.

Interested in learning more about a career at Council, or in suggesting improvements and efficiencies at Council? Visit [www.palmerston.nt.gov.au](http://www.palmerston.nt.gov.au) for more information.



## 4.4 Systems

We are committed to ensuring the systems and processes of Council support the organisation in delivering the best possible services to the community

- ✓ Internal Business Processes and Service Levels
- ✓ Financial and Administrative Services
- ✓ Information and Communication Technology Services

Key Performance Indicator	2012	2013	2014	Trend
Systems	89.64	92.26	92.69	✓

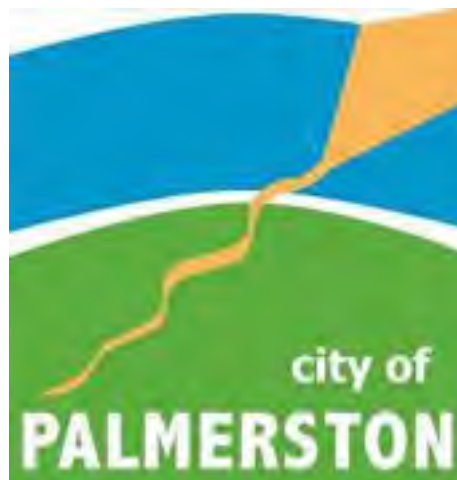
All Council services rely on Council’s ‘backend’ – the administrative and technical support services, including Finance and Information Technology. With an annual budget of nearly \$30M, and over \$300M in assets and infrastructure, Council relies heavily on a dependable administrative support group to deliver everything from healthy eating initiatives to cleaning noxious weeds out of our lakes.

Financial Services provides internal business units with the information and business processes necessary for them to carry out purchasing and procurement, as well as providing Council with regular updates on the status of Council finances. In addition, they provide the necessary financial controls to

support Council’s Internal Audit Committee in ensuring Council is financially sustainable.

Information Technology is the team of Council staff least likely to be seen by the public, but conversely most likely to have a direct impact. Over the past year, continued improvements to a number of elderly and failing IT systems have been carried out, with a number yet to come. The skill and dedication of Council’s IT team have meant that improvements in communication and service levels have been possible.





**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2014**

# City of Palmerston

## General Purpose Financial Reports *for the year ended 30 June 2014*

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## City of Palmerston

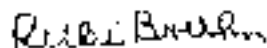
### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2014

#### OFFICER'S STATEMENT

I, Ricki Bruhn, the Chief Executive Officer of the City of Palmerston, hereby certify that the Annual Financial Statements:

(a) have been 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 and the results for the year; and

(b) are in accordance with the accounting and other records of Council



Ricki Bruhn  
Chief Executive Officer

3<sup>rd</sup> November 2014

**City of Palmerston**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>INCOME</b>			
Rates	2	20,084,089	18,195,100
Statutory charges	2	208,728	311,380
User charges	2	1,006,790	1,016,509
Grants, subsidies and contributions	2	2,184,520	3,130,755
Investment income	2	1,469,573	1,742,725
Reimbursements	2	47,764	67,108
Other income	2	141,832	38,977
<b>Total Income</b>		<u>25,143,296</u>	<u>24,502,554</u>
<b>EXPENSES</b>			
Employee costs	3	5,946,382	5,335,427
Materials, contracts & other expenses	3	16,927,018	16,535,672
Depreciation, amortisation & impairment	3	6,851,839	6,461,767
<b>Total Expenses</b>		<u>29,725,239</u>	<u>28,332,866</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(4,581,943)</b>	<b>(3,830,312)</b>
Net gain (loss) on disposal or revaluation of assets	4	(67,424)	(98,341)
Physical resources received free of charge	2	2,837,402	-
<b>NET SURPLUS / (DEFICIT)</b>		<b>(1,811,965)</b>	<b>(3,928,653)</b>
transferred to Equity Statement			
Other Comprehensive Income			
<i>Amounts which will not be reclassified subsequently to operating result</i>			
Gain on revaluation of infrastructure, property, plant & equipment		15,725,967	-
<b>Total Other Comprehensive Income</b>		<u>15,725,967</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>13,914,002</u>	<u>(3,928,653)</u>

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



## City of Palmerston

### BALANCE SHEET

as at 30 June 2014

<b>ASSETS</b>	Notes	2014 \$	2013 \$	1/07/2012 \$
<b>Current Assets</b>				
Cash and cash equivalents	5	32,606,050	33,761,522	32,489,625
Trade & other receivables	5	1,336,123	1,283,716	1,567,780
<b>Total Current Assets</b>		<u>33,942,173</u>	<u>35,045,238</u>	<u>34,057,405</u>
<b>Non-current Assets</b>				
Infrastructure, Property, Plant & Equipment	7	295,410,008	281,115,391	285,650,190
Other Non-current Assets	6	1,568,038	207,178	2,250
<b>Total Non-current Assets</b>		<u>296,978,046</u>	<u>281,322,569</u>	<u>285,652,440</u>
<b>Total Assets</b>		<u>330,920,219</u>	<u>316,367,807</u>	<u>319,709,845</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade & Other Payables	8	2,868,081	2,305,511	1,854,506
Provisions	8	519,254	500,757	425,381
<b>Total Current Liabilities</b>		<u>3,387,335</u>	<u>2,806,268</u>	<u>2,279,887</u>
<b>Non-current Liabilities</b>				
Provisions	8	327,229	269,886	209,652
<b>Total Non-current Liabilities</b>		<u>327,229</u>	<u>269,886</u>	<u>209,652</u>
<b>Total Liabilities</b>		<u>3,714,564</u>	<u>3,076,154</u>	<u>2,489,539</u>
<b>NET ASSETS</b>		<u>327,205,655</u>	<u>313,291,653</u>	<u>317,220,306</u>
<b>EQUITY</b>				
Accumulated Surplus		70,707,330	74,153,684	77,526,173
Asset Revaluation Reserves	9	223,446,225	207,720,258	207,720,258
Other Reserves	9	33,052,100	31,417,711	31,973,875
<b>TOTAL EQUITY</b>		<u>327,205,655</u>	<u>313,291,653</u>	<u>317,220,306</u>

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

## City of Palmerston

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2014

2014	Notes	Accumulated Surplus \$	Asset Revaluation Reserve \$	Other Reserves \$	TOTAL EQUITY \$
Balance at end of previous reporting period		<u>74,153,684</u>	<u>207,720,258</u>	<u>31,417,711</u>	<u>313,291,653</u>
Restated opening balance		74,153,684	207,720,258	31,417,711	313,291,653
<b>Net Surplus / (Deficit) for Year</b>		<b>(1,811,965)</b>			<b>(1,811,965)</b>
<b>Other Comprehensive Income</b>					
<i>Amounts which will not be reclassified subsequently to operating result</i>					
Changes in revaluation surplus - infrastructure, property, plant & equipment			15,725,967		15,725,967
Transfers between reserves		<u>(1,634,389)</u>		<u>1,634,389</u>	-
<b>Balance at end of period</b>		<b><u>70,707,330</u></b>	<b><u>223,446,225</u></b>	<b><u>33,052,100</u></b>	<b><u>327,205,655</u></b>
<b>2013</b>					
Balance at end of previous reporting period		77,083,966	207,720,258	31,973,875	316,778,099
Adjustment to give effect to prior period error		<u>442,207</u>			<u>442,207</u>
Restated opening balance		77,526,173	207,720,258	31,973,875	317,220,306
<b>Net Surplus / (Deficit) for Year</b>		<b>(3,928,653)</b>			<b>(3,928,653)</b>
<b>Other Comprehensive Income</b>					
Transfers between reserves		556,164		(556,164)	-
<b>Balance at end of period</b>		<b><u>74,153,684</u></b>	<b><u>207,720,258</u></b>	<b><u>31,417,711</u></b>	<b><u>313,291,653</u></b>

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

# City of Palmerston

## CASH FLOW STATEMENT for the year ended 30 June 2014

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	Notes	<b>2014</b> \$	2013 \$
<u>Receipts</u>			
Rates - general & other		20,236,357	18,700,885
Fees & other charges		1,153,718	898,694
Investment receipts		1,289,100	1,865,970
Grants utilised for operating purposes		2,184,695	3,620,669
Other operating receipts		254,776	2,283,812
<u>Payments</u>			
Employee Costs		(5,900,143)	(5,250,903)
Contractual services & materials		(15,776,227)	(17,341,590)
Other operating payments		(461,225)	(1,275,403)
Finance payments		(125,152)	-
<b>Net Cash provided by (or used in) Operating Activities</b>	11	<b>2,855,899</b>	3,502,134
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<u>Receipts</u>			
Sale of replaced assets		64,379	9,091
<u>Payments</u>			
Expenditure on renewal/replacement of assets		(4,075,750)	(2,239,328)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(4,011,371)</b>	(2,230,237)
<b>Net Increase (Decrease) in cash held</b>		<b>(1,155,472)</b>	1,271,897
Cash & cash equivalents at beginning of period		33,761,522	32,489,625
Net cash assets transferred on restructure		-	-
<b>Cash &amp; cash equivalents at end of period</b>		<b>32,606,050</b>	33,761,522

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

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 2013 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**The Local Government Reporting Entity**

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

**(b) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(d) Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(e) Fixed Assets**

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

***Valuation of Assets***

The following asset classes were valued by Australian Pacific Valuers (APV) effective 1 July 2013 at Fair Value:

- Land
- Land Improvements
- Buildings
- Infrastructure

All acquisitions made after the respective date of revaluation are recorded as described in section Initial Recognition below.

The asset classes Plant, Furniture and Equipment and Motor Vehicles were valued by Maloney's Field Services effective 1 July 2010 at written down current replacement cost.

***Initial Recognition and Measurement between Mandatory Revaluation Dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the Australian Accounting Standards.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation..

***Revaluation***

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Fixed Assets (Continued)**

***Transitional Arrangements***

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the ***Initial Recognition*** section as detailed above.

Those assets carried at fair value will be carried in accordance with the ***Revaluation*** Methodology section as detailed above.

***Land Under Roads***

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008.

Land under roads acquired on or after 1 July 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	25 to 60 years
Furniture and Equipment	3 to 10 years
Plant and Equipment	5 to 15 years
Roads	
Earthworks	100 years
Pavement	30 to 40 years
Seal	10 to 20 years
Road Furniture	20 to 40 years
Footpaths & Bicycle ways	30 to 50 years
Kerb & Gutter	40 to 50 years
Motor Vehicles	5 years
Waste & Sewerage Infrastructure	20 to 30 years
Stormwater Drainage	75 to 100 years
Land Improvement	20 to 50 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount.

These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Fixed Assets (Continued)**

***Capitalisation Threshold***

Expenditure on assets with an economic life in excess of one year are only capitalised where the cost of acquisitions exceeds materiality thresholds established by Council for each asset class.

Buildings	\$5,000
Furniture and Equipment	\$1,000
Plant and Equipment	\$5,000
Roads	\$10,000
Footpaths & Bicycle ways	\$5,000
Kerb & Gutter	\$10,000
Motor Vehicles	\$5,000
Waste & Sewerage Infrastructure	\$10,000
Stormwater Drainage	\$10,000
Land Improvement	\$10,000

**(f) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

***Fair Value Hierarchy***

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Fair Value of Assets and Liabilities (Continued)**

***Valuation techniques***

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

**Valuation techniques**

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**(g) Impairment of Assets**

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(h) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(i) Employee Benefits**

**Short-Term Employee Benefits**

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other Long-Term Employee Benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(j) Provisions**

Provisions are recognised when the Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**(k) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(l) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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 nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(m) Superannuation**

The Council contributes to a number of Superannuation Funds on behalf of employees.

All funds to which the Council contributes are defined contribution plans.

**(n) Current and Non-Current Classification**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

**(o) Rounding Off Figures**

All figures shown in this annual financial report, are rounded to the nearest dollar.

**(p) Comparative Figures**

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**  
**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**1. (a) New Accounting Standards and Interpretations for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Council.

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows.

<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable<sup>(1)</sup></b>	<b>Impact</b>
(i) AASB 9 – Financial Instruments	December 2013	1 January 2017	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii) AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	December 2013	1 January 2017	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(iii) AASB 2011 – 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	December 2012	1 January 2014	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
(iv) AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	June 2012	1 January 2014	This Standard adds application guidance to AASB 132: Financial Instruments: Presentation to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council's financial statements.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**  
**New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title and topic	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(v) AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets	June 2013	1 January 2014	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.  It is not expected to have a significant impact on Council.
(vi) AASB 2013-8: Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Control and Structured Entities  [AASB 10, 12 & 1049]	October 2013	1 January 2014	This standard adds Appendix E to AASB 10 to provide implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities.  It is not expected to have a significant impact on Council.
(vii) AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments  [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015]	December 2013	Refer Title column	Part A of this standard makes various editorial corrections to Australian Accounting Standards.  Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.  Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on Council.

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

**CITY OF PALMERSTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(r) Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 128	AASB 2012 – 2
AASB 11	AASB 2011 - 7	AASB 2012 – 3
AASB 12	AASB 2011 - 9	AASB 2012 – 5
AASB 119	AASB 2011 – 10	AASB 2012 - 10
AASB 127		

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 2 - INCOME

	Notes	2014 \$	2013 \$
<b>RATES REVENUES</b>			
<u>General Rates</u>			
Residential		13,387,201	12,035,884
Commercial		1,473,086	1,351,336
Industrial		360,807	342,222
Rates received in advance		87,437	103,972
Other		<u>35,642</u>	<u>47,495</u>
		<b>15,344,173</b>	<b>13,880,909</b>
<u>Annual Charges</u>			
Waste Management Service		<u>4,739,916</u>	<u>4,314,191</u>
		<b>4,739,916</b>	<b>4,314,191</b>
		<b>20,084,089</b>	<b>18,195,100</b>
<b>STATUTORY CHARGES</b>			
Animal registration fees & fines		33,320	40,726
Parking fines / expiation fees		126,798	104,613
Other fines, penalties & expiations		48,610	46,893
Sundry		-	119,148
		<u>208,728</u>	<u>311,380</u>
<b>USER CHARGES</b>			
Developer Charges		199,736	146,756
Animal Control		79,365	83,670
Rent & Hire of Council Equipment		234,243	328,711
Library		73,426	67,181
Rate Searches & Dog Registrations		332,404	322,939
Licences & Permits		59,296	36,730
Sundry		<u>28,320</u>	<u>30,522</u>
		<b>1,006,790</b>	<b>1,016,509</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Banks & other		1,387,968	1,659,349
interest on overdue rates & charges		<u>81,605</u>	<u>83,376</u>
		<b>1,469,573</b>	<b>1,742,725</b>

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### NOTE 2 - INCOME (continued)

	Notes	2014 \$	2013 \$
<b>REIMBURSEMENTS</b>			
- for private works		41,540	61,405
- other		6,224	5,703
		47,764	67,108
 <b>OTHER INCOME</b>			
Insurance & other recoupments - infrastructure, property, plant & equipment		11,739	38,568
Compensation received		126,000	-
Sundry		4,093	409
		141,832	38,977
 <b>GRANTS, SUBSIDIES, CONTRIBUTIONS</b>			
Other grants, subsidies and contributions		2,184,520	2,427,773
Individually significant item -	see below	-	702,982
		2,184,520	3,130,755
 <i>The functions to which these grants relate are shown in Note 12.</i>			
 <b>Sources of grants</b>			
Commonwealth government		498,741	400,998
Northern Territory government		1,333,773	2,317,260
Other		352,006	412,497
		2,184,520	3,130,755
 <b>Individually Significant Item</b>			
In June 2013 Council has received prepayment of Federal Assistance Grants for the following financial year from the Grants Commission.			
Those prepayments have not been received in 2014.			
		-	702,982

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### NOTE 2 - INCOME (continued)

	2014	2013
Notes	\$	\$
<b>Conditions over grants &amp; contributions</b>		
<i>Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:</i>		
<i>Unexpended at the close of the previous reporting period</i>	<b>5,108,636</b>	<b>5,012,965</b>
<i>Less: expended during the current period from revenues recognised in previous reporting periods</i>		
<i>Government Grants</i>	<b>(2,728,296)</b>	<b>(2,730,437)</b>
<i>Developer Contributions</i>	<b>(194,876)</b>	<b>(304,647)</b>
<i>Subtotal</i>	<b><u>(2,923,172)</u></b>	<b><u>(3,035,084)</u></b>
<i>Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions</i>		
<i>Government Grants</i>	<b>1,845,466</b>	<b>2,741,668</b>
<i>Developer Contributions</i>	<b>339,054</b>	<b>389,087</b>
<i>Subtotal</i>	<b><u>2,184,520</u></b>	<b><u>3,130,755</u></b>
<i>Unexpended at the close of this reporting period and held as restricted assets</i>	<b><u>4,369,984</u></b>	<b><u>5,108,636</u></b>
 <i>Net increase (decrease) in assets subject to conditions in the current reporting period</i>	 <b><u>(738,652)</u></b>	 <b><u>95,671</u></b>
 <b>PHYSICAL RESOURCES RECEIVED FREE OF CHARGE</b>		
Land	<b>2,575,000</b>	-
Irrigation	<b>187,402</b>	-
Street Furniture	<b>75,000</b>	-
<b>TOTAL PHYSICAL RESOURCES RECEIVED</b>	<b><u>2,837,402</u></b>	<b><u>-</u></b>



# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 3 - EXPENSES

	Notes	2014 \$	2013 \$
<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,436,868	4,055,620
Employee leave expense		761,644	682,006
Superannuation - defined contribution plan contributions		488,585	413,728
Workers' Compensation Insurance		103,170	77,716
Other		156,115	106,357
<b>Total Operating Employee Costs</b>		<b>5,946,382</b>	<b>5,335,427</b>
 <b>Total Number of Employees</b>		<b>63</b>	<b>63</b>
<i>(Full time equivalent at end of reporting period)</i>			
 <b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		30,473	20,046
Bad and Doubtful Debts		-	(62,673)
Elected members' expenses		344,986	299,279
Operating Lease Rentals - non-cancellable leases			
- minimum lease payments		85,766	88,894
Subtotal - Prescribed Expenses		<b>461,225</b>	<b>345,546</b>
 <u>Other Materials, Contracts &amp; Expenses</u>			
Contractors		10,840,221	11,105,716
Energy		1,062,258	1,039,676
Legal Expenses		112,853	101,349
Professional services		1,081,727	910,616
Sundry		3,368,734	3,032,769
Subtotal - Other Materials, Contracts & Expenses		<b>16,465,793</b>	<b>16,190,126</b>
		<b>16,927,018</b>	<b>16,535,672</b>

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

#### Note 3 - EXPENSES (cont)

	Notes	2014 \$	2013 \$
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
<b>Depreciation</b>			
Land		-	-
Land Improvements		817,775	620,281
Buildings		556,164	889,537
Infrastructure			
- Roads Pavements		2,324,072	2,668,053
- Kerbs & Guttering		394,688	501,630
- Footpaths & Cycleways		349,974	317,059
- Stormwater Drainage		1,407,414	894,299
- Water & Irrigation		634,919	219,088
Other Assets		366,833	351,820
		<u>6,851,839</u>	<u>6,461,767</u>

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

#### Note 4 - ASSET DISPOSAL & FAIR VALUE ADJUSTMENTS

	Notes	2014 \$	2013 \$
<b>INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		64,379	9,091
Less: Carrying amount of assets sold	7	<u>131,803</u>	<u>107,432</u>
<b>Gain (Loss) on disposal</b>		<u>(67,424)</u>	<u>(98,341)</u>
<b>NET GAIN (LOSS) ON DISPOSAL OR REVALUATION OF ASSETS</b>		<u>(67,424)</u>	<u>(98,341)</u>

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 5 - CURRENT ASSETS

	2014	2013
<b>CASH &amp; EQUIVALENT ASSETS</b>		
	Notes	
Cash on Hand and at Bank	\$ 3,956,691	\$ 3,115,979
Short Term Deposits & Bills, etc	<u>28,649,359</u>	<u>30,645,543</u>
	<u><b>32,606,050</b></u>	<u><b>33,761,522</b></u>
<b>TRADE &amp; OTHER RECEIVABLES</b>		
Rates - General & Other	376,645	441,477
Accrued Revenues	577,139	403,741
Debtors - general	38,294	88,424
Other levels of Government	1,943	2,118
GST Recoupment	9,986	75,166
Prepayments	110,412	82,655
Sundry	<u>221,704</u>	<u>190,135</u>
<b>Total</b>	<u><b>1,336,123</b></u>	<u><b>1,283,716</b></u>

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 6 - NON-CURRENT ASSETS

FINANCIAL ASSETS	Notes	2014	2013
		\$	\$
<b>Capital Works-in-Progress</b>			
Opening Balance		207,178	2,250
Additions		1,557,418	207,178
Transfers to Property, Plant, Equipment		(196,558)	(2,250)
		<u>1,568,038</u>	<u>207,178</u>

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	Fair Value Level	2013 \$				2014 \$			
		AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
<b>Note 7 - INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>									
Land	2	-	111,014,186	-	111,014,186	122,180,000	2,575,000	-	124,755,000
Land Improvements	3	-	19,608,805	(8,478,389)	11,130,416	19,168,566	164,366	(9,289,482)	10,043,450
Buildings	3	-	34,557,079	(10,129,226)	24,427,853	26,491,294	182,926	(9,316,766)	17,357,454
Infrastructure									
- Roads & Pavement	3	-	80,153,523	(30,420,573)	49,732,950	91,767,126	1,822,941	(42,013,633)	51,576,434
- Kerbs & Gutter	3	-	24,800,108	(9,673,627)	15,126,481	27,623,469	-	(15,471,639)	12,151,830
- Footpaths and Cycleways	3	-	12,743,563	(5,704,654)	7,038,909	15,969,165	275,424	(9,562,808)	6,681,781
- Stormwater Drainage	3	-	78,119,370	(18,970,550)	59,148,820	125,941,658	476,878	(58,285,021)	68,133,515
- Water & Irrigation	3	-	5,017,388	(2,641,394)	2,375,994	8,974,568	362,256	(5,486,664)	3,850,160
Other assets	2	-	2,566,606	(1,446,824)	1,119,782	-	2,321,091	(1,460,707)	860,384
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>		-	368,580,628	(87,465,237)	281,115,391	438,115,846	8,180,882	(150,886,720)	295,410,008
<b>Comparatives</b>			<b>366,786,857</b>	<b>(81,136,667)</b>	<b>285,650,190</b>	-	<b>368,580,628</b>	<b>(87,465,237)</b>	<b>281,115,391</b>

This Note continues on the following pages.

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

	CARRYING AMOUNT MOVEMENTS DURING YEAR							2014
	2013 \$	\$						\$
	CARRYING AMOUNT	New/Upgrade	Additions Renewals	Disposals	Depreciation	Transfers	Net Revaluation	CARRYING AMOUNT
<b>Note 7 - INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>								
Land	111,014,186	-	-	-	-	2,575,000	11,165,814	124,755,000
Land Improvements	11,130,416	113,825	50,546	-	(817,775)	-	(433,562)	10,043,450
Buildings	24,427,853	74,843	108,094	-	(556,164)	-	(6,697,172)	17,357,454
Infrastructure	-	-	-	-	-	-	-	-
- Roads & Pavement	49,732,950	540,685	473,066	-	(2,324,072)	75,000	3,078,805	51,576,434
- Kerbs & Gutter	15,126,481	-	-	-	(394,688)	-	(2,579,963)	12,151,830
- Footpaths and Cycleways	7,038,909	193,922	81,507	-	(349,974)	-	(282,583)	6,681,781
- Stormwater Drainage	59,148,820	476,883	-	-	(1,407,414)	-	9,915,226	68,133,515
- Water & Irrigation	2,375,994	362,280	-	-	(634,919)	187,402	1,559,403	3,850,160
Other assets	1,119,782	239,237	-	(131,802)	(366,833)	-	-	860,384
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>281,115,391</b>	<b>2,001,675</b>	<b>713,213</b>	<b>(131,802)</b>	<b>(6,851,839)</b>	<b>2,837,402</b>	<b>15,725,968</b>	<b>295,410,008</b>
<b>Comparatives</b>	<b>285,650,190</b>	<b>1,833,867</b>	<b>200,534</b>	<b>(107,433)</b>	<b>(6,461,767)</b>			<b>281,115,391</b>

*This Note continues on the following pages.*

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 8 - LIABILITIES

	Notes	2014		2013	
		Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>					
Goods & Services		74,507		516,380	
Accrued expenses - employee entitlements		3,069		107,177	
Accrued expenses - other		2,449,375		1,565,765	
Deposits, Retentions & Bonds		334,425		112,012	
Other		6,705		4,177	
		<u>2,868,081</u>	-	<u>2,305,511</u>	-
 <b>PROVISIONS</b>					
Employee entitlements (including oncosts)		519,254	327,229	500,757	269,886
		<u>519,254</u>	<u>327,229</u>	<u>500,757</u>	<u>269,886</u>



# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 9 - RESERVES

ASSET REVALUATION RESERVE	1/07/2013	Net Increments (Decrements)	Transfers, Impairments	30/06/2014
Notes	\$	\$	\$	\$
Land	102,746,306	11,667,815		114,414,121
Land Improvements	7,737,221	(433,563)		7,303,658
Buildings	12,847,369	(7,199,173)		5,648,196
Infrastructure				
- Roads Pavements	34,292,851	3,078,805		37,371,656
- Kerbs & Guttering	7,131,327	(2,579,963)		4,551,364
- Footpaths & Cycleways	4,475,505	(282,583)		4,192,922
- Stormwater Drainage	35,556,100	9,915,225		45,471,325
Waste Infrastructure	2,904,588	1,559,404		4,463,992
Other Assets	28,991			28,991
<b>Total Infrastructure, Property, Plant &amp; Equipment</b>	<b>207,720,258</b>	<b>15,725,967</b>		<b>223,446,225</b>
Available for Sale Investments				
<b>TOTAL</b>	<b>207,720,258</b>	<b>15,725,967</b>		<b>223,446,225</b>
<b>Comparatives</b>	<b>207,720,258</b>			<b>207,720,258</b>
OTHER RESERVES	1/07/2013	Transfers to Reserve	Transfers from Reserve	30/06/2014
Property Reserve	4,870,044	131,331		5,001,375
Plant & Equipment Reserve	1,258,618	32,833		1,291,451
Infrastructure Reserve	17,198,438	492,491	(406,049)	17,284,880
Developer Funds in Lieu of Construction	3,850,936	339,054	(264,023)	3,925,967
Unexpended Capital Expenditure	1,820,442	3,912,567	(1,820,442)	3,912,567
Unexpended Grants	1,257,699	1,833,514	(2,712,696)	378,517
Election Expenses	150,000			150,000
Storm/Cyclone Damage	500,000			500,000
Strategic Initiatives	420,000	164,605	(84,605)	500,000
Community Grants Reserve	91,534	15,809		107,343
<b>TOTAL OTHER RESERVES</b>	<b>31,417,711</b>	<b>6,922,204</b>	<b>(5,287,815)</b>	<b>33,052,100</b>
<b>Comparatives</b>	<b>31,973,875</b>	<b>34,760,917</b>	<b>(35,317,081)</b>	<b>31,417,711</b>

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 9 - RESERVES (cont.)

#### **PURPOSES OF RESERVES**

##### **Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non-current assets and available-for-sale financial assets.

##### **Other Reserves**

These are cash backed reserves and represent funds that are accumulated within the Council to meet anticipated future needs. In each case the amount relates to a perceived future requirement which is not currently a liability.

Property Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Property.
Plant and Equipment Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Plant and Equipment.
Infrastructure Reserve	The reserve holds funding for renewal, replacement or upgrading of existing assets and/or the establishment of new assets in line with Council's Asset Management Plan for Infrastructure.
Election Expense Reserve	The reserve will fund expenses related to Local Government elections and By-Elections.
Disaster Recovery Reserve	This reserve will fund expenses occurred due to storms, storm surges, floods or any other natural disaster. The fund will enable City of Palmerston to recover from these disasters and return to operations.
Strategic Initiatives Reserve	This reserve will fund strategic initiatives for the future development of the City of Palmerston in line with the Municipal Plan and the Long-term Financial Plan. Specific initiatives have to be identified and funds have to be allocated to those.
Community Grants Reserve	This reserve is in line with the Grants, Scholarship and Sponsorship Policy (FIN18) of the Council and holds funds that have been committed to initiatives in line with that policy and have not been expensed at the End of Financial Year.
Developer Funds Reserve	This reserve holds the balance of unexpended funds in lieu of construction received by developers. Restrictions to these funds apply in line with individual developer agreements.
Unexpended Capital Works Reserve	This reserve holds the balance of unexpended capital works funds that are requested to be carried forward to the following financial year.

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 10 - ASSETS SUBJECT TO RESTRICTIONS

The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

		2014	2013
<b>CASH &amp; FINANCIAL ASSETS</b>	Notes	\$	\$
Unexpended amounts received from Federal Government		3,649	169,992
Unexpended amounts received from Territory Government or other institutions		374,869	1,087,708
Developer Funds for works in lieu of construction		3,925,967	3,850,936
		<u>4,304,485</u>	<u>5,108,636</u>
<b>TOTAL ASSETS SUBJECT TO EXTERNALLY IMPOSED RESTRICTIONS</b>		<u>4,304,485</u>	<u>5,108,636</u>

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2014 \$	2013 \$
Total cash & equivalent assets	5	<u>32,606,050</u>	<u>33,761,522</u>
Balances per Cash Flow Statement		<u>32,606,050</u>	<u>33,761,522</u>

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

Net Surplus (Deficit)		(1,811,965)	(3,928,653)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		6,851,839	6,461,767
Net increase (decrease) in unpaid employee benefits		(28,268)	84,524
Change in allowances for under-recovery		-	(62,673)
Non-cash asset acquisitions		(2,837,402)	
Net (Gain) Loss on Disposals		67,424	98,341
		<u>2,241,628</u>	<u>2,653,306</u>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(52,407)	788,944
Net increase (decrease) in trade & other payables		666,678	59,884
<b>Net Cash provided by (or used in) operations</b>		<u>2,855,899</u>	<u>3,502,134</u>

#### (c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	2	<u>2,837,402</u>	-
<i>Amounts recognised in Income Statement</i>		<u>2,837,402</u>	-

#### (d) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Bank Overdrafts			
Corporate Credit Cards		56,000	40,000

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Palmerston

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

Note 12 - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES

	GENERAL PUBLIC SERVICES			PUBLIC ORDER & SAFETY			ECONOMIC AFFAIRS			ENVIRONMENTAL PROTECTION			HOUSING & COMMUNITY AMENITIES		
	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013
<b>OPERATING REVENUES</b>															
Rates	15,239,511	15,344,173	13,880,909	-	-	-	-	-	-	4,692,265	4,739,916	4,314,191	-	-	-
Statutory & User Charges	268,780	158,354	303,052	518,089	570,430	654,520	178,000	199,962	165,779	-	-	-	-	-	-
Grants - NT recurrent	290,763	336,347	680,963	-	-	-	379,430	416,083	777,879	-	-	-	-	-	-
Grants - Cwlfh recurrent	-	-	-	-	-	-	373,000	372,977	337,977	-	-	-	-	-	-
Contributions & Donations	-	-	10,000	-	-	-	212,603	351,418	395,632	-	-	-	-	6,865	-
Investment Income	1,327,100	1,445,150	1,718,888	-	-	-	-	-	-	21,950	24,423	23,837	-	-	-
Reimbursements & Other Revenues	155,433	148,056	43,385	-	-	-	46,830	41,540	61,405	-	-	-	-	-	-
<b>Total</b>	17,281,577	17,432,080	16,617,197	518,089	570,430	654,520	1,189,863	1,381,980	1,738,672	4,714,215	4,764,339	4,338,028	-	-	6,865
<b>OPERATING EXPENSES</b>															
Employee Costs	3,794,785	3,679,668	3,290,488	571,400	577,132	509,638	282,110	337,764	293,129	57,675	76,681	68,657	-	-	34,806
Materials, Contracts & Other	3,608,157	3,386,705	2,440,486	157,747	160,676	115,224	2,695,473	2,700,634	3,270,166	5,349,813	5,396,300	5,100,326	652,070	602,711	617,874
Depreciation, Amortisation, Impairment	6,476,000	873,226	291,257	-	-	3,320	-	4,476,150	3,697,141	-	-	-	-	-	974,707
<b>Total</b>	13,878,942	7,939,599	6,022,231	729,147	737,808	628,182	2,977,583	7,514,548	7,260,436	5,407,488	6,107,900	5,168,963	652,070	602,711	1,627,387
<b>TOTALS</b>	3,402,625	9,522,481	10,594,966	(211,058)	(167,378)	26,338	(1,787,720)	(6,132,568)	(5,521,764)	(693,273)	(1,343,561)	(830,955)	(652,070)	(602,711)	(1,620,622)
<b>TOTAL ASSETS UTILISED</b>															
		38,246,429	40,398,074		16,512	47,887		216,763,626	278,360,070		33,241,050	24,120,072			

	HEALTH			RECREATION, CULTURE & RELIGION			EDUCATION			SOCIAL PROTECTION			ELIMINATIONS			TOTAL		
	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013	BUDGET 2014	ACTUAL 2014	ACTUAL 2013
<b>OPERATING REVENUES</b>																		
Rates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,931,776	20,084,089	18,195,100
Statutory & User Charges	-	-	-	236,910	286,772	204,538	-	-	-	-	-	-	-	-	-	1,201,779	1,215,518	1,327,889
Grants - NT recurrent	-	-	-	579,884	579,543	783,338	-	-	-	1,000	1,800	1,800	-	-	-	1,251,067	1,333,773	2,223,980
Grants - Cwlfh recurrent	-	-	-	128,995	126,352	153,021	-	-	-	-	-	-	-	-	-	501,895	499,329	490,998
Contributions & Donations	-	-	-	-	-	3,280	-	-	-	-	-	-	-	-	-	212,603	351,418	415,777
Investment Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,349,050	1,469,573	1,742,725
Reimbursements & Other Revenues	-	-	-	945,789	992,667	1,145,472	-	-	-	1,000	1,800	1,800	-	-	-	202,263	189,596	106,085
<b>Total</b>	-	-	-	1,367,460	1,275,136	1,138,709	-	-	-	10,300	9,615	9,592	-	-	-	6,073,440	5,946,381	5,335,427
<b>OPERATING EXPENSES</b>																		
Employee Costs	-	-	-	5,209,443	4,700,377	4,982,034	-	-	-	-	-	-	-	-	-	17,683,003	16,927,018	18,535,672
Materials, Contracts & Other	-	-	-	6,576,903	6,843,058	7,609,152	-	-	-	10,300	9,615	6,933	-	-	-	6,476,000	6,851,840	6,461,767
Depreciation, Amortisation, Impairment	-	-	-	(5,631,114)	(5,850,391)	(6,463,680)	-	-	-	(9,300)	(7,815)	(14,725)	-	-	-	30,232,443	29,725,239	28,332,866
<b>Total</b>	-	-	-	(5,631,114)	(5,850,391)	(6,463,680)	-	-	-	(9,300)	(7,815)	(14,725)	-	-	-	(5,561,910)	(4,581,943)	(3,830,312)
<b>TOTALS</b>																		
<b>TOTAL ASSETS UTILISED</b>																		
					41,678,083	31,472,022				1,572,519	1,979,661					330,920,219	316,367,806	

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

#### Note 13 - FINANCIAL INSTRUMENTS

##### Accounting Policies

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits are returning fixed interest rates between 2.80% and 3.95% (2013: 2.80% and 4.64%). Short term deposits have an average maturity of 152 days and an average interest rates of 3.85% (2013: 124 days, 4.39%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Rates &amp; Associated Charges (including legals &amp; penalties for late payment)</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Secured over the subject land, arrears attract interest of 18% (2013: 18%) Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the Territory.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - Fees &amp; other charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Terms &amp; conditions:</b> Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Receivables - other levels of government</b>	<p><b>Accounting Policy:</b> Carried at nominal value.</p> <p><b>Terms &amp; conditions:</b> Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of the Governments of the Commonwealth &amp; Territory.</p> <p><b>Carrying amount:</b> approximates fair value.</p>
<p><i>Note:</i> Certain of the above receivables do not meet the definition of <i>financial instruments</i>, being statutory charges rather than arising from a contract. Accounting policies are reported here for purposes of completeness but they are excluded from the remainder of the Note.</p>	
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

#### Note 13 (cont) - FINANCIAL INSTRUMENTS

##### Liquidity Analysis

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & equivalents	32,606,050			32,606,050	32,606,050
Receivables	839,080			839,080	839,080
Other financial assets	-			-	-
<b>Total</b>	<b>33,445,130</b>	-	-	<b>33,445,130</b>	<b>33,445,130</b>
<b>Financial Liabilities</b>					
Payables	2,868,081			2,868,081	2,868,081
Current Borrowings				-	-
Non-Current Borrowings				-	-
<b>Total</b>	<b>2,868,081</b>	-	-	<b>2,868,081</b>	<b>2,868,081</b>
<b>2013</b>					
<b>Financial Assets</b>					
Cash & equivalents	33,761,522			33,761,522	33,761,522
Receivables	684,418			684,418	684,418
Other financial assets	-			-	-
<b>Total</b>	<b>34,445,940</b>	-	-	<b>34,445,940</b>	<b>34,445,940</b>
<b>Financial Liabilities</b>					
Payables	2,305,511			2,305,511	2,305,511
Current Borrowings				-	-
Non-Current Borrowings				-	-
<b>Total</b>	<b>2,305,511</b>	-	-	<b>2,305,511</b>	<b>2,305,511</b>

Note: Statutory receivables, such as rates, have been excluded from the above tables.

##### Sensitivity Analysis

Change to risk variable interest	Profit or Loss 2014	Equity 2014	Profit or Loss 2013	Equity 2013
+0.5%	163,030	163,030	168,808	168,808
-0.5%	(163,030)	(163,030)	(168,808)	(168,808)

##### Ageing of Receivables

	Total	Current	30-60 Days	61-90 Days	90+ Days	Past Due and Impaired
2014	839,080	836,898	4,020	(5,902)	4,064	-
2013	684,418	660,007	23,056	664	691	-

##### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

##### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. In accordance with regulations, all Council investments are made with authorised deposit taking institutions. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

**Liquidity Risk** is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. Liabilities have a range of maturity dates based on cash inflows. Council also has available a range of bank overdraft and short-term draw down facilities that it can access.

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of Council's financial instruments - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either Council incomes or expenditures.

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 14 - COMMITMENTS FOR EXPENDITURE

	2014	2013
<u>Notes</u>	\$	\$
<b>Capital Commitments</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings	5,342,626	-
Roads & Footpaths	2,182,765	-
	<u>7,525,391</u>	<u>-</u>
These expenditures are payable:		
Not later than one year	7,525,391	-
	<u>7,525,391</u>	<u>-</u>
<b>Other Expenditure Commitments</b>		
Other non-capital expenditure committed for in relation to investment properties:		
Waste Management Services	8,891,068	5,699,716
Landscaping and Mowing	1,979,513	-
Civil Works	627,629	-
Other	1,393,644	2,430,158
	<u>12,891,854</u>	<u>8,129,874</u>
These expenditures are payable:		
Not later than one year	4,962,834	4,441,329
Later than one year and not later than 5 years	7,929,020	3,688,545
	<u>12,891,854</u>	<u>8,129,874</u>



# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 15 - FINANCIAL INDICATORS

	2014	2013	2012	2011
<b>Current Ratio</b>				
<u>Current Assets - Externally Restricted Assets</u> Current Liabilities	8.75:1	8.93:1	10.67:1	7.5:1
<b>Debt Service Ratio</b>				
<u>Net Debt Service Cost</u> Operating Revenue*	0:01%	0:01%	0:01%	0:01%
* as defined				
<b>Rate Coverage Percentage</b>				
<u>Rate Revenues</u> Total Revenues	61.03%	56.47%	53.63%	56.16%
<b>Rates &amp; Annual Charges Outstanding Percentage</b>				
<u>Rates &amp; Annual Charges Outstanding</u> Rates & Annual Charges Collectible	2.39%	3.09%	3.70%	5.26%

# City of Palmerston

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

### Note 16 - OPERATING LEASES

#### *Leases providing revenue to the Council*

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable) in accordance with the published revenue policy. Rentals received from such leases are disclosed as rent and hire of non-investment property in Note 2.

#### Investment Property

Rentals received, and outgoings reimbursed, in relation to Investment Property are also disclosed in Note 2. These lease agreements, all of which are classified as operating leases, are made on a non-cancellable basis wherever practicable.

Lessees commitments under all non-cancellable lease agreements, including those relating to Investment Property, are as follows:

	2014	2013
	\$	\$
Not later than one year	170,774	96,414
Later than one year and not later than 5 years	1,805,293	102,389
Later than 5 years	2,602,600	-
	<u>4,578,667</u>	<u>198,803</u>

#### *Lease payment commitments of Council*

Council has entered into non-cancellable operating leases for various items of computer and other plant and equipment.

Contingent rental payments exist in relation to the lease of one grader if utilisation exceeds 250 hours during any month. No contingent rentals were paid during the current or previous reporting periods.

No lease imposes any additional restrictions on Council in relation to additional debt or further leasing.

Leases in relation to computer and office equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

No lease contains any escalation clause.

Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

	2014	2013
	\$	\$
Not later than one year	99,706	67,434
Later than one year and not later than 5 years	84,189	79,523
	<u>183,895</u>	<u>146,957</u>

## City of Palmerston

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2014

#### Note 17 - PRIOR PERIOD CORRECTIONS

Under AASB 1004 - Contributions BC19, rate income is classed as a involuntary non reciprocal transfer. Paragraph 30 states that control over assets acquired from rates would be obtained at the commencement of the rating period or, where earlier, upon receipt. Previously rate income collected for the following year have been deferred and recorded as a liability to the Council. This is not in line with AASB 1004 - Contributions and has been corrected this financial year and an adjustment made to previous periods commencing 1 July 2012.

Effect of the above:	Original Balance	Amount of Adjustment	Adjusted Balance
1/07/2012			
<b>Statement of Comprehensive Income</b>			
Rates and Annual Charges	16,824,688	442,207	17,266,895
Total Income	24,226,857	442,207	24,669,064
Operating Surplus/(Deficit)	(2,001,165)	442,207	(1,558,958)
<b>Statement of Financial Position</b>			
Trade and other Payables	2,296,713	(442,207)	1,854,506
Total Current Liabilities	2,722,094	(442,207)	2,279,887
Net Assets	316,778,099	442,207	317,220,306
Accumulated Surplus	77,083,966	442,207	77,526,173
Total Equity	316,778,099	442,207	317,220,306
<b>Statement of Changes in Equity</b>			
Net Results Total Comprehensive Income	(2,044,211)	442,207	(1,602,004)
Accumulated Surpluses	77,083,966	442,207	77,526,173
Total Equity	316,778,099	442,207	317,220,306
2013			
<b>Statement of Comprehensive Income</b>			
Rates and Annual Charges	18,091,128	103,972	18,195,100
Total Income	24,398,582	103,972	24,502,554
Operating Surplus/(Deficit)	(3,934,284)	103,972	(3,830,312)
<b>Statement of Financial Position</b>			
Trade and other Payables	2,851,690	(546,179)	2,305,511
Total Current Liabilities	3,352,447	(546,179)	2,806,268
Net Assets	312,745,474	546,179	313,291,653
Accumulated Surplus	73,607,505	546,179	74,153,684
Total Equity	312,745,474	546,179	313,291,653
<b>Statement of Changes in Equity</b>			
Net Results Total Comprehensive Income	(4,032,625)	103,972	(3,928,653)
Accumulated Surpluses	73,607,505	546,179	74,153,684
Total Equity	312,745,474	546,179	313,291,653

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF CITY OF PALMERSTON

### Scope

We have audited the accompanying financial report of the City of Palmerston, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, and the certification of financial statements.

### The responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer for the City of Palmerston is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), the Local Government Act (NT) 2011 and Local Government (Accounting) Regulations 2014. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

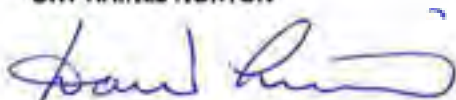
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Auditor's Opinion

In our opinion,

- a) the financial report presents fairly, in all material respects, the financial position of the City of Palmerston as of 30 June 2014, and its financial performance and cash flows for the year then ended; and
- b) is in accordance with the Local Government Act (NT) 2011, Local Government (Accounting) Regulations 2014 and the Australian Accounting Standards (including Australian Accounting Interpretations).

  
UHY HAINES NORTON



DAVID TOMASI

DATED THIS 3<sup>RD</sup> DAY OF NOVEMBER 2014  
25 PEEL STREET, ADELAIDE SA 5000.

UHY Haines Norton – Adelaide – ABN 37 223 967 491 SARN 0447 1611