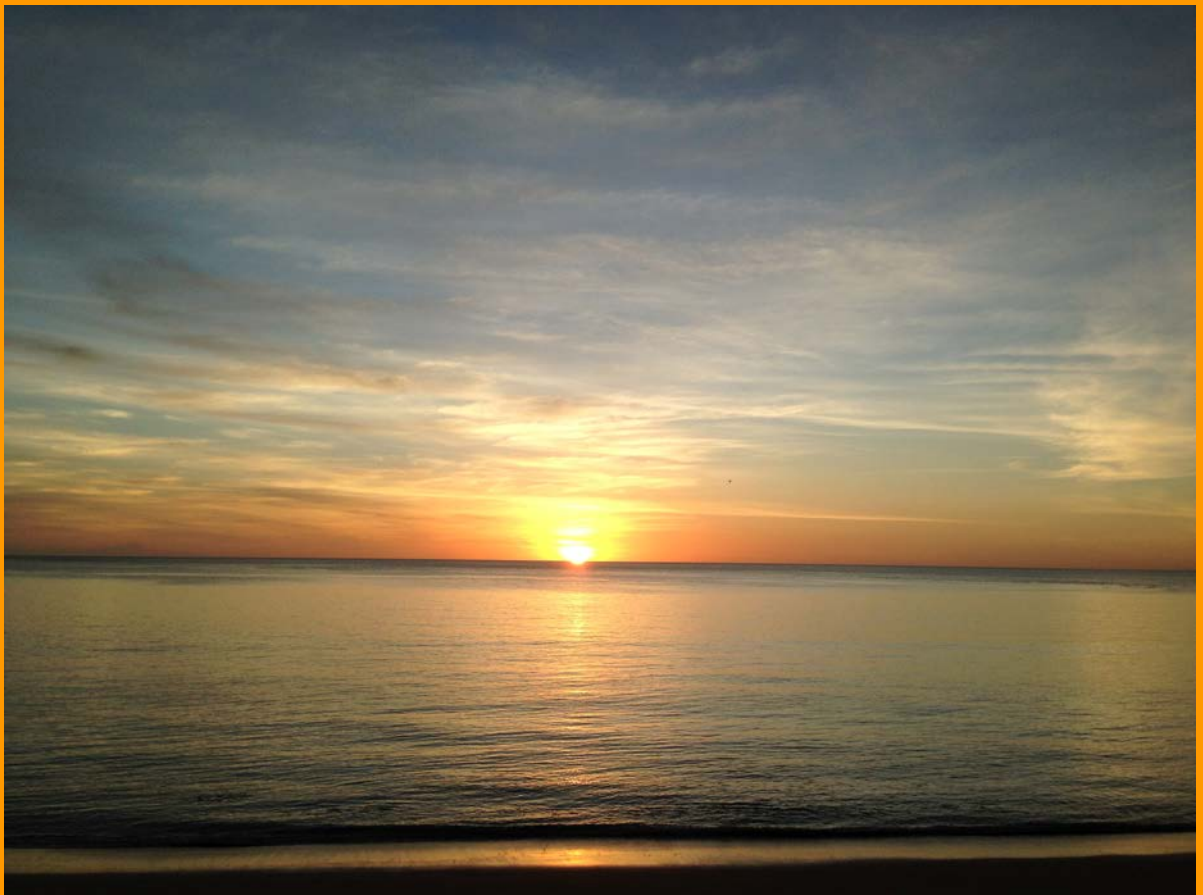




Tiwi Islands Regional Council Annual Report 2013 - 14



“Service for a Tiwi Future”

2013 – 14 Annual Report of the Tiwi Islands Regional Council
On January 1, 2013 the Tiwi Islands Shire Council was gazetted as the Tiwi Islands Regional Council.
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ACRONYMS

AFL	Australian Football League
ALGWA	Australian Local Government Women's Association
CCTV	Closed Circuit Television
CEO	Chief Executive Officer
HR	Human Resources
IT	Information Technology
ICT	Information, Communication and Technology
JSA	Job Safety Analysis
LGANT	Local Government association Northern Territory
MoU	Memorandum of Understanding
NBN	National Broadband Network
RA	Risk Assessment
SLA	Service Level Agreement
TIRC	Tiwi Islands Regional Council
TIYD	Tiwi Islands Youth Diversion
WHS	Workplace Health and Safety

MAYOR'S FOREWORD

Mayor Lynette De Santis presents the Tiwi Islands Regional Council Annual Report for 2013-14.

Alan Hudson
Chief Executive Officer

Lynette De Santis
Mayor



CHIEF EXECUTIVE OFFICER

Alan Hudson was the Chief Executive Officer for the period of this Annual Report 2013 – 14.

CONTACT US

The Tiwi Islands Regional Council operates offices in the communities of Wurrumiyanga, Pirlangimpi, Milikapiti and Darwin.

Please include your relevant contact details (full name and postal or email address) when requesting a response from the Council or its representatives.

GENERAL	
Email:	contactus@tiwiislands.nt.gov.au
Website:	www.tiwiislands.org.au
Postal Address:	PMB 267, Winnellie NT 0822
Wurrumiyanga (Bathurst Island) phone:	08 8970 9500
Pirlangimpi (Melville Island) phone:	08 8970 9600
Milikapiti (Melville Island) phone:	08 8978 3958
Darwin phone:	08 8944 4480

Copies of relevant Council documents are available on our website, www.tiwiislands.org.au

This information includes but is not restricted to:

- Council Plans (current and historical)
- Annual Reports and Audited Financial Statements (current and historical)
- Budget, including Schedule of Fees and Charges (current and historical)
- Minutes of Ordinary Meetings of Council

“Service for a Tiwi Future” our Values and Visions in the following:

- ## COUNCIL BOUNDARIES



TIWI ISLANDS REGIONAL COUNCIL COUNCILLORS PORTFOLIOS

CORE SERVICES	Wurrumiyanga	Pirlangimpi	Milikapiti
Corporate	Leslie Tungutalum	Pirrawayingi Puruntatameri	Lynette De Santis
Building Services	Brian Tipungwuti	Manyi Rioli	Peter Rioli replaced by Irene Tipiloura after his resignation in December 2013
Civil Services / Civil Works / Essential Services	John Naden Brian Tipungwuti	Manyi Rioli	Peter Rioli replaced by Irene Tipiloura after his resignation in December 2013
Governance	Leslie Tungutalum	Pirrawayingi Puruntatameri	Lynette De Santis
NON-CORE SERVICES	Wurrumiyanga	Pirlangimpi	Milikapiti
Children's Services	Crystal Johnson	Wokai Bourke	Anita Moreen
Sport and Rec	John Naden Gawin Tipiloura	Wokai Bourke	Peter Rioli replaced by Irene Tipiloura after his resignation in December 2013
Youth Services	Crystal Johnson Brian Tipungwuti	Pirrawayingi Puruntatameri	Anita Moreen
Community Support	Barry Puruntatameri Gawin Tipiloura	Wokai Bourke	Lynette De Santis

FORMATION of LOCAL AUTHORITIES

- Council created a Sub Committee (Local Authorities) in November 2013 to progress the implementation of existing Local Boards to become Local Authorities under the new Ministerial Guidelines.
- Council undertook a community engagement process early in 2014 to prepare Local Authority information packs, nomination forms and establish cultural representation guidelines.
- Council appointed the initial members of the 3 Local Authorities (Wurrumiyanga (18 members), Pirlangimpi (12 members), and Milikapiti (12 members) on the 11th March 2014.
- Council then arranged for a combined Elected Members and Local Authorities 3 day workshop / induction / training session to be held in Darwin at the Mirambeena Resort in late March 2014.
- Each Local Authority was also involved with participating in the 2014/15 Council Strategic Planning / Draft Budget preparations. (April to June 2014).



Photo taken at the commemorative service for the bombing of Darwin L – R Saadia Ullungura. Agnes and Wally Kerinauia, Leslie Tungatulum, Catherine Ullungura

SERVICE DELIVERY PERFORMANCE

GOVERNANCE

The Governance Unit provides effective leadership in Governance activities to support the strategic direction of Tiwi Islands Regional Council. This area is responsible for overseeing the establishment and ongoing implementation of good governance structures and processes.

Key Performance Indicators	Measure of success	Achievements
Compliant with Local Government Legislation	99 % Compliant	<ul style="list-style-type: none"> Continued focus on the <i>Local Government Act</i> for compliance targets and to keep up to date with legislative changes. Ongoing close liaison with the Department of Local Government & Community Services to improve compliance issues.
All Councillor aware of their roles	Council meetings are controlled and managed by Elected Members	<ul style="list-style-type: none"> A number of training courses and workshops were provided during the year with good attendance. Focus on Governance training for Councillors is an ongoing priority. Councillor portfolios have been reviewed and are regularly updated and discussed at Council Meetings. Council Meetings actively attended by all members.
Local Advisory Boards operating efficiently and working in conjunction with the Council	Information between Council and Local Boards is shared on a regular basis and both committees work in harmony	<ul style="list-style-type: none"> Continued good working relationship between Council and Communities. Established Local Authorities in early 2014. Local Authority Meetings actively attended by all members.

FUNDING AND PARTNERSHIPS

The Department of Local Government and Regions provided initial funding through the Closing the Gap scheme to enable the setup of the newly formed Governance Section within the Council in 2012/13. This was consolidated during 2013/14 as work continued with all 3 Local Boards (Wurrumiyanga, Milikapiti & Pirlangimpi) and to further refine governance processes.

The Department of Local Government in early 2014 provided a Special Purpose Grant to convert the existing Local Boards to Local Authorities (\$30,000). Council took a pro-active role by forming a sub committee in late 2013 to assist and guide this establishment process.

OPPORTUNITIES AND CHALLENGES

The Governance section has had a productive second year continued to build momentum on ensuring ongoing compliance with Northern Territory Government Legislation.

There was only one change of Councillor position during the year with the resignation of Milikapiti Ward Councillor Mr Peter Rioli in December 2013.

A By-election was subsequently held with a new Councillor Irene Tipiloura elected unopposed on 23rd January 2014.

Governance training and professional development continues to be a priority for our Elected Members and a separate listing has been prepared highlighting the ongoing support and efforts in this area.

Highlights:

- There was only one resignation of an Ordinary Council Member during 2013-14 (no resignations in the first 4 year term of office 2008-2011).
- All Council Meetings proceeded as scheduled with a quorum present – some scheduled meeting dates were changed for weather or cultural reasons.
- Successfully established 3 Local Authorities (Wurrumiyanga, Pirlangimpi and Milikapiti).
- Continued attendance and participation at Governance training and relevant Local Government Conferences.
- All Councillors are working together with Council staff on their selected portfolio areas.

PROFESSIONAL DEVELOPMENT AND TRAINING

Course / Conference	Location	Attendees	Dates
Australian Local Government Women's Association ALGWA	Alice Springs	Mayor Lynette De Santis Cr Therese Bourke	9-12 November 2013
Local Authorities Induction Workshops and Training Day One <ul style="list-style-type: none"> • Code of Conduct (CEO) • Separation of Powers (LGANT) • Roles and Responsibilities (LGANT) • Communication Protocol (CEO) Day 2 <ul style="list-style-type: none"> • Councillors – Prevention of Discrimination, Harassment and Bullying (BizNorth) • Local Authority members – How to read financial statements (CEO) 	Darwin	Councillors and Local Authority members.	17 – 19 March 2014
Local Government Association NT (LGANT) Forum	Darwin	Mayor Lynette De Santis	29 March – 4 April 2014
National General Assembly 2014 Conference	Canberra	Mayor Lynette De Santis Cr Crystal Bourke	13 - 19 June 2014

CORPORATE SERVICES

HUMAN RESOURCES

The Human Resources Unit provides strategic human resource leadership to encourage best practice in the management of the staff of the Tiwi Islands Regional Council. It supports a distributed human resources environment through leadership, policy development, operational services, consultancy and advice.

Areas covered include – Human Resources – recruitment and appointment, payroll functions, training and staff development, workplace health and safety, and mentoring.

Key Performance Indicators	Measure of success	Achievements
Recruitment and Selection processes are responsive and timely	Process is completed and appointments made within 3 weeks	Achieved
Payroll is completed on time and HR data is current and accurate	100% of timesheets received are processed	Achieved
Training and staff development organised and recorded	80% of staff undertaking training each year	Training is run as requested and approved, no % has been calculated due to variations in staff numbers and staff doing more than one training event in a year.
Workplace Health and Safety Committee organised and recorded	WHS Committee holding meetings each month and reporting through HR Reports to Council. Staff undertaking WHS training through a series of training sessions each quarter	Five training events held since September when new Executive HR Manager commenced
Mentoring Program established and operational	Two interviews per year for indigenous staff and one interview per year for non-indigenous staff	Mentors trained; interviews underway, all reports submitted to end of financial year.

OPPORTUNITIES AND CHALLENGES

Opportunities:

- As the HR functions mature there is an opportunity to build and use extended modules within the HR/Payroll system (TechOne) to record WHS, Training, and other HR information (depending on available funds).

Challenges:

- Ensure staff are properly trained so that they become efficient in each of the functional areas of HR

The Council has identified that strategic planning and policy development is required around a number of Human Resource Principles. These will take dedicated funding and resources to develop and include but are not restricted to:

- Succession planning
- Training and development plan
- Staff retention
- Comprehensive Workplace Policies and Procedures
- WHS Guidelines in line with workplace harmonisation
- Gender equity
- Strategic Risk management
- Sustainable employment of Tiwi people.

Highlights:

- Review and update of all existing forms and templates
- Creation of new forms and templates to close gaps in HR recruitment processes
- Concise Council Reports containing relevant information each month.
- Update on status of all apprentices working for Council.
- Coordination of training that is referred to HR.
- Review and update of Human Resources electronic fining system.
- Workplace Health and Safety Committee meeting regularly and recorded.

OFFICE ADMINISTRATION

Regional Council administration offices deliver information and services to Community residents on a daily basis, office staff provide assistance to residents when external businesses are out of office or closed. Staff also provides regular information and support to Elected Members, Directors and Council staff from other business units.

The Council Office also provides assistance to external agencies and provides information when requested.

The office managers also provide support services to the Local Authority operations and its members.

Travel services are processed in the Pirlangimpi and Milikapiti offices for whole of Council, on a shared basis to ensure continual back up and service delivery. Both offices provide a mail distribution point for their communities. The Milikapiti office also supports the provision of fuel to the community.

Australia Post Services at Wurrumiyanga are managed by the Officer Manager in Wurrumiyanga.

KEY PERFORMANCE OUTCOMES

Key Performance Indicators	Measure of success	Achievements
Increase revenue from fees and charges	Grow revenue by 20%	<ul style="list-style-type: none">Variable results across the three communities
Staff training and development	Monthly training sessions with competency signed off and noted in end of month report	<ul style="list-style-type: none">First AidAirport SecurityFire Training,Anti DiscriminationTransition from Office 2003 to Office 2010Conflict ResolutionHow to deal with negative attitudesDelegation skillsWord & Excel 2010

Accurate cash reconciliation	Cash entries reconciled on daily basis	Achieved
Professional development	One Tiwi staff member (min.) enrolled Cert. 3 in Business from each office	<ul style="list-style-type: none"> No staff wanted to enrol.

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Hire of Conference Room facilities to internal business units as well as external organisations to increase revenue.
- Increased training with formal qualifications, including Management training where appropriate.
- Implement Skills gained through training
- We are the only organisation that is able to provide space hire where we are able to generate money from the schedule of fees and charges.
- Increase revenue by charging an additional cost for Airport pick-up and drop-off to External Agencies

Challenges:

- Access to training from third party organisations
- Constant technology and Office communication breakdowns - Wait time
- Power outages
- Emergency Response preparedness

INFORMATION COMMUNICATION and TECHNOLOGY (ICT)

ICT provided essential services to all of the Council, and covers a wide range of services and tasks crucial to the Council's business and operations. Mobile phones, satellite phones, laptops, desktops, printers, projectors, cameras, CCTV cameras, fax machines, card printers and passport photo printers are some of the hardware provisioned, managed, maintained, updated and serviced by this department. We provide services to all staff and Councillors such as password recovery and reset, email, mobile, satellite and land line phones, printing, file management, computer security, software purchase and update, internet connectivity, IT and E-Waste policy,

and multi-media and event support. ICT also provides services to the Council such as permit and ochre card ID photos, Regional Council and Milimika Festival website management and update.

ICT also manages the Council communications billing with service providers such as Telstra, liaises with CouncilBIZ, Telstra and CSG, provisions the Council for its IT equipment and manages the Council websites (tiwiislands.org.au and tiwifestival.com). Additionally ICT provides insight in developing the Council strategic direction in ICT and communications, and responding to developments and changes in a rapidly evolving area.

ICT has also managed the sign up of the islands for the rollout of Digital Television and provided support to the installers in all communities during 2013-14.

KEY PERFORMANCE INDICATORS

Key Performance Indicator	Measure of Success	Achievements
Manage all Council ICT Assets incl. mobile phones, satellite phones, computers, printers and cameras.	Up to date asset list and allocation spreadsheet Return of all assets when staff leave All assets over \$1000 numbered with TIRC asset number	All assets listed in ICT asset sheets for 2013-14
Deliver ICT Services to all communities	Regular visits to all communities	Conference rooms in Pirlangimpi and Milikapiti networked.
Develop Council E-waste Policy, Procedures and Practice	Completed and approved Policy in Council Registry	E-waste had been stored but not shipped off the island during the 2013 -14 financial years.
Continue to reduce overall Council Communications costs	Reduce bills by at least 5%	

OPPORTUNITIES AND CHALLENGES

Opportunities:

As the main employer on the Islands, and having the largest internet and ICT network and infrastructure, including website development, we are uniquely placed to give young Tiwi's a broad experience in many aspects of ICT. We should be providing a cadetship or work experience to secondary students who have an interest in ICT or web development

Challenges:

- Mobile phones are frequently lost, stolen or damaged
- Often the conditions in which IT equipment is placed are dusty, dirty and hot considerably reducing operational life and requiring more frequent maintenance and repair
- Supply chain is difficult when we are relying on provisioning from the mainland
- We have no redundancy or fall over in any of the Council offices' internet connections or hardware and our continued business relies on internet connections to the servers in Darwin
- We are still replacing some of the equipment provided in the original rollout of the original Shires in 2008
- We have limited connection speeds in the Council offices at Wurrumiyanga, Milikapiti and Pirlangimpi, with no increases in site in the immediate future. The NBN promises satellite connections but not until 2015, and these will not necessarily be any more consistent or faster than current connections

Highlights:

- Continued reduction of overall Council communication costs.

COMMUNITY ENGAGEMENT

Support participation by Tiwi Island residents in the development, delivery and presentation of culturally appropriate and safe events, including a Festival for the community and visitors with annual side activities, on and off shore, including and not limited to sport, performing arts and art.

Key Performance Indicator	Measure of Success	Achievements
Organise Community Events	Increase organisations participation. Increase audience attendance.	<ul style="list-style-type: none"> Maintained previous levels of involvement.
Organise Festival	Increase organisations participation. Increase audience attendance. Increase funding.	<ul style="list-style-type: none"> Milimika Festival 2013
Promotion of Tiwi Islands Events & Brand	Increased number of printed articles. Monitor and grow electronic hit. Website active.	<ul style="list-style-type: none"> Milimika Festival front page in 'Off The Leash' Darwin Website updated for 2013 Festival
Continue developing Events Risk Assessment (RA) including Job Safety Analysis (JSA)	Signed off by HR, all risks minimised to avoid culpability, litigation & damage to reputation.	<ul style="list-style-type: none"> Incomplete
Events facilities development and refurbishment	All events held in TIRC facilities.	<ul style="list-style-type: none"> Not achieved, some events held out doors

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Retention of workers and commitment to tasks
- Continuous and regular communications regarding Festival development with Council

- Development of interactive online presence for Tiwi Festival and Events
- Encouragement of entrepreneurial activities by men and women for day trippers.

Challenges:

- Time spent on writing applications for small grants program
- Development and maintenance of basic existing facilities.

Highlights:

- Milimika Festival August 2013



RECORDS MANAGEMENT

Records Management is the discipline and organisational function of managing records to meet operational business needs, legal accountability requirements and community expectations.

Key Performance Indicator	Measure of Success	Achievements
Review Internal Quality Control	Policy adopted in line with LG records management policy	Began a re-structure review of folders and folder naming convention in the record management system
Ensure Council meets Freedom of Information legislative requirements	Roll out one new records management procedure or training session per month with 50% attendance for administrative staff	<ul style="list-style-type: none"> No FOI requests received in 2013-14. Rollout out of procedure deferred..
Archiving	Maintain 80% currency in records management	<ul style="list-style-type: none"> 40% complete
Manage InfoXpert and InfoCouncil	85% of staff trained in reporting and recording data at all times	<ul style="list-style-type: none"> All new staff who are required access to the computer system are trained individually.

OPPORTUNITIES AND CHALLENGES

Opportunities:

- To increase staff training – internally
- Better transparency and accountability

Challenges:

Communication outages and system downtime.

COMMUNITY SUPPORT

CHILDREN'S SERVICES

Regional Children's Service operates four programs across 3 communities, these include:

- Flexible Long Day Care Centre at Wurrumiyanga – Jirnani Child Care Centre
- Two Crèche Services at Pirlangimpi Crèche and Milikapiti Crèche.
- Outside School Hours Care at Wurrumiyanga, Pirlangimpi and Milikapiti
- Vacation Care at Wurrumiyanga, Pirlangimpi and Milikapiti
- Families as First Teachers (Wurrumiyanga only)

The programs provide activities that nurture and strengthen child development through quality learning, quality environment and quality practise. Each program implements a Quality Improvement Plan under the regulations of the National Quality Standards.

The Families as First Teachers is a transition program from home to school that supports and strengthens families' knowledge around Early Childhood development for children from birth to preschool.

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Working With Children	Open crèches on week days and deliver activities during outside school hours care	<ul style="list-style-type: none">▪ All centres were open throughout the week (with exception of funeral days).▪ Activities in the out of school hours care were delivered at all three communities
Working to keep children's cultural identity strong	Implement cultural activities in daily program	<ul style="list-style-type: none">▪ Children read and sung material in Tiwi language▪ Casual visits from elders in community saw children being taught to dance their respective cultural dance for ceremonies.

Working with families and the community	Initiate or maintain informal and flexible discussions with families and community	<ul style="list-style-type: none"> ▪ Random home visits to parents, encouraging their participation in activities at the centres. ▪ Flyers posted to promote centre opening hours
Working with other services	Develop/review and maintain links with other relevant organisations.	<ul style="list-style-type: none"> ▪ Collaboration with Sports and Recreation officers and Red Cross Staff during the Out of School Hours care periods ▪ MoU explored with Red Cross
Management	Develop/review and implement policies.	<ul style="list-style-type: none"> ▪ Performance Review on Regional Manager completed ▪ Performance review of all centre management completed

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Staff Promotion within Children's Services.
- Staff training and professional development.
- To gain qualifications in Children's Services and Early Childhood Education.
- To promote CS and to develop and provide promotional resources around all CS programs.
- To provide Cultural activities to enhance and strengthen Tiwi Culture.

Challenges:

- Staff attendance and commitment to the job.
- To source funding from external service's to provide special activities for the holiday programs.
- To engage families and community volunteers in Children's Service activities.

- Engaging Community members from a variety of age groups to share their knowledge and cultural experiences with the children that access Children's Service programs.

Highlights:

- Five staff commenced a Diploma of Children's Service
- Participated in the first Early Years Learning Framework, delivered through the Remote Indigenous Professional Development, by Queensland DEET.
- Holidays Program delivered fishing days for children



YOUTH

Tiwi Islands Youth Diversion (TIYD) provides a single point of contact for the effective and culturally appropriate formal and pre-court (Informal) Youth Diversion programs for Tiwi Youth, and provides a link between NT Police and referred youth from the Tiwi Islands communities.

The aim of the Tiwi Islands Youth Diversion is to assist young Tiwi people using a cultural intervention model to divert young people away from the judicial system.

Tiwi Youth Diversion seeks to provide programs that will provide Tiwi youth with the skills and support to lessen youth boredom and give a sense of purpose and direction to the lives of young people residing on the Tiwi Islands. The TIYD seeks to encourage and support Tiwi youth to develop life skills that will prevent them from offending and assist them to become responsible community members through a range of interventions to suit both the individual and community needs and are relevant and supported by Tiwi Skin groups and other leaders within the community.

KEY PERFORMANCE OUTCOMES

Key Performance Indicator	Measure of Success	Achievements
Establish a single point of contact for the acceptance of formal and informal referrals from the NT Police.	For the duration of the agreement.	<ul style="list-style-type: none">Formal referrals received from PoliceInformal referrals received from concerned parents and/or commercial entities
Provide culturally appropriate and effective case management for all youth clients to enable positive outcomes at the exit from the program	For the duration of the agreement.	<ul style="list-style-type: none">Tiwi language used at all times to ensure the youth were aware of their obligation whilst undertaking a programElders of the right skin group assisted the youth in their program, by providing cultural support in the form of indicating the right type of way to repair the harm.

Key Performance Indicator	Measure of Success	Achievements
Directly deliver proactive preventative activities for Indigenous youths aged 10 to 17 who are at risk of coming into contact with the formal justice system.	For the duration of the agreement.	<ul style="list-style-type: none"> ▪ Regular visits to schools, delivering 'positive messages' to keep our youth from the justice system. ▪ Weekly participation in men's group and Ponki mediators to discuss support of our young men and women
Integrated service delivery – organisation to work closely with other organisations to address the multiple needs of clients	For the duration of the agreement.	<ul style="list-style-type: none"> ▪ Weekly participation in Men's group and Ponki mediators to discuss support of our young men and women ▪ Participation in monthly meetings with NT Police
Workplace support and development	For the duration of the agreement.	<ul style="list-style-type: none"> ▪ Annual performance review completed ▪ Continued support for the participation in university studies ▪ Regular one-to-one meetings with the Director

Key Performance Indicator	Measure of Success	Achievements
Provide formal and non formal Youth Diversion Plans, mentoring, social and recreational activities and skills development for young people	For the duration of the agreement.	<ul style="list-style-type: none"> Plans and program included attendance at school, beautifying the community through the collection of rubbish and written apologies WHS practices learned through wearing of protective equipment when collecting litter.
To develop, implement and report on strategies that provide culturally secure approached that meet the needs of indigenous children and families	For the duration of the agreement.	<ul style="list-style-type: none"> Strategies include the use of Tiwi language and relevant Skin Group Elder from receipt through to exit of the participating youth.
Community Work Order		
Purchase of equipment	For the duration of the agreement.	<ul style="list-style-type: none"> Materials General were purchased for use by participants in the program
Provide supervision and work placement for offenders subject to community work on the Tiwi Islands	For the duration of the agreement.	<ul style="list-style-type: none"> Not achieved

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Further develop the Tiwi Islands Youth Development areas through the employment of Tiwi people using culture and kinship protocols in the further development of effective programs.
- To use Tiwi culture in connecting the TIYD to Tiwi Skin groups and Ponki mediators.
- Using Tiwi culture to increase effectiveness of the TIYD programs
- Maintain healthy relationship between TIYD, Wurrumiyanga Police, Tiwi families, and the Tiwi Skin Group for positive encouragement and development of Tiwi Youth.

Challenges:

- Minimal staff affects the delivery of this program in all main communities.
- Voluntary participation of Tiwi youth in areas such as substance abuse, education and training and making healthy lifestyle choices.



SPORT AND RECREATION

The Tiwi Islands Sports and Recreation team provides sports and active recreational activities for all Tiwi residents. Sport and Recreation operate throughout all three communities on the Tiwi Islands.

Key Performance Indicator	Measure of Success	Achievements
Women's participation	Participation from each community	<ul style="list-style-type: none"> Women participated in softball and travelled to compete in the Softball Championship held in Darwin Women participated in a nine-a-side AFL competition Women participated in walking groups and boot camps
Men's participation	Participation from each community	<ul style="list-style-type: none"> Men participated in cricket and travelled to the Imparja Cup Cricket held in Alice Springs
Basketball tournament	Each community has a representative team playing at the Milimika Festival	<ul style="list-style-type: none"> An AFL competition was held instead of basketball
Junior sport	Successful implementation of programs in there locations	<ul style="list-style-type: none"> Junior cricket introduced Junior running/mini-marathon introduced
Disco's	10 disco's held in each community	<ul style="list-style-type: none"> A disco every two to three months were held in community. Music listening was and some dance was held every day at the recreation hall

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Re-structure working hours and increase opportunities for Tiwi, men, women and children
- Deliver annual sporting calendar
- Provide accredited professional development for staff
- Utilise current funding effectively, whilst actively pursuing supplementary streams of income.

Highlights:

- Purchase of a new cricket pitch for Wurrumiyanga



FACILITIES MANAGEMENT

Provide effective management across both islands, to all sports and recreation facilities including ovals, halls and swimming pools.

Key Performance Indicator	Measure of Success	Achievements
Community participation	Increase patronage by 10% from year prior	<ul style="list-style-type: none"> Patronage was high across all operating pool hours, due to the pool closure in the previous year.
Canteen income	Increase in canteen sales by 15% on year prior	<ul style="list-style-type: none"> Income did not increase beyond 15% due to the fact that the kiosk had not operated in the previous year.
Staff retention, development and commitment	2 appraisals and 4 staff training sessions per year; 75% retention by end of December.	<ul style="list-style-type: none"> Managers underwent Annual Performance Appraisals Pool Life Guard refresher completed
Program participation	Average 2 programs per month, with 75% capacity	<ul style="list-style-type: none"> Swim activity daily achieved 75% capacity Outdoor movie nights during dry season Territory Day activities on the oval
Facility hire income	Average one external income generating facility hire per month	<ul style="list-style-type: none"> Facility hire was irregular and commonly made for the Wurrumiyanga Pool. Occasional booking for Recreation Hall at all three communities.

COMMUNITY PATROL

The Community Patrol Service assists communities to take responsibility in the prevention of anti-social, harmful, destructive and illegal behaviours by offering community patrolling and safe transport to protect vulnerable people.

Key Performance Indicator	Measure of Success	Achievements
Number of community and or Night Patrols per week	Achieving the specified number of patrols in each community	<ul style="list-style-type: none">Consistent patrols six days per week for the year.90% staff retention
Number of people assisted	Successful submitting of daily data to manager	<ul style="list-style-type: none">Over 1000 Adults assistedOver 2100 children taken to a safe place at night.
Rating of extent with which Services conform with patrol service standard	Submitting quarterly reports to funding body in a timely manner	<ul style="list-style-type: none">All Reports in by Due Dates.Monthly Stakeholder meetings

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Although training has been cut out of the funding there is still opportunity for the patrollers to attend workshops arranged by the Attorney General Department.
- Career progression.
- The Attorney Generals Department facilitates quarterly meetings of all Night Patrol managers with the NT which are beneficial for operational support and information sharing.

Challenges:

Family and cultural issues surrounding community knowledge and understanding of the Community Patrol.

LIBRARIES

Libraries in Milikapiti and Pirlangimpi provide a comfortable area for children and adults to read for pleasure or for information in a variety of topics. Libraries are well stocked with books and magazines suitable for all ages. Computers provided allow users to access through the Internet, a wide range of services including Research stations, Internet Banking, Desktop publishing and movie and photo editing.

Key Performance Indicator	Measure of Success	Achievements
Monthly reporting of information from clients that use the facilities	Collating of information and data	<ul style="list-style-type: none"> Statistical Reports completed monthly.
Increase usage of computers and facilities	Monthly client numbers to be tracked and included in monthly management reports.	<ul style="list-style-type: none"> Parents attending with their children School and Creche utilising the facility

CENTRELINK

Provide a basic access, support and assistance service to Centrelink Customers, including referral services for specialist assistance.

Key Performance Indicator	Measure of Success	Achievements
Weekly/daily statistic sheets	Submitting of data on a regular basis	<ul style="list-style-type: none"> All statistics recorded and submitted weekly
Complete monthly data sheets	Submitting of data on a regular basis	<ul style="list-style-type: none"> Monthly data reports completed
Ensure that all data is collected and recorded accurately.	Databases maintain accordingly.	<ul style="list-style-type: none"> Staff trained and refreshers held every quarter.

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Assisting in creating a job network for Tiwi people

Challenges:

- Internet and communications infrastructure on the islands hinders daily operation.



FINANCE

Finance is responsible for the smooth operation of the Regional Council through direction, control and administration of the financial activities of the Tiwi Island Regional Council, and to provide the Chief Executive Officer and the Council with financial assessments and information that will ensure planning and budgeting activities meet the Councils goals.

The finance department functions can be divided into three areas;

1. Financial Accounting (Accounts Payable, Accounts Receivable, Property and Rating, Internal and External Audit)
2. Management Accounting
3. Grants and Contract

Key Performance Indicator	Measure of Success	Achievements
Increase grant subsidy income by 20%	Funding opportunities applied for by the Council (benchmark 100%) Number of funding applications approved (benchmark 80%) Increase in grant subsidy income benchmark 20%)	Grant applications submitted but insufficient were successful to achieve this KPI
Increase in income through commercial contracts	Number of commercial contract tenders submitted. Increase in commercial contract income.	Commercial contract tenders submitted, limited success, income not increased.
Grant subsidy funding expended in full	Monthly budgeted expenditure equals monthly actual expenditure (benchmark variances are <10%)	No information
Grant subsidy income received in timely manner	Monthly actual income equals or exceeds monthly budgeted income (benchmark variances are <10%)	No information

Programs are funded for the 2013-14 financial year are completed by the end of financial year.	No incomplete programs or projects outstanding at 30th June 2014	Not achieved, extensions requested on some projects
Decrease over 90 day's debtors.	Total of 90 days or more outstanding equates to less than 30% of total debtors. Statements sent by 10th of each month Telephone communication made by 15th of each month	Less than 15%
Decrease over 90 day's creditors.	Total of 90 days or more outstanding equates to 20% or less of total creditors All invoices received have a matching purchase order in the system All invoices are signed off for payment within 14 days of receipt.	Less than 8 %

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Development of managers skill and knowledge base in actively managing their area
- Increase interest income through term investments
- Build better relationships with finding bodies

Challenges:

- Staff retention (loss of knowledge and continuity)
- Managers financial knowledge and lack of management reporting historically
- Communication flows from day to day activities to financial inputs.

INFRASTRUCTURE

The Regional Council's Infrastructure department provide a variety of services across the Tiwi Islands. The Director of Infrastructure Services provides executive leadership within the department and oversees the activities of the key business units within the department via their corresponding managers.

ASSET MANAGEMENT

Asset Management will undertake an examination all assets that the Council owns and is responsible for, and will provide guidance on acquisition (priorities, accordance with Council plans, cost options etc., project management to ongoing maintenance expenditure requirements e.g. painting and renewal where required e.g. resurfacing a bitumen road or refurbishment of a staff house; and disposal. In other words the Asset Management Plan will be a whole of life plan for each of Councils' assets.

The plans will be a key tool to inform the future budget processes.

Key Performance Indicator	Measure of Success	Achievements
Data	80% of data successfully obtained and documented	<ul style="list-style-type: none">▪ Commenced, delayed due to resignation/vacancy of Director Infrastructure services▪ 60% achieved
Reporting additional inspections	Full cost recovery	Full costs recovered for appropriate projects

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Optimising the use of Council assets
- Potential other sources of income generation from Council assets may be discovered

Challenges:

- The plans may demonstrate that the Council cannot afford to keep all assets in a safe and economical way
- The asset management plans will undoubtedly show there to be a significant funding shortfall which will be a gap that needs to be filled if we are to continue to offer the level of service that the community demands.

Highlights:

- Completion of three staff houses (Garden Point x 2, Milikapiti x 1)

AIRPORT SERVICES

Airport Services provides inspection and maintenance and emergency services to Department of Transport under contract. The services are performed by Regional Councils ESO's at each of the three communities and include daily inspection of the airstrips and immediate surrounds, maintenance of furniture and lighting, vegetation control such as grass mowing within the fenced area and other vegetation removal along approach and departure areas and emergency response.

Key Performance Indicator	Measure of Success	Achievements
Daily inspection	Daily log shows 100% compliance	Achieved
Reporting additional inspections	Full cost recovery	Reporting Achieved 90% cost recovery achieved

OPPORTUNITIES AND CHALLENGES**Opportunities**

- Airstrips may be handed over to Councils at some stage meaning that the Council will have more control over the assets.

Challenges

- Ensure Council continues to be in a position to offer services to NT Department Transport with respect to staff expertise and equipment.

Continue to maintain the existing good service relationship with Department Transport with respect to repairs and maintenance and promote the Council's civil works capabilities to Department Transport with regard to possible future asset renewal work.

Highlights:

- All airport staff obtaining Airport Security Inspection certification
- All airport staff completing and obtaining Security Officer Licences
- Organisation adopting a Drug and Alcohol management plan for staff working at the airport and completing staff training



BUILDING SERVICES

The Building Services role covers a broad scope of works throughout the two islands. The Council currently has a SLA with Territory Housing to supply all labour and materials to maintain assets across the three main communities.

- Staff housing
- Motel
- Contractors quarters
- Territory Housing contract (repairs and maintenance)
- Building Construction
- Rental management (proposed)

Building Services is also responsible for:

- The repair and maintenance of all Council assets and construction of new assets
- The repair and maintenance of outstations,
- Works from other contractors within the Council such as Power and Water, and
- Works for private enterprise.

Housing is an overall Tiwi operation where all three communities are grouped under one structure, therefore not requiring separate and individual service within each community.

Key Performance Indicator	Measure of Success	Achievements
Maintain profitability and growth	Maintain billable hours to above 80%	90% Billable hours achieved
New SLA contract beyond 2013	A new contract is signed which is sustainable for Council.	Successful in obtaining position on Department of Housing's panel contract
Maintain the level of training for Tiwi trades and apprentices	Tiwi apprentices and/or trades assistants to be recruited on a one on one basis with tradesmen	Unsuccessful due to restructuring of Department of Housing contract. Two apprentices retained

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Ability to take on all building projects within the Tiwi Regional Council area.
- Develop more diverse Building Services
- Tendering for Government contracts
- Sub contract to other contractors within the community
- Improve service delivery through cooperation with government agencies or other organisations through better alignment with Territory Housing needs and the Councils ability to deliver through improvements to communications and administrative systems.

Challenges:

- Retaining Territory Housing SLA in a tendering scenario

Highlights:

- Being successful in obtaining a position on Department of Housing panel of providers through an open market tender process.

ESSENTIAL SERVICES

Essential Services provides services to Power and Water under contract for the provision of clean and constant potable water to the communities, a safe effluent disposal system and continuous power supply incorporating operating of the power station, fuel management and distribution of power through the 3 communities.

Key Performance Indicator	Measure of Success	Achievements
Schedule of rates	Council is not penalised for non compliance	100% compliance
Operational order Request work	No work is performed outside of normal daily duties without an authorised Operational Order Request	Achieved
New contract in 2013	A new contract is signed which is sustainable for Council and provides an acceptable standard of service to Power& Water.	The Regional Council was not successful in retaining this contract through the tender process

OPPORTUNITIES AND CHALLENGES

Opportunities

- New contract coming up at the end of 2013 provides an opportunity to improve the Councils; position with regard to income.
- Work in with Councils building Services to provide plumbing and electrical services.

Challenges

- Council will need to compete for the contract as it should go to tender
- The current contract must be efficiently administered so as to adequately cover costs
- Some ESO's are approaching retirement age and we need to plan for replacement

TOWNSHIP SERVICES

The Township Services functions of Parks and Gardens, Cemeteries, Barge Landings and Waste and Recycling are common across the three communities. Ferry Services are only available at Wurrumiyanga; however the service provides one of the most important transport links between Melville and Bathurst Island.

Key Performance Indicator	Measure of Success	Achievements
Playgrounds upgrade	Funding secured for playground upgrades	Applications unsuccessful
Enhance boatshed operation	20% reduction in operating cost for boatshed. All car and ferry crossings are paid for by users.	Operating costs have risen due the higher standards required by regulatory authority
Management of refuse Tips	Staff are stationed at the refuse tip and plant is available when required.	Achieved
Improve appearance of all communities	A cyclical maintenance schedule is developed and implemented.	70% achieved

OPPORTUNITIES AND CHALLENGES

The team provides core services for which operating costs are expected to be met in line with Community expectations.

Highlights:

- Significant improvement in overall appearance of all three Tiwi communities has been achieved.



CIVIL WORKS

Civil works constructs and maintains roads and stormwater infrastructure on community and outer town roads, as well as performing other civil engineering duties such as earthworks and moving large goods where machinery is needed; utilising heavy earth moving machinery such as road graders, loaders, trucks, rollers, waster tankers and excavators. Teams are stationed in all three communities but re required to work as required on infrastructure over all of the islands.

Key Performance Indicator	Measure of Success	Achievements
Roads to Recovery	All approved projects for 2013/14 nominated on the R2R website are completed.	Achieved
Roads to Recovery	An approved works program is drawn up in preparation for the final year of the program (2013/14).	Achieved
Disaster Recovery	All 7 projects are completed in accordance with funding agreement.	Achieved
Disaster Resilience	All 3 projects are completed in accordance with funding agreement.	Two projects were completed with the third project 60% completed

OPPORTUNITIES AND CHALLENGES

Opportunities:

- Contracting out services to external customers
- Provide civil works services to barge landing project and possible airstrip redevelopment in Wurrumiyanga
- Provide opportunity to take on young people in the community.

Challenges:

- Reduction of the road to recovery funding programs
- Machinery down time/reliability is the biggest cause of work disruption with on-going training and re-training of staff in proper care and maintenance of machinery.

Highlights:

- Road reconciliation completed in partnership with NTG with the result being an increase to FAA roads funding



WORKSHOPS AND FLEET ADMINISTRATION

Managing cost recovery and administration for all Council vehicles (vehicles and heavy plant); ensuring vehicles are maintained and insurance and registration are compliant. Develop a sustainable replacement strategy.

Key Performance Indicator	Measure of Success	Achievements
Vehicle fleet hire system	Cost recovery is implemented	Achieved
Internal recharges	Successful recharging against funded projects	90% achieved. Some programs will not allow vehicle charges

Key Performance Indicator	Measure of Success	Achievements
Establish service and maintenance schedules	Service conducted per vehicle usage and scheduled requirements	Achieved
Heavy fleet inspections to be conducted	Knowledge of the state and projected useful life of each machine	70% achieved

OPPORTUNITIES AND CHALLENGES

Opportunities:

To set up a fleet hire business that recharges vehicle costs to each funded program.

Challenges

- Education – change culture about ownership of vehicles
- Age of the existing vehicle fleet, down time and funding to replace fleet.

Highlights:

- Reduction in the size/expense of council fleet
- Asset management database introduced to assist fleet management



MECHANICAL WORKSHOP – MELVILLE ISLAND

The main objective of the workshops on Melville Island is to provide a service to Regional Council residents out of the light vehicle workshop at Pirlangimpi and the workshop at Milikapiti. The civil workshop keeps the plant and equipment up and running. Service levels are about the same in both communities, we would like to improve the amount of service the workshops provides in a retail context.

Key Performance Indicator	Measure of Success	Achievements
New workshop at Milikapiti	New workshop is developed and opportunities have emerged for retail person/mechanical apprentice. Fuel problems are solved with no downtime.	<ul style="list-style-type: none">▪ Delay on delivery of new funded fuel system.▪ Workshop has opened and operates functionally
Auto air conditioning	Licence obtained at least one trained technician on staff, service available to the public.	Achieved
Vehicle recovery	Report to Council advising options and costs.	Disposal plan of vehicles completed

OPPORTUNITIES AND CHALLENGES

Opportunities:

Expand the level of services for the community and other organisations on the island in addition to service provision that currently exists for many government and non Government entities.

Highlights:

- Service level being distributed more evenly across Tiwi outstations as a direct result of updated NTG reporting tools

MECHANICAL WORKSHOP – BATHURST ISLAND

Wurrumiyanga workshop carries out repairs and maintenance to all TIRC vehicles, plant and machinery on Bathurst Island and carries out some minor repairs to contractor's vehicles. The workshop is also responsible for the supply and delivery of both unleaded and diesel fuel for all TIRC assets, and supplies contractors with diesel as required.

Key Performance Indicator	Measure of Success	Achievements
% of work hours currently charged out	Increase productivity to at least 60%.	Achieved
Employ two apprentices at Wurrumiyanga	Staff in place	Two apprentices and one trade assistant employed, all resigned.

OPPORTUNITIES AND CHALLENGES

Opportunities:

Employ and train another two Tiwi Islanders to gain formal qualifications in the mechanical trade.

Challenges:

Difficult operating conditions amplifying the maintenance required on assets

Highlights:

- Major repairs completed to several heavy machinery assets that had been non functional for a large period of time.

OUTSTATIONS

The outstations program provides housing maintenance, essential services and municipal services, it has two fulltime employees who maintain Housing and Essential Service Infrastructure across Bathurst and Melville Islands. Capital infrastructure upgrades are identified and completed on a regular basis.

Key Performance Indicator	Measure of Success	Achievements
Planned inspections and maintenance completed and documented	Performance report accepted as compliant by Department of Community Services	Achieved
Continuity of Essential service provision over the Tiwi outstations	Essential service failures address within 24hrs	Achieved

OPPORTUNITIES AND CHALLENGES

Opportunities:

Identify required upgrades and negotiate funding with NTG.

Challenges:

- Insufficient funding for power generation at Wurankuwu (now 22 homes)
- Location of outstations, access throughout the wet season.
- Reduction in support staff due to funding reductions in other programs
- Age of plant/vehicles within program

Highlights:

- Service level being distributed more evenly across Tiwi outstations as a direct result of updated NTG reporting tools.



AUDITED FINANCIAL STATEMENTS



Tiwi Islands Regional Council Annual Financial Statements Year Ended 30 June 2014

**Independent Auditor's Report
To the members of the Tiwi Islands Regional Council**

We have audited the accompanying financial report of Tiwi Islands Regional Council (the "Council"), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory explanation and the Chief Executive Officer's certification.

Chief Executive Officer's responsibility for the Financial Report

The Chief Executive Officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act and Regulations 2008, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the financial report that gives a fair view and is free from material misstatement, whether due to fraud or error.

Auditor's 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraphs, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

We are independent of the Council, and have met the independence requirements of Australian professional ethical pronouncements.

Basis for Disclaimer of Opinion

We were unable to obtain sufficient and appropriate documentary evidence to support the following balances in the statement of financial position as at 30 June 2014 and the following expense items in the statement of comprehensive income for the year ended 30 June 2014 as the Council was unable to provide information concerning these balances and expense items in the financial report:

- The value of inventories of \$851,782 under Other Assets in the statement of financial position as at 30 June 2014;
- Current and non-current provisions for annual leave and long service leave amounting to \$1,207,671 and \$151,033 respectively recorded in the statement of financial position as at 30 June 2014;
- Unexpended grants of \$188,180 in the statement of financial position as at 30 June 2014.
- The completeness of trade and other payables recorded as \$798,392 in the statement of financial position as at 30 June 2014.
- Operating expenses, including chair and council allowances, of \$668,281 and Materials and Contracts expenses of \$5,020,843 recorded in the statement of comprehensive income for the year ended 30 June 2014. We were also unable to ascertain if these expenses were incurred in accordance with the Council's policies and procedures and/or the Local Government Act and Local Government (Accounting) Regulations.

We were also unable to perform alternative means concerning the inventory balance, leave provisions, unexpended grants, and trade and other payables as at 30 June 2014, and operating expenses for the year ended 30 June 2014.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded inventory balances, leave provisions, unexpended grants, trade and other payables, operating and materials and contracts expenses, and the elements making up the statement of comprehensive income, statement of changes in equity and statement of cash flows.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Inherent Uncertainty Regarding Going Concern

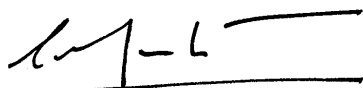
We draw attention to Note 1 in the financial report which indicates that the Council incurred a net deficit of \$3,598,386 and net cash flows used in operating activities of \$1,364,058 for the year ended 30 June 2014, which may affect its ability to support its ongoing obligations and commitments under its normal business activities.

The Council is also funded predominantly by funding provided by both the Australian and Northern Territory Governments to meet operational and capital expenditure needs. At the date of this report, the Council is under the management of an official manager appointed by the Minister for Local Government. The official manager is currently examining the affairs and financial position of the Council and preparing a report to the Minister on the operations of the Council. The outcome of the official manager's report, which is not yet determinable at this stage, has cast a significant doubt on the Council's ability to continue as a going concern within 12 months of the date of this audit report.

These conditions, along with the other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Council's ability to continue as a going concern and therefore, the Council may be unable to realise its assets and discharge its liabilities in the normal course of business.

Merit Partners

Merit Partners



MunLi Chee
Director

Darwin
8 April 2015



Postal Address:
PMB 267
Winnellie NT 0822
ABN: 61507431031
Tel: 08 8970 9500

8 April 2015

MunLi Chee

Merit Partners

GPO Box 3470

DARWIN NT 0801

Dear MunLi

This representation letter is provided in connection with your audit of the financial report of Tiwi Islands Regional Council ('the Council') for the year ended 30 June 2014. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial report presents fairly, in all material respects, the financial position of the Tiwi Islands Regional Council as of 30 June 2014 and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations.

We understand the purpose of your audit is to express an opinion on our financial report in accordance with Australian Auditing Standards. We understand the audit involved an examination of the accounting system, internal control and related data, to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief:

A. Financial Statements and Financial Records

1. We acknowledge, as members of the Council, our responsibility for the fair presentation of the financial report. We believe the financial report referred to above gives a true and fair view of the financial position and financial performance of the Council in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations and is free of material misstatements, including omissions, apart from the items as disclosed to you. We have approved the financial report.
2. The significant accounting policies adopted in the preparation of the financial report are appropriately described in the financial report.

3. Each element of the financial report is properly classified, described and disclosed in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations.
4. As members of management of the Council, we believe the Council has a system of internal controls, apart from matters disclosed to you, adequate to permit the preparation of an accurate financial report in accordance with Accounting Standards (including Australian Accounting Interpretations) and the Local Government Act and the Local Government (Accounting) Regulations that is free from material misstatement, whether due to fraud or error.
5. The financial records of the Council have been kept so as to be sufficient to enable a financial report to be prepared and audited, and other records and registers required by the Local Government Act and the Local Government (Accounting) Regulations have been properly kept and are up-to-date.

B. Fraud and Error

1. We acknowledge we are responsible for the design and implementation of internal controls to prevent and detect fraud and error.
2. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Council's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial report. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial report or otherwise affect the financial reporting of the Council.
4. We believe that the effects of any unadjusted audit differences accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial report taken as a whole.

C. Compliance with Laws and Regulations

1. We have disclosed to you all known actual or possible noncompliance with laws and regulations whose effects should be considered when preparing the financial report.
2. There has been no noncompliance with requirements of regulatory authorities that could have a material effect on the financial report in the event of noncompliance.

D. Completeness of Information

1. We have made available to you all financial records and related data and all minutes of the meetings of Council held through the year to the most recent meeting held.
2. Except as disclosed to you, there are no material transactions that have not been properly recorded in the accounting records underlying the financial report.
3. Except as disclosed to you, we confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you all information required to meet the disclosure requirements of AASB 124 Related Party Disclosures, in particular information relating to personally related entities for both specified directors and specified executives.
4. We have brought all uncorrected misstatements to your attention.

E. Recognition, Measurement and Disclosure

1. Except as disclosed to you, we believe that the significant assumptions underlying the fair value measurements and disclosures used in the preparation of the financial report are reasonable and appropriate in the circumstances.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial report.
3. We have disclosed to you, and the Council has complied with, all aspects of contractual agreements that could have a material effect on the financial report in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

F. Ownership and Carrying Value of Assets

1. The Council has satisfactory title to all assets appearing in the balance sheet, and there are no liens or encumbrances on the Council's assets, nor has any asset been pledged as collateral. All assets to which the Council has satisfactory title appear in the balance sheet.
2. We have no plans to abandon lines of product or other plans or intentions that will result in any excess or obsolete inventory, and no inventory is stated at an amount in excess of net realisable value, apart from those that have been disclosed to you.
3. There are no formal or informal compensating balance arrangements with any of our cash and investment accounts. We have no other line of credit arrangements or other arrangements involving restrictions on cash balances.
4. Except as disclosed to you, we have considered the requirements of AASB 136 – Impairment of Assets when assessing the carrying values of non-current assets and in ensuring that no non-current assets are stated in excess of their recoverable amount.
5. Except as disclosed to you, adequate provision has been made for adjustments and losses in collection of receivables.
6. Allowances for depreciation have been adjusted for items of property, plant and equipment that have been abandoned or are otherwise unusable.

G. Liabilities and Contingencies

1. Except as disclosed to you, all material liabilities and contingencies, including leave provisions and those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial report.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. Except as disclosed to you, we have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

H. Purchase and Sales Commitments and Sales Terms

1. Losses arising from purchase and sales commitments have been properly recorded and adequately disclosed in the financial report.
2. At the year end, the Council had no unusual commitments or contractual obligations of any sort which were not in the ordinary course of business and which might have an adverse effect upon the Council (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; significant foreign exchange commitments; open balances on letters of credit; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).
3. All material commitments for construction or acquisition of property, plant and equipment or to acquire other non-current assets, such as investments or intangibles have been disclosed in the financial report .
4. We have provided you with all agreements regarding sales to distributors and resellers. These agreements represent the entire arrangements and are not supplemented by other agreements either written or oral.

I. Independence

1. We are not aware of any act or omission on the part of the Council that does or may impact on your ability to comply with your independence obligations as auditor of the Council. We have brought to your attention any items which we consider may affect your ability to remain independent of the Council and we will continue to work with you to maintain the independence of the audit relationship.

J. Subsequent Events

1. Other than as described in Note 16 to the financial report, there have been no events subsequent to period end which require adjustment of or disclosure in the financial report or notes thereto.

K. Going Concern

1. Note 1 to the financial report discloses all of the matters of which we are aware that are relevant to the entity's ability to continue as a going concern, including significant conditions and events, our plans for further action and the feasibility of those plans.

M. Electronic Presentation of the Financial Report

1. With respect to publication of the financial report on our website, we acknowledge that:
 - a) we are responsible for the electronic presentation of the financial report;
 - b) we will ensure that the electronic version of the audited financial report and the auditor's report on the website will be identical to the final signed hard copy version;
 - c) we will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the potential risk of misrepresentation;
 - d) we have assessed the controls over the security and integrity of the data on the web site and that adequate procedures are in place to ensure the integrity of the information published; and
 - e) we will not present the auditor's report on the full financial report with extracts only of the full financial report.

Yours sincerely



Garry Lambert

Acting Chief Executive Officer



Allan McGill

Official Manager

Uncorrected misstatements

Description	Line item	Balance sheet effect		Income statement effect	
		Dr	Cr	Dr	Cr
To correctly accrue for superannuation expenses for the year ended 30 June 2014	Salary SGC			28,437	
	Payroll Creditor		28,437		
To take up accrued wages as at 30 June 2014	Salary			22,778	
	Payroll Creditor		22,778		
To reclassify credit balances in debtors report	Receivables	17,362			
	Other Creditors		17,362		
Total Uncorrected Misstatements		17,362	68,577	51,215	0



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CHIEF EXECUTIVE OFFICER'S CERTIFICATE

I, Garry Lambert, Acting Chief Executive Officer of the Tiwi Islands Regional Council, certify that the Annual Financial Statements:

- a) have been, to the best of my knowledge, information and belief, properly drawn up in accordance with all applicable Australian Accounting Standards, the Local Government Act and the Local Government (Accounting) Regulations (with the exception of those matters described in the modified audit report) so as to present fairly the financial position of the Council for the year ended 30 June 2014 and its results for the year then ended; and
- b) are in accordance with the accounting and other records of the Council.

Signed by:

Date: 8 April 2015

A handwritten signature in blue ink, appearing to be 'Garry Lambert', written over a large, stylized blue ink flourish or scribble.

Garry Lambert

Acting Chief Executive Officer

**General Purpose Reports and Associated Schedules
for the year ended 30 June 2014
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**Statement of Comprehensive Income
for the year ended 30 June 2014**

	Notes	2014 \$	2013 \$
REVENUE			
Grants and contributions provided for operating purposes	3e	8,279,322	12,237,342
Other Operating Revenue	3d	3,664,902	4,512,466
User Charges and Fees	3b	899,225	587,168
Rates and Annual Charges	3a	1,099,130	943,102
Interest Revenue	3c	87,724	160,552
Contributions and Donations	3f	49,217	33,729
Other Income		14,024	0
TOTAL REVENUE		14,093,544	18,474,359
EXPENSES			
Employee Costs	4a	9,281,021	12,041,505
Materials and Contracts	4e	5,235,438	5,689,105
Interest Charges	4b	393	4,154
(Profit)/Loss from Disposal of assets	4f	(84,133)	46,031
Other Operating Expenses	4d	668,281	645,551
TOTAL EXPENSES		15,101,000	18,426,347
(DEFICIT)/SURPLUS BEFORE DEPRECIATION AND CAPITAL GRANTS		(1,007,456)	48,013
Grants & Contributions provided for: Acquisition of assets			
Capital Grants Revenue	3e	46,101	367,613
OPERATIONAL (DEFICIT)/SURPLUS BEFORE DEPRECIATION AND ASSET CLASSIFICATION		(961,355)	415,625
Depreciation	4c	2,637,031	2,599,049
(DEFICIT)/SURPLUS BEFORE INCOME TAX EXPENSE		(3,598,386)	(2,183,423)
Income Tax Expense		-	-
TOTAL COMPREHENSIVE DEFICIT FOR THE YEAR		(3,598,386)	(2,183,423)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**Statement of Financial Position
as at 30 June 2014**

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Current Operating Accounts & Cash on Hand	9a	2,650,676	5,230,423
Trade and Other Receivables	5	620,495	1,213,117
Other Assets	6	882,578	1,218,736
TOTAL CURRENT ASSETS		4,153,749	7,662,276
NON CURRENT ASSETS			
Buildings Prescribed	7a&b	25,051,160	25,720,855
Infrastructure Prescribed	7a&b	4,652,192	4,958,939
Plant	7a&b	1,702,337	1,964,877
Equipment	7a&b	404,438	302,914
Motor Vehicles	7a&b	785,350	929,024
Motor Vehicles Prescribed	7a&b	-	126,015
Work in Progress	7a&b	45,010	392,535
TOTAL NON CURRENT ASSETS		32,640,487	34,395,160
TOTAL ASSETS		36,794,236	42,057,436
CURRENT LIABILITIES			
Trade and Other Payables	8a	798,392	1,283,540
Current Provisions	8c	1,207,671	1,290,663
Current Borrowings	8e	666,667	333,333
Other Current Liabilities	8b	13,687	22,074
Unexpended Grant Liability	8b	188,180	1,021,013
TOTAL CURRENT LIABILITIES		2,874,597	3,950,623
NON CURRENT LIABILITIES			
Non Current Provisions	8d	151,033	73,154
Non Current Borrowings	8e	-	666,667
TOTAL NON CURRENT LIABILITIES		151,033	739,821
TOTAL LIABILITIES		3,025,630	4,690,444
NET ASSETS		33,768,606	37,366,992
EQUITY			
Accumulated Funds		33,768,606	37,366,992
TOTAL EQUITY		33,768,606	37,366,992

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

**Statement of Changes in Equity
for the year ended 30 June 2014**

	Asset Revaluation Reserve-Prescribed Assets	Retained Earnings	Total Equity
Balance at 1 July 2012	31,965,790	7,584,625	39,550,415
(Deficit)/Surplus for the year	-	(2,183,423)	(2,183,423)
Revaluation increment - Infrastructure	-	-	-
Revaluation increment - Buildings	-	-	-
Balance at 30 June 2013	31,965,790	5,401,202	37,366,992
(Deficit)/Surplus for the year	-	(3,598,386)	(3,598,386)
Revaluation increment - Infrastructure	-	-	-
Revaluation increment - Buildings	-	-	-
Balance at 30 June 2014	31,965,790	1,802,816	33,768,606

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

**Statement of Cash Flows
for the year ended 30 June 2014**

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
<i>Receipts</i>			
Receipts from rates & annual charges		1,099,130	935,539
Receipts from user charges & fees		899,225	587,169
Interest received		79,168	160,552
Grants & contributions		7,492,950	12,638,684
Other operating receipts		4,114,365	5,404,673
		<u>13,684,838</u>	<u>19,726,616</u>
<i>Payments</i>			
Payments to employees		9,286,135	12,085,632
Payments for materials & contracts		5,182,760	8,210,358
Payments of interest		393	4,154
Other operating payments		579,608	517,231
		<u>15,048,896</u>	<u>20,817,375</u>
Net Cash Flows used in Operating Activities	9b	<u>(1,364,058)</u>	<u>(1,090,759)</u>
 Cash Flows from Investing Activities			
<i>Receipts</i>			
Proceeds from sale of assets		-	14,074
		<u>-</u>	<u>14,074</u>
<i>Payments</i>			
Purchase of assets		(882,358)	(1,032,410)
		<u>(882,358)</u>	<u>(1,032,410)</u>
Net Cash Flows used in Investing Activities		<u>(882,358)</u>	<u>(1,018,336)</u>
 Cash Flows from Financing Activities			
<i>Receipts</i>			
Cash transferred from constituent councils on restructure			
Borrowings		-	-
		<u>-</u>	<u>-</u>
<i>Payments</i>			
Repayment of Borrowings		(333,333)	-
		<u>(333,333)</u>	<u>-</u>
Net Cash Flows used in Investing Activities		<u>(333,333)</u>	<u>-</u>
 NET (DECREASE)/INCREASE IN CASH HELD		(2,579,749)	(2,109,096)
 Cash at Beginning of Reporting Period		5,230,423	7,339,519
 Cash at End of Reporting Period	9a	<u>2,650,676</u>	<u>5,230,423</u>

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

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

1 Summary of Accounting Policies

General Information

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Tiwi Islands Regional Council.

The Local Government Reporting Entity Tiwi Islands Regional Council is established under the Northern Territory Local Government Act and has its principal place of business at Puti Drive, Wurrumiyanga Community, Bathurst Island.

The purpose of this financial report is to provide information about the cash flows, financial performance and position of the Regional, and accountability of the resources entrusted to it.

Economic Dependency and Going Concern

The Council is funded predominantly by funding provided from both the Australian and Northern Territory Governments to meet operational and capital expenditure needs.

The Council has incurred an operational loss before depreciation of \$961,355 for the year ended 30 June 2014 (2013: operational profit before depreciation of \$415,625). After depreciation, the Council recorded a loss for the year of \$3,598,386 (2013: Loss of \$2,183,423). The Council also incurred net cashflows used in operating activities of \$1,364,058 (2013: net cashflows used in operating activities of \$1,090,759).

The ability of the Council to continue its operations at its current level is dependent upon continued funding and support from the Australian and Northern Territory Governments.

At the date of this report, the Council is currently under the management of an official manager appointed by the Minister for Local Government. The official manager is currently examining the affairs and financial position of the Council and preparing a report to the Minister on the operations of the Council.

The outcome of the official manager's report is not yet determinable at this stage, along with the other matters as set forth above, indicate the existence of a material uncertainty that may cast significant doubt on the Council's ability to continue as a going concern and realise its assets and discharge its liabilities in the normal course of business.

Basis of Accounting

Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements of the Local Government Act, the Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Council is a not-for-profit entity for financial reporting purposes.

Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS') as applicable to not-for-profit entities.

Adoption of new and revised accounting standards

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

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Future Australian Accounting Standard Requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Council for the annual reporting period ended 30 June 2014. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transaction or other events is reported. Material accounting policies adopted in the preparation of financial statements are presented below and have been consistently applied unless otherwise stated.

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

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. All amounts are presented in Australian dollars, unless otherwise noted.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable.

Revenue is measured on major income categories as follows:

(i) Rates

Rates are enforceable debt linked to rateable property that will be recovered when the property is sold, and therefore control normally passes at the time of levying, or where earlier upon receipt of rates paid in advance. The rating period and reporting period for the Council coincide and accordingly, all rates levied for the year are recognised as revenues.

Uncollected rates are recognised as receivables. A provision is recognised when collection in full is no longer probable.

(ii) Grants, donations and other contributions

Grants, donations and other contributions are recognised in the statement of comprehensive income when the entity obtains control over or the right to receive the grant, donation or other contribution, it is probable that the economic benefits gained from the grant, donation or other contributions will flow to the entity and the amount can be measured reliably. Control over granted and contributed assets is normally obtained upon their receipt (or acquittal), and is valued at their fair value at the date of transfer.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

1. Summary of Accounting Policies continued

Where grants, contributions and donations recognised as revenue 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 these notes.

(iii) Disposal of property, plant and equipment

The gain or loss on disposal of an asset is determined when control of the asset has passed from the Council and can be measured reliably.

(iv) Interest revenue

Interest is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

(v) Commercial and contract revenue

The Council undertakes activities of a commercial, or quasi commercial nature such as maintenance contracts, building construction, and operation of cash businesses. Commercial income is recognised as it accrues, when it is probable that the future economic benefits will flow to the Council and it can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

Financial Assets

(i) Loans and Receivables

The Council recognises financial assets as loans and other receivables. The classification depends on the purpose for which the financial instrument was acquired and is determined at initial recognition and re-evaluated at reporting date. Financial assets are measured at fair value, net of transaction costs except for financial assets classified as at fair value through profit and loss which are initially measured at fair value.

(ii) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

(iii) Impairment of financial assets

Financial assets are evaluated at each balance sheet date to determine any evidence of impairment. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial assets the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.

1. Summary of Accounting Policies continued

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

(iv) De-recognition of financial assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset the Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Inventory

Inventory is stated at the lower of cost and net realisable value.

Leased Assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

As lessee

Assets held under finance leases are initially recognised at their fair value or, if lower, at amounts equal to the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to the qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Finance leased assets are depreciated on a straight line basis over the estimated useful life of the asset.

Operating lease payments are recognised as expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Plant and Equipment

Acquisition of Plant and Equipment is recognised at cost when control of the asset passes to the Council. Cost includes expenditure that is directly attributable to the acquisition. Cost related to plant, equipment and infrastructure gifted, donated or granted to the Council is the fair value of the asset, plus costs directly attributable to the acquisition.

Land

The Aboriginal Land Rights Act establishes native title over land in the Tiwi Islands. In the absence of clear title no land assets are recognised in the Council's Statement of Financial Position.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

1. Summary of Accounting Policies continued

Land under Roads

Council has elected not to value or recognise as an asset land under roads acquired prior to 1 July 2008 in accordance with the election available under AASB 1051 Land under Roads.

Property

In 2006 the Land Rights Act was amended to enable township leasing. Leasing arrangements currently exist for Wurrumiyanga, Milikapiti and Wurankuwu. It is envisaged Pirlangimpi community will adopt township leasing in due course. It is proposed that in future periods the Council will lease its major operating buildings from the Office of Township Leasing. Buildings and infrastructure assets are recognised in the financial statements as prescribed assets. This is due to the status Tiwi Islands Regional Council has under 'Right of Occupation' from section 6.2 of the Head Lease agreement and the fact that under general property law it is the Executive Director of Township leasing who has the leasehold ownership interest in the land.

Building and Infrastructure assets were recognised in the 2010 financial statements as prescribed assets at their 30 June 2010 re-valued amount. Revised valuations were provided in the fixed asset register where net values are recognised at 30 June 2010. Building and Infrastructure assets commenced depreciating, at their re-valued amounts, on 1 July 2010. The Council does not believe that there is any significant increment or decrement to the valuation carried out in 2010. Hence the property has been valued at 2010 valuation amounts and depreciated accordingly. Revaluations are performed with sufficient regularity such that carrying amounts do not differ materially from those that would be determined using fair value at the end of each reporting period.

Revaluation increments arising from recognising assets at valuation are offset against one another within the class of assets. Net revaluation increments in the carrying amounts of these assets are recognised directly in accumulated equity under the heading of prescribed asset reserve to the extent that the increment reverses a decrement that was previously recognised as an expense in the net profit or loss in respect of the same class of assets. No amounts were recognised in the accounts arising from previous revaluations so all increments are recognised in revaluation reserve.

Depreciation

All property, plant and equipment, with the exception of land, is systematically depreciated over its useful life in a manner which reflects the consumption of the service potential embodied in those assets from the time that the item of property plant and equipment is available for use.

Depreciation is provided for on a straight line method using useful lives which are reviewed each reporting period.

The estimated useful lives used for each class of depreciable assets are:

Buildings/ Other Structures	10 - 20 Years
Plant and Equipment	1 - 10 Years
Motor Vehicles	3 - 5 Years

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

1. Summary of Accounting Policies continued

Valuation

The Council recognises assets over the value of \$5,000.

Impairment of Assets

At the end of each reporting period, the Council reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Financial Liabilities

(i) Payables

These amounts represent liabilities for goods and services provided to Council prior to the end of the financial year which remain unpaid. The amounts are unsecured and usually paid within thirty days of recognition.

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(iii) Employee benefits

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

Employee benefits expected to be settled within 12 months:

Provisions in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Employee benefits not expected to be settled within 12 months:

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

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

1. Summary of Accounting Policies continued

(iv) Superannuation

The Council contributes for its employees to a defined contribution superannuation plan (Local Government Superannuation Scheme).

(v) Unexpended Grant Funds

Grant funding has been treated in the accounts according to the provisions of AASB 1004 Contributions. Where funds are provided on the condition that the Council is to make a reciprocal transfer of economic benefits, and that transfer has not occurred prior to the reporting date, a liability is recognised as at the reporting date in respect of such amounts

Taxation

The Council is tax exempt under Sec 50-25 of the *Income Tax Assessment Act 1997*, being a local governing body.

Provisions

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

or

ii) for receivables and payables which are recognised inclusive of GST, the net amount recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the taxation authority, is classified as operating cash flows.

Rounding

Unless otherwise stated, amounts in the financial reports have been rounded to the nearest dollar and are presented in full dollars. All amounts are expressed in Australian dollars.

Comparatives

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2a Functions

Information showing the carrying value of assets that can be reliably attributed to each function of Council and information showing the income derived from each function and the expenditure that can be reliably attributed to each function has not been disclosed in these financial statements. Information showing a comparison between the budgeted and actual result for the financial year for each Council function has also not been disclosed. This is not in compliance with Sections 15 (d) and (e) of the *Local Government (Accounting) Regulations*.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

2b Component Functions

The activities relating to the Regional functions are as follows:

GENERAL PUBLIC SERVICES

Executive and Legislative Functions

Administration, operation and support of executive and legislative functions and all elements associated with Corporate governance.

Financial and Fiscal Affairs

Administration of Council's finances and compliance with legislative provisions of Local Government (Accounting) Regulations.

General Public Services - including General Administration, Corporate Services/Community Services/ Works & Infrastructure, Other and Office Personnel Maintenance

Administration, support, regulation, research, operation of general public services including insurance and Natural Disaster relief where applicable.

PUBLIC ORDER & SAFETY

Fire protection, local emergency services, control of animals and impounding, control of public places, control of signs, hoarding and advertising, community policing and probationary matters.

ECONOMIC AFFAIRS

General economic, agriculture and forestry, fuel and energy, other labour and employment affairs, transport and other industries, saleyards and tourism.

ENVIRONMENTAL PROTECTION

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, groundwater and surface water.

HOUSING AND COMMUNITY AMENITIES

Housing, housing and community development, water supply and street lighting.

HEALTH

Well baby clinics, dental health services and home nursing services, nursing and convalescent home services, immunisation, infant nutrition and child health, and family planning services.

RECREATION, CULTURE AND RELIGION

Facilities and venues, recreation parks and reserves, cultural and religious services museums and libraries.

EDUCATION

Administration, inspection, support, operation, etc of education programs and services.

SOCIAL PROTECTION

Outlays on day care services, family day care, occasional care and outside schools hour care, aged services, shelter protection, drug and alcohol treatment programs. Also includes relief from man-made disasters.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

3 Operating Revenue	2014 \$	2013 \$
a RATES AND CHARGES		
<u>Ordinary Rates</u>		
General Rates	651,564	567,275
Total Ordinary Rates	641,564	567,275
<u>Annual Charges</u>		
Domestic Waste Charges	447,566	375,827
Total Annual Charges	447,566	375,827
Total Rates & Annual Charges	1,099,130	943,102
b USER CHARGES & FEES		
User Charge Fee Income	567,772	237,588
Property Lease Rental Fee Income	256,443	251,451
Equipment Hire Income	72,070	97,752
Other Charges & Fees	2,940	377
Total User Charges & Fees	899,225	587,169
c INTEREST		
Interest on Investments	87,724	160,552
Total Interest Revenue	87,724	160,552
d OTHER OPERATING REVENUE		
Reimbursements	33,105	163,053
Service Fee Income	153,974	272,906
Sales Income	2,159,738	2,426,060
Contract Fees	1,212,304	1,471,298
Employment Related Outcome Payments	18,483	84,545
Other Operating Revenue	87,298	94,603
Total Other Operating Revenues	3,664,902	4,512,466
e GRANTS		
<u>Commonwealth Special Purpose Funding</u>		
Jirnani Day Care Centre	582,785	574,738
Child Services Pirlangimpi	206,206	203,358
Creche Milikapiti	210,241	207,338
After School Care Wurrumiyanga	360,027	179,133
After School Care Pirlangimpi	184,202	90,829
After School Care Milikapiti	176,939	90,829
Vacation Care Wurrumiyanga	-	175,923
Vacation Care Pirlangimpi	-	90,829
Vacation Care Milikapiti	-	83,667
Night Patrol Regional	1,168,789	1,084,774
ISRP - Indigenous Sport & Recreation Program Regional	150,880	147,200
ISRP - Jobs Creation Package Regional	190,077	187,268
CDEP Participant Wages Regional	-	926,371
CDEP Community Development Stream Regional	-	111,087
CDEP Work Readiness Stream Regional	-	731,161

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
3. Operating Revenue continued		
CDEP Service Fees Regional	-	760,000
CDEP Community Development and Support Regional	-	354,000
CDEP Activity Generated Income	27,700	206,368
CDEP Prior Period Carried Forward	-	28,150
ICS - Cultural Mentoring	-	40,000
NT Jobs Packages (Broadcasting) Regional	85,267	94,551
Portable Stage (Bathurst Oval Upgrade Facilities)	201,310	-
Financial Management Service	2,700	-
Bush Camps - Combat Petrol Sniffing Strategy	-	-
Roads (R2R)	268,993	365,906
NAIDOC Activities 13/14	10,499	-
Outstations Essential Services	76,001	-
Total Commonwealth Special Purpose Funding	3,902,616	6,733,480
<u>Operational Funding</u>		
FAA Operating Grant (NTG)	674,315	460,667
FAA Operating Pre Payment	-	551,388
FAA Roads	341,734	390,762
FAA Roads Pre Payment	-	435,633
General Purpose	202,547	229,620
General Purpose Pre Payment	-	193,076
	1,218,596	2,261,146
<u>NT Special Purpose Funding</u>		
Territory Housing Regional		
Jirnani Day Care Centre	-	3,918
Youth Diversion Scheme	220,000	142,057
Active Remote Communities Sport & Recreation Regional	102,000	102,000
Library	60,802	60,802
Outstations Essential Services	341,597	267,347
Outstations Converted Jobs Program	60,729	60,729
NTG Sport & Recreation ARCP (Softball)	-	7,000
Outstations Housing Management	-	40,000
Matching Funds Salary Income	555,944	503,478
Outstations Housing Maintenance	160,862	110,013
CTG - Strengthen Governance Capacity	-	11,307
NTDRP – Milikapiti Rec Hall Community Shelter	8,000	-
SPG Re-Branding Regional Council	100,720	-
Family as First Teachers DET	338,750	232,000
FaFT - Children Week Micro Grant	-	1,000
Workforce Mentoring	188,750	122,000
SPG Establishment Local Authorities	30,000	-
CGT – Wurrumiyanga Swimming Pool Upgrade 2014	42,082	-
Homelands Extra Allowance – Regional	10,920	-
TEABBA Capital	10,000	-

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
3. Operating Revenue continued		
Driver Education Program	-	16,800
Indigenous Training for Employment Program	2,303	112,841
Festivals - Milimika Festival	-	27,623
NT Remote Pools	-	22,334
Imparja Cup	-	8,409
Grass Roots	4,800	1,200
Gym Facility Upgrade at Nguui	-	35,000
Community Work Order	-	54,000
CIGP - Septic & Rainwater Tanks	-	27,273
Community Benefit Fund - Inflatable Projector Screen	-	3,340
Barge Landing Upgrade Wurrumiyanga	(45,856)	115,346
Community Festivals NT	-	20,000
David Guy Uganda	-	6,000
Australia Day	1,000	1,500
SPG - Milikapiti Fuel Browsers	-	171,146
Family Safety - LED Pool Lighting	-	30,791
Traffic Management	35,000	20,000
National Youth Week - Follow the Leader	-	2,000
Cricket Pitch Facility & Capital	7,500	-
FAA Roads	113,911	-
2013-2014 CIGP Rainwater & Septic Tanks	22,727	-
NTNDRP – Ranku Washout	5,255	-
	2,377,796	2,339,253
Current Operating Funding Total	7,499,008	11,333,880
<u>Prior Year Grants Brought Forward Operating</u>		
CDEP Participant Wages B/F	-	158,175
Night Patrol Regional	20,038	488
Tracking Database Child Care	-	-
CDEP Community Development and Support Regional	-	124,392
NTG - C Gap (Sport Hall Repair)	-	-
NRETAS Pirlangimpi Hall Upgrade	-	19,764
CTG Repairs Pirlangimpi Library	-	25,142
Toursim NT	20,000	-
Family Safety – LED Pool Lights	30,791	-

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
3. Operating Revenue continued		
Environmental Health Services	-	329,680
HMP Fencing Program	540,000	540,000
Sport Demonstration Program -AFL	-	5,333
Family as First Teachers DET	56,722	82,678
Roads (R2R)	112,765	132,489
CIGP - Wurankuwu New Generators	-	9,007
CTG Flood Lighting Wurrumiyanga	-	57,869
Environmental Health - Water Bubblers	-	5,469
Pirlangimpi Womens Centre	-	15,000
Upgrade / Repair Rec Halls	-	6,605
Driver Education Program	-	11,777
Tourism NT	-	4,545
Community Benefit Fund - Small Grant	-	5,000
Festivals Australia (DRALGAS)	-	48,530
NDRRA - Cape Fourcroy Road	-	341,524
Total Prior Year Operating Grants	780,316	1,923,469
<u>Operating Grant Liability</u>		
Creche Milikapiti	-	(95)
Vacation Care Milikapiti	-	(15,878)
Vacation Care Wurrumiyanga	-	(1,438)
Vacation Care Pirlangimpi	-	(7,523)
CDEP Participant Wages Regional	-	(3,188)
CDEP Community Development and Support Regional	-	(97,800)
ISRP - Jobs Creation Package Regional	-	(48,102)
Night Patrol Regional	-	(25,526)
Festivals - Milimika Festival	-	(20,000)
NT Jobs Packages (Broadcasting) Regional	-	(11,077)
HMP Fencing Program	-	(540,000)
Family as First Teachers DET	-	(56,722)
Pirlangimpi Womens Centre	-	(928)
Community Benefit Fund - Small Grant	-	(244)

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
3. Operating Revenue continued		
NDRRA - Cape Forcroy Road	-	(46,240)
Family Safety - LED Pool Lighting	-	(30,791)
Roads (R2R)	-	(112,765)
ICS - Cultural Mentoring	-	(1,690)
Total Operating Grant Liability	-	(1,020,007)
 TOTAL OPERATIONAL FUNDING	 8,279,322	 12,237,342
 Prior Years Capital Funding		
Capital		
CDEP Community Development and Support Regional	46,101	367,613
	46,101	367,613
 Total Capital Grant Liability	 -	 -
 TOTAL CAPITAL FUNDING	 46,101	 367,613
 TOTAL GRANTS	 8,325,423	 12,604,955
 f CONTRIBUTIONS & DONATIONS		
Cash Sponsorship	-	16,418
Cash Donations	49,217	17,311
	49,217	33,729

TIWI ISLANDS REGIONAL COUNCIL

**Notes to and forming part of the Financial Statements
for the year ended 30 June 2014**

	2014	2013
	\$	\$
4. Operating Expenses		
a EMPLOYEE COSTS		
Wages and Salaries	6,969,246	9,443,930
Annual Leave and Long Service Leave Movements	1,322,524	1,493,691
Superannuation	690,594	823,437
FBT	33,538	42,676
Workers Compensation	215,032	205,986
Relocation/Recruitment	32,625	28,737
Other Employee Related Expenses	17,462	3,049
TOTAL EMPLOYEE COSTS	9,281,021	12,041,505
b INTEREST CHARGES		
Bank Fees	393	4,154
Total Interest Charges	393	4,154
c DEPRECIATION & AMORTISATION		
Depreciation		
Buildings Depreciation	1,595,757	1,620,010
Infrastructure	327,177	322,423
Plant and Machinery Depreciation	294,203	288,071
Equipment Depreciation	88,467	55,807
Motor Vehicles Depreciation	331,426	312,737
Total Depreciation	2,637,031	2,599,048
d OTHER OPERATING EXPENSES		
Council Chairman's Allowance	84,637	85,450
Councillor Allowance Exp	212,525	203,229
Local Authority Allowances	6,258	-
Electoral Commission Expenses	1,332	9,307
Insurance	337,208	347,565
Other Operating Expenses	26,321	-
Total Other Operating Expenses	668,281	645,551

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
4. Operating Expenses (contd)		
e MATERIALS & CONTRACTS		
Accounting Fees	54,405	56,522
Bad Debt write-off Exp	315,893	100,977
Communication Expenses	195,134	194,244
Consultants & Legal Expenses	89,151	132,503
Contract Labour	661,814	591,567
Contract Materials	9,045	21,795
Electricity	167,993	194,019
Freight	284,283	280,861
Fuel & Oil Motor Vehicles	595,313	585,411
Gas Expenditure	6,791	8,701
Material Expenditure	2,122,070	2,021,609
Operating Lease Expenses	289,215	339,489
Software/Internet/Support	370,937	387,022
Travel/Accommodation/Training	374,734	737,427
Sea cat ferry expenses	36	-
Other Materials & Contracts	(301,376)	36,957
Total Materials & Contracts	5,235,438	5,689,105
f LOSS ON DISPOSAL OF ASSETS		
Net Expense from Disposal of assets	(84,133)	46,031
Total Expense from Disposal of assets	(84,133)	46,031

5 Current Assets - Receivables

Rates & Annual Charges	255,436	255,815
GST Receivables	884	-
Accrued Income	39,099	80,456
Other Receivables	629,832	1,096,511
Less Provision for Doubtful Debts	(304,755)	(219,665)
TOTAL RECEIVABLES	620,496	1,213,117

a Trade receivables and allowance for doubtful debts

Trade receivables are non-interest bearing and are generally on 30 day terms
The ageing of trade receivables at 30 June 2014 is detailed below:

Aged Analysis	2014 \$	2013 \$
Not past due	2,300,426	635,264
Past due 31-60 days	523,247	32,281
Past due 61-90 days	14,253	28,962
Past due 91-days	322,877	736,275
Unapplied Credits	(2,235,552)	-
Total Gross Trade Receivables 2014	925,251	1,432,782

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

b Impaired receivables

As at 30 June 2014, receivables with a nominal value of \$90,160 were impaired (2013: \$219,665). Receivables are assessed for impairment by ascertaining the recoverability of the amounts, and are provided for when there is objective evidence indicating that the debt may not be fully recoverable to the Council. The ageing of the impaired receivables are as follows:

Aged Analysis	2014	2013
	\$	\$
Not past due	-	-
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-days	304,755	219,665

Movement in the provision for impairment are as follows

Balance at beginning of year	(219,665)	(203,371)
Provision for impairment recognised during the year	(85,100)	100,977
Reversal of provision for impairment	-	(117,271)
Balance at end of year	(304,755)	(219,665)

As at 30 June 2014, current receivables of the Council with a nominal value of \$555,622 (2013: \$577,853) were past due but not impaired. These relate to a number of customers for whom there is no history of default.

The ageing of these receivables are as follows:

Past due 31-60 days	523,247	32,281
Past due 61-90 days	14,253	28,962
Past due 91-days	18,122	516,610
Total Receivables	555,622	577,853

6 Other Assets

Inventories:		
Fuel Stock	60,735	92,823
Stores and Material	791,047	1,123,902
Prepayments	30,796	2,011
TOTAL OTHER ASSETS	882,578	1,218,736

7 Property Plant & Equipment

a Gross carrying amount and accumulated depreciation

Prescribed Buildings - at revaluation	31,489,550	30,563,488
Less: Accumulated Depreciation and Impairment	(6,438,391)	(4,842,633)
Total	25,051,160	25,720,855

2014 **2013**

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	\$	\$
7 Property Plant & Equipment continued		
Plant and Machinery - at cost	3,154,174	3,122,511
Less: Accumulated Depreciation and Impairment	(1,451,836)	(1,157,634)
Total	1,702,338	1,964,877
Equipment - at cost	605,410	415,421
Less: Accumulated Depreciation and Impairment	(200,973)	(112,507)
Total	404,437	302,914
Motor Vehicles - at cost	1,760,598	1,440,336
Less: Accumulated Depreciation and Impairment	(975,248)	(511,313)
Total	785,350	929,024
Prescribed Motor Vehicles - at cost	-	258,524
Less: Accumulated Depreciation and Impairment	-	(132,509)
Total	-	126,015
Prescribed Infrastructure - at revaluation	5,881,824	5,861,395
Less: Accumulated Depreciation and Impairment	(1,229,632)	(902,455)
Total	4,652,192	4,958,939
Work in Progress	45,010	392,535
Total	45,010	392,535
Total Property, Plant and Equipment	32,640,487	34,395,160
b Movements in carrying amounts		
Buildings - at revaluation		
Buildings - at revaluation	25,720,855	27,178,702
Plus: Revaluation	-	-
Plus: Acquisitions	926,062	162,163
Less: Sold/Written Off	-	-
Less: Depreciation	(1,595,758)	(1,620,010)
Total	25,051,160	25,720,855
Plant and Machinery - at cost		
Plant and Machinery - at cost	1,964,877	1,931,429
Plus: Acquisitions	31,663	340,046
Less: Sold/Written Off	-	(18,527)
Less: Depreciation	(294,203)	(288,071)
Total	1,702,338	1,964,877

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
7 Property Plant & Equipment continued		
Equipment - at cost		
Equipment - at cost	302,914	157,218
Plus: Acquisitions	189,990	201,503
Less: Sold/Written Off	-	-
Less: Depreciation	(88,466)	(55,807)
Total	404,438	302,914
Motor Vehicles - at cost		
Motor Vehicles at cost	1,055,039	1,066,384
Plus: Acquisitions	61,738	342,972
Less: Sold/Written Off	-	(41,578)
Less: Depreciation	(331,427)	(312,737)
Total	785,350	1,055,039
Prescribed Infrastructure - at revaluation		
Infrastructure - at revaluation	4,958,939	5,156,744
Plus: Acquisitions	20,429	124,618
Less: Sold/Written Off	-	-
Less: Depreciation	(327,177)	(322,423)
Total	4,652,192	4,958,939
Work in Progress		
Opening Balance	392,535	531,427
Disposals	-	60,105
Purchased	29,950	972,305
Capitalisation	(377,475)	(1,171,301)
Total	45,010	392,535
TOTAL - All Non-Current Assets	32,640,487	34,395,160
8 Creditors, Provisions & Borrowings		
a Creditors		
Goods & Services	162,057	1,283,341
Employee Related	307,497	73
GST Payable	6,494	245
Credit Cards Payable	320,343	(119)
Other creditors	2,000	-
Total Accounts Payable	798,392	1,283,540
b Other Liabilities		
Unexpended grant liability	13,687	22,074
	188,180	1,021,013
	201,867	1,043,086
TOTAL CREDITORS	1,000,259	2,326,627

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
8 Creditors, Provisions & Borrowings continued		
c <u>Provision - Current</u>		
Annual Leave	859,390	978,840
Current Long Service Leave	348,281	311,823
Total Current Provisions	1,207,671	1,290,663
d <u>Provisions - Non Current</u>		
Long Service Leave	151,033	73,154
Total Non-Current Provisions	151,033	73,154
TOTAL PROVISIONS	1,358,703	1,363,818
e <u>Borrowings (Unsecured)</u>		
Current Borrowings	666,667	333,333
Non Current Borrowings	-	666,667
TOTAL BORROWINGS	666,667	1,000,000
TOTAL CREDITORS, PROVISIONS & BORROWINGS	3,025,630	4,960,444
9 Statement of Cash Flows		
a Reconciliation of Cash		
Cash on hand and at Bank	407,005	1,067,062
Cash Management Account	2,243,671	4,163,361
Balances as per Statement of Cash Flow	2,650,676	5,230,423
b Reconciliation of Change in Net Assets to Cash from Operating Activities		
Change in net assets after operations	(3,598,386)	(2,183,423)
Add:		
Depreciation and Amortisation	2,637,030	2,599,048
Decrease in Stock	364,943	98,964
Decrease in Trade & Other Receivables	592,622	884,644
Decrease in Prepayments	-	20,049
Loss on sale of Fixed Assets	-	46,031
	(3,791)	1,465,314
Less:		
Increase in prepayments	28,785	-
Decrease in Trade Creditors	485,148	635,087
Decrease in Other Current Liabilities	841,221	1,876,859
Decrease in Provision	5,113	44,127
	1,360,267	2,556,073
Net Cash used in operating activities	(1,364,058)	(1,090,759)

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

	2014 \$	2013 \$
10 Operating Leases		
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows		
Not later than one year	257,824	257,327
Later than one year and not later than 5 years	866,055	925,726
Later than 5 years	2,589,618	2,792,361

11 Commitments for Expenditure

No significant commitments for expenditure existed at 30 June 2014.

12 Financial Risk Management

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

Liquidity Risk

Liquidity risk is the risk that the council will not be able to meet its obligations as and when they fall due. The Council manages its liquidity risk by monitoring cash flows and also through its budget management process. Due to the nature of its business, the Council is able to estimate its income and cash flows based on grant funding timeframes.

Credit Risk

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Exposure to credit risk is monitored by management on an ongoing basis. The maximum exposure to credit risk, excluding the value of any collateral or other security, is limited to the total carrying value of financial assets, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Council does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Council.

The majority of the Council's debtors are government owned and funded entities and credit risk for the Council is low.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Council's income or the value of its holdings of financial instruments. Exposure to market risk is closely monitored by the Council. The Council does not have any material market risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Council manages its interest rate risk by maintaining floating rate cash and floating rate debt.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

Sensitivity analysis

At balance date, the Council had the following financial assets exposed to variable interest rate risk:

	2014 \$	2013 \$
Financial Assets		
Cash at bank	2,649,776	5,229,523
Investment	-	-
	<u>2,649,776</u>	<u>5,229,523</u>

At balance sheet date Council has not entered into any loans or other financial commitments that present exposure to interest rate risk. Credit cards are the only short term financial instrument used by Council and balances are cleared at month end. The table below details the interest rate sensitivity analysis of the Council at balance date, holding all other variables constant. A 100 basis point change is deemed to be possible change and is used when reporting interest rate risk.

	Change in Variable	Effect on Profit or Loss 2014	Effect on Equity 2014	Effect on Profit or Loss 2013	Effect on Equity 20113
Financial Assets					
Cash at bank and Investments	1%	26,498	26,498	52,295	52,295
	-1%	- 26,498	- 26,498	- 52,295	- 52,295

12b Net fair values of financial assets and liabilities

Cash and cash Equivalents: The carrying amounts of cash and cash equivalents approximates their fair value due to its short term to maturity nature.

Loans and receivables and Trade and other payables: Their carrying amounts approximate their fair value due to its short term to maturity nature.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

12c Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for the financial instruments of a fixed period of maturity, as well as management's expectation of the settlement period for the all financial instruments.

Financial Instruments	Within 1 year		1 - 5 years maturing in 1 year or less		Over 5 years maturing in 1 to 5 years		Total Carrying amount	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Financial Assets - cash flows realisable								
Cash on Hand	2,650,676	5,230,423	-	-	-	-	2,650,676	5,230,423
Trade and other receivables	620,496	1,213,117	-	-	-	-	620,496	1,213,117
Short Term Deposits	-	-	-	-	-	-	-	-
Total	3,271,172	6,443,540					3,271,172	6,443,540
Financial Liabilities due for payment								
Trade and other payables	798,392	1,283,540	-	-	-	-	798,392	1,283,540
Borrowings	666,667	333,333	-	666,667	-	-	666,667	1,000,000
Other Current Liabilities	13,687	22,074	-	-	-	-	13,687	22,074
Unexpended Grant Liability	188,180	1,021,013	-	-	-	-	188,180	1,021,013
Total	1,666,926	2,659,960	-	666,667	-	-	1,666,926	3,326,627
								-

13 FAIR VALUE MEASUREMENT

In accordance with AASB 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant standards, are categorised into 3 levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and, Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable data)

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(a) Financial Assets and Liabilities

The Council has no financial assets and liabilities measured at fair value as at 30 June 2014.

(b) Non-Financial Assets

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
30 June 2014				
Buildings & Infrastructure		29,703,352		
30 June 2013				
Buildings & Infrastructure		30,679.794		

Buildings and infrastructure

The fair values of the Buildings and Infrastructure are estimated using a market approach which uses prices and other market data derived from observed transactions for the same or similar assets. Assets used by not for profit and public sector entities, which also have a commercial use, are likely to be valued based on observable market values considering the highest and best use requirements of AASB 13. The buildings and infrastructure used for a public service or as an administration building by a government agency in close proximity to other offices used for commercial purposes would be competing with commercial users for that office space within the market. As a result these properties' fair value could be determined based on sales of comparable buildings.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

14 Related party transactions

a Responsible Persons

Names of person holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Lynette De Santis	Wokai Bourke
Barry Puruntatameri	Gawin Tipiloura
Emmanuel Rioli	Andrew Tipungwuti
Pirrawayingi Puruntatameri	
Peter Rioli	
John Naden	
Leslie Tungutalum	
Crystal Johnson	
Brian Tipungwuti	

Chief Executive Officer Alan Hudson

At the date of this report, the Council had been stood down and the Chief Executive Officer has ceased employment with the Council.

b Remuneration of Responsible Persons

The aggregate compensation made to responsible persons and other members of key management personnel is set out below:

	2014 \$	2013 \$
Short term employee benefits	493,615	492,044

- c No retirement benefits have been made by the Council to a Responsible Person.
- d No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year 2013/14.
- e No transactions other than remuneration payment or reimbursement of approved expenses were entered into by the Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year 2013/14.

f Investment in Councilbiz

CouncilBiz was incorporated as a Local Government subsidiary on 10 June 2008. Members of CouncilBiz include the Local Government Association of the Northern Territory and eight Regional councils, including Tiwi Islands Regional Council. CouncilBiz provides IT services to the councils. Upon the incorporation of CouncilBiz, the Council made an initial funding contribution to CouncilBiz of \$50,000. Under the terms and conditions of CouncilBiz's constitution, the debts and liabilities of CouncilBiz are guaranteed by the members in equal shares or on the basis of the formula agreed by the members. Upon the dissolution of CouncilBiz, the amount that remains after such dissolution and the settlement of all debts and liabilities shall be transferred to another organisation with a similar purpose as agreed to by the members and which has rules prohibiting the distribution of assets and income to its members. As the Council will not realise any returns from its funding contribution to CouncilBiz, the Council expensed the \$50,000 when it was incurred.

TIWI ISLANDS REGIONAL COUNCIL

Notes to and forming part of the Financial Statements for the year ended 30 June 2014

14 Related party transactions (contd)

g Contingent liabilities arising from interest in joint venture

Under the terms and conditions of the Constitution of CouncilBiz, the Council and other members have guaranteed the debts and liabilities of CouncilBiz. As at 30 June 2014, the amount of the obligation cannot be measured with sufficient reliability, and has not been recognised in the accounts.

	2014 \$	2013 \$
15 Auditor's Remuneration		
Amounts received or due and receivable by the auditors of Tiwi Islands Regional Council	Auditors	Auditors
- Audit or review services	54,405	54,825
- Other Services	-	-
Total Remuneration	<u>54,405</u>	<u>54,825</u>

16 Events after the reporting period

At the date of this report, the Council is currently under the management of an official manager appointed by the Minister for Local Government. The official manager is currently examining the affairs and financial position of the Council and preparing a report to the Minister on the operations of the Council. A new Chief Executive Officer has also been appointed.

COUNCILLOR MEETING ATTENDANCE

**Annexure A **

COUNCIL MEETINGS - 2013 - 14 F/Y OFFICIAL ATTENDANCE REGISTER		Jul 31 ORD W	Aug 28 ORD P	Oct 2 ORD M	Oct 30 ORD W	Nov 26 ORD P	Dec 18 ORD P	Jan 29 ORD W	Mar 11 ORD P	Mar 26 ORD M	Apr 30 ORD W	May 28 ORD P	Jun 25 ORD M
COUNCILLOR	WARD												
1. Lynette Jane De Santis - Mayor	Milikapiti	Y	Y	Y	Y	C	Y	Y	Y	Y	Y	Y	Y
2. Marius Puruntatameri - Deputy Mayor	Pirlangimpi	X	Y	A	Y	C	Y	A	A	Y	Y	Y	Y
3. Anita Moreen (Appointed 28 June 2013)	Milikapiti	Y	Y	Y	Y	C	Y	A	Y	Y	Y	Y	Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti							Y	Y	Y	Y	Y	Y
5. Peter Rioli (Resigned 10 December 2013)	Milikapiti	X	Y	Y	X	C							
6. Emmanuel Rioli	Pirlangimpi	X	Y	Y	A	C	Y	A	Y	A	X	Y	Y
7. Therese Bourke	Pirlangimpi	A	A	A	Y	C	Y	A	Y	Y	Y	Y	Y
8. Brian Tipungwuti	Wurankuwu	Y	Y	Y	Y	C	Y	Y	A	Y	Y	A	Y
9. Barry Puruntatameri	Nguiu	Y	Y	Y	Y	C	Y	Y	X	Y	Y	Y	Y
10. Leslie Tungutalum	Nguiu	Y	Y	A	Y	C	Y	Y	Y	Y	Y	A	A
11. John Naden	Nguiu	Y	Y	Y	Y	C	Y	Y	Y	Y	Y	Y	A
12. Crystal Johnson	Nguiu	Y	Y	Y	Y	C	Y	Y	A	Y	Y	Y	A
13. Gawin Tipiloura	Nguiu	Y	Y	Y	Y	C	Y	Y	Y	Y	Y	Y	A

COUNCILLOR	WARD	Jul 8 SP W	Aug 6 SP W	Nov 14 SP W	Jan 21 SP W	Mar 20 SP D	Mar 27 SP M	Jun 5 SP W
1. Lynette Jane De Santis - Mayor	Milikapiti	Y	A	Y	Y	Y	Y	Y
2. Marius Puruntatameri - Deputy Mayor	Pirlangimpi	X	Y	Y	Y	Y	Y	Y
3. Anita Moreen (Appointed 28 June 2013)	Milikapiti	Y	A	A	Y	Y	A	Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti					Y	A	Y
5. Peter Rioli (Resigned 10 December 2013)	Milikapiti	A	X	Y				
6. Emmanuel Rioli	Pirlangimpi	X	A	Y	Y	Y	A	A
7. Therese Bourke	Pirlangimpi	Y	A	Y	Y	Y	Y	Y
8. Brian Tipungwuti	Wurankuwu	X	Y	Y	Y	Y	Y	Y
9. Barry Puruntatameri	Nguiu	Y	Y	Y	Y	Y	Y	Y
10. Leslie Tungutalum	Nguiu	Y	Y	A	A	Y	Y	Y
11. John Naden	Nguiu	Y	Y	Y	Y	Y	Y	Y
12. Crystal Johnson	Nguiu	Y	Y	A	A	Y	Y	Y
13. Gawin Tipiloura	Nguiu	Y	Y	A	Y	Y	Y	Y

LEGEND	
Meeting Type	Location
ORD = Ordinary Meeting	W = Wurrumiyanga (Nguiu)
SP = Special Meeting	P = Pirlangimpi
LB = Local Board Meeting	M = Milikapiti
LA = Local Authority Meeting	
PRE = Pre Agenda Meeting (Ordinary)	
Attendance	NT LG Act - Councillor will be automatically disqualified from Council if absent (without approved apology) from two consecutive ordinary meetings.
Y = Present at Meeting	
A = Apology accepted	
X = Apology not accepted	
C = Meeting cancelled	

COUNCIL MEETINGS - 2013 - 14 F/Y
OFFICIAL ATTENDANCE REGISTER

COUNCILLOR	WARD	Jul 30 PRE W	Aug 27 PRE P	Oct 1 PRE M	Oct 29 PRE W	Nov 26 PRE P	Dec 17 PRE P	Jan 28 PRE W	Feb 25 PRE P	Apr 29 PRE W	Jun 24 PRE M
1. Lynette Jane De Santis - Mayor	Milikapiti	Y	Y	Y	Y	C	Y	Y	C	Y	Y
2. Marius Puruntatameri - Deputy Mayor	Pirlangimpi	X	Y	Y	Y	C	A	A	C	Y	Y
3. Anita Moreen (Appointed 28 June 2013)	Milikapiti	Y	Y	Y	Y	C	A	A	C	Y	Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti							Y	C	Y	Y
5. Peter Rioli (Resigned 10 December 2013)	Milikapiti	X	Y	Y	X	C					
6. Emmanuel Rioli	Pirlangimpi	X	A	Y	A	C	Y	A	C	A	A
7. Therese Bourke	Pirlangimpi	A	A	A	A	C	A	A	C	Y	A
8. Brian Tipungwuti	Wurankuwu	Y	A	Y	A	C	Y	Y	C	Y	Y
9. Barry Puruntatameri	Nguiu	Y	Y	Y	Y	C	Y	Y	C	Y	Y
10. Leslie Tungutalum	Nguiu	Y	A	Y	Y	C	Y	Y	C	Y	A
11. John Naden	Nguiu	A	Y	Y	Y	C	Y	Y	C	Y	A
12. Crystal Johnson	Nguiu	Y	Y	Y	Y	C	A	Y	C	A	A
13. Gawin Tipiloura	Nguiu	Y	Y	Y	Y	C	Y	Y	C	Y	A

COUNCILLOR	WARD	Jul 30 LB W	Aug 27 LB P	Oct 1 LB M	Oct 29 LB W	Nov 26 LB P	Dec 10 LB M	Dec 17 LB P	Jan 28 LB W	Feb 25 LB P	Mar 25 LA M	Apr 29 LA W	Jun 3 LA P	Jun 24 LA M
1. Lynette Jane De Santis - Mayor	Milikapiti	Y	Y	Y	Y	C	Y	Y	Y	Y	Y	Y	A	Y
2. Marius Puruntatameri - Deputy Mayor	Pirlangimpi	A	Y	A	Y	C	A	X	A	Y	A	A	A	A
3. Anita Moreen (Appointed 28 June 2013)	Milikapiti	Y	Y	Y	Y	C	A	X	A	A	Y	A	A	Y
4. Irene Tipiloura (Appointed 23 January 2014)	Milikapiti								Y	A	A	Y	A	Y
5. Peter Rioli (Resigned 10 December 2013)	Milikapiti	A	Y	Y	X	C	A							
6. Emmanuel Rioli	Pirlangimpi	A	Y	Y	A	C	A	Y	A	Y	A	A	Y	A
7. Therese Bourke	Pirlangimpi	A	Y	A	A	C	A	X	A	A	A	Y	A	A
8. Brian Tipungwuti	Wurankuwu	Y	X	Y	Y	C	A	Y	Y	A	A	Y	A	A
9. Barry Puruntatameri	Nguiu	Y	Y	Y	Y	C	A	Y	A	A	A	A	A	A
10. Leslie Tungutalum	Nguiu	Y	A	Y	Y	C	A	Y	Y	A	A	Y	A	A
11. John Naden	Nguiu	A	Y	Y	Y	C	A	Y	Y	A	A	Y	A	A
12. Crystal Johnson	Nguiu	Y	Y	Y	Y	C	A	Y	Y	A	A	A	A	A
13. Gawin Tipiloura	Nguiu	Y	Y	Y	A	C	A	Y	Y	A	A	A	A	A

Note 1: Councillors attendance at Local Board / Local Authority Meetings
is only mandatory for their own Ward.

LEGEND	
Meeting Type	Location
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