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2011-2012

MacDonnell Shire Council

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**Annual Report and
General Purpose
Financial Report**

A stylized landscape graphic featuring a large orange-brown shape on the left side, a white curved line representing a horizon or path, and a red area at the bottom with white abstract shapes that resemble hills or fields. On the left side of the orange shape, there are white stylized leaf or grass motifs.

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Message from the Shire President

In the fourth year since MacDonnell Shire Council was formed, we have started to see some real and good progress towards the goals set by Council. Our communities are looking clean and present a positive image to visitors and are more pleasant for residents. The federal programs we administer are being used well by the communities, for example youth services, child care, night patrol and aged care. Parks, gardens and cemeteries are starting to improve also.

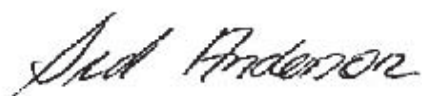
We have had some issues at Santa Teresa with the breakdown of the swimming pool, which has meant a valuable resource was unable to be used over most of the summer. However, we did manage to secure some extra funding and to briefly open the pool at the end of summer and for the school swimming carnival. We would also like to see more improvements with additional housing in the communities as there is still a lot of over crowding.

As Councillors we have a lot of combined governance experience through being members of former Community Government Councils, Central Land Council or other similar boards and bodies, but the Shire system of governance was something new for us all to understand. As a Council we actively engage in the planning process and in setting our goals. We can see the opportunities the Shire system brings for positive long term change and development for all people.

We are now learning how to work together to make decisions in the best interests of all Shire residents – not just people in our own communities or people in our families. We have been talking to our communities and trying to make sure we represent all people's interests and we believe we continue to improve in serving our communities.

The 13 Local Boards in the Shire give Council access to a local voice when making our decisions or reviewing issues. Our Local Boards also give local people an opportunity to communicate their problems and feedback to Council, and to be part of the long term planning process for their towns. The MacDonnell Shire Council's Local Boards will continue to form a key part of the success of our Shire in the years to come.

Towards the end of this year we had the second ever elections for MacDonnell Shire. We have some outgoing Councillors who I would like to thank for their service which was excellent and I'd like to welcome the new Councillors who won a position. I look forward to continue to serve the people of MacDonnell Shire along with my fellow Councillors.



Sid Anderson, President, MacDonnell Shire Council

Message from the Chief Executive Officer

MacDonnell Shire has a clear vision of “Many voices, one dream, building a quality desert lifestyle” which was again endorsed by Council for this year. This has provided strong continuity of approach within MacDonnell Shire Council. We are here to add value to our Shire community, improve the outcomes of a diverse range of programs and services as well as operate in a sustainable and caring manner.

We have achieved a strong year of progress with significant outcomes in the areas of improving municipal services and most importantly improving our financial results. While the Council has been viable with a strong bank balance, this year we achieved an operating surplus result, which shows year on year improvement of approximately \$1.8 million dollars. Achieving a surplus is critical to longer term planning, providing sustainability and allowing Council to continue to improve our asset base. We are very proud of this result.

Council members have strongly represented their constituents throughout the year and our Council meetings have benefited from often lively debate as well as good humour. This has resulted in some strong goals which have been delivered this year.

Staff turnover has reduced by 25% and staff morale significantly improved over the year, which has assisted with the achievement of results. Many improvements to our policies and procedures have been achieved and our organisation structure has worked well in focussing people towards outcomes.

We are now four years old and still operate in a highly dynamic environment. The Shire Council is embracing its broad obligations and developing a culture of strong commitment to the Shire community.



Diane Hood, Chief Executive Officer, MacDonnell Shire Council

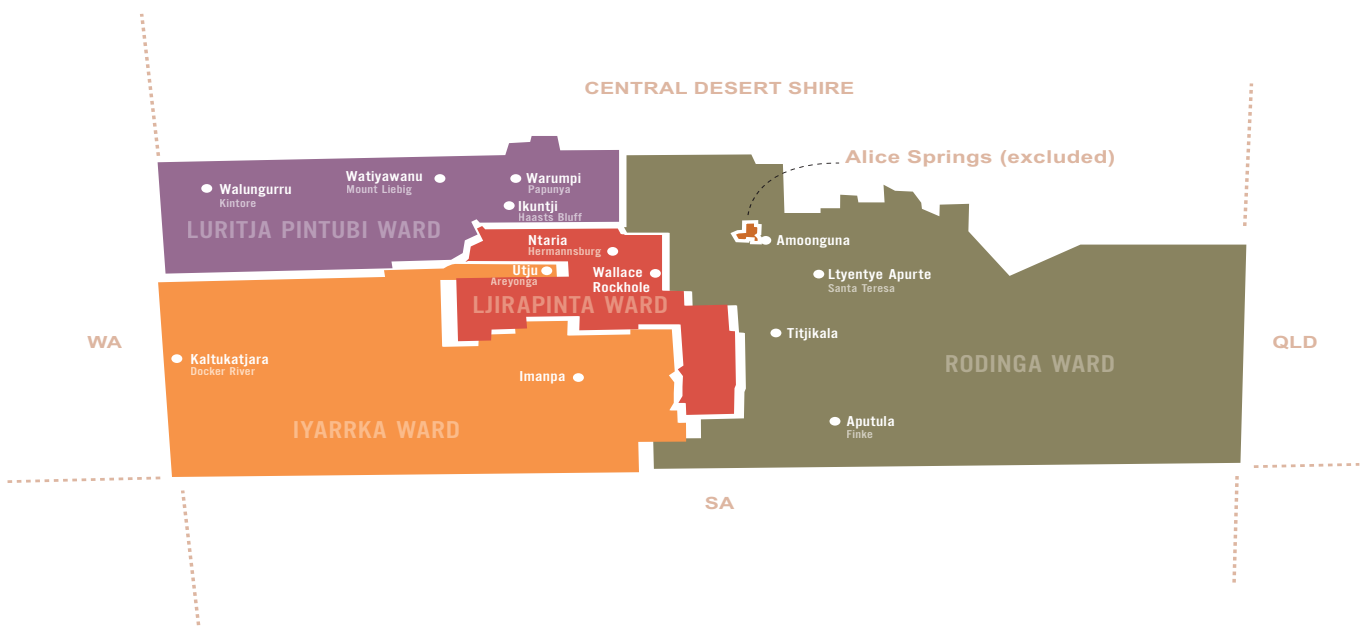
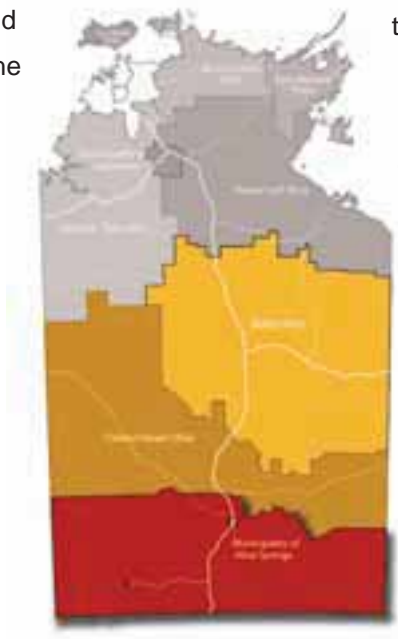
About the Shire

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

MacDonnell Shire covers the southern portion of the Northern Territory and has a land mass of 268,887km². Located within the Shire are 13 major remote communities, many outstations as well as numerous established and emerging enterprises in the pastoral, tourism and mining industries. The towns of Alice Springs and Yulara are excluded from the Shire. The total estimated population of MacDonnell Shire is 6,761 and is made up primarily of Indigenous Australians.

The MacDonnell Shire Council officially commenced operations on 1 July 2008, being formed as a result of the Northern Territory Government's Local Government Reforms process. Previously local government was administered through some 63 community government councils and associations dispersed throughout the Northern Territory delivering core local government services. These incorporated local government bodies were dissolved on June 30, 2008 under the Local Government Act 2008. In October 2008, the first

elections of the new Shires were held throughout the Northern Territory under the Local Government (Electoral) Regulations. Each Shire elected 12 Councillors for their respective Shire Councils and in the MacDonnell Shire the 12 elected Councillors are all Indigenous. MacDonnell Shire has recently held elections and is now functioning under its second governing Council.

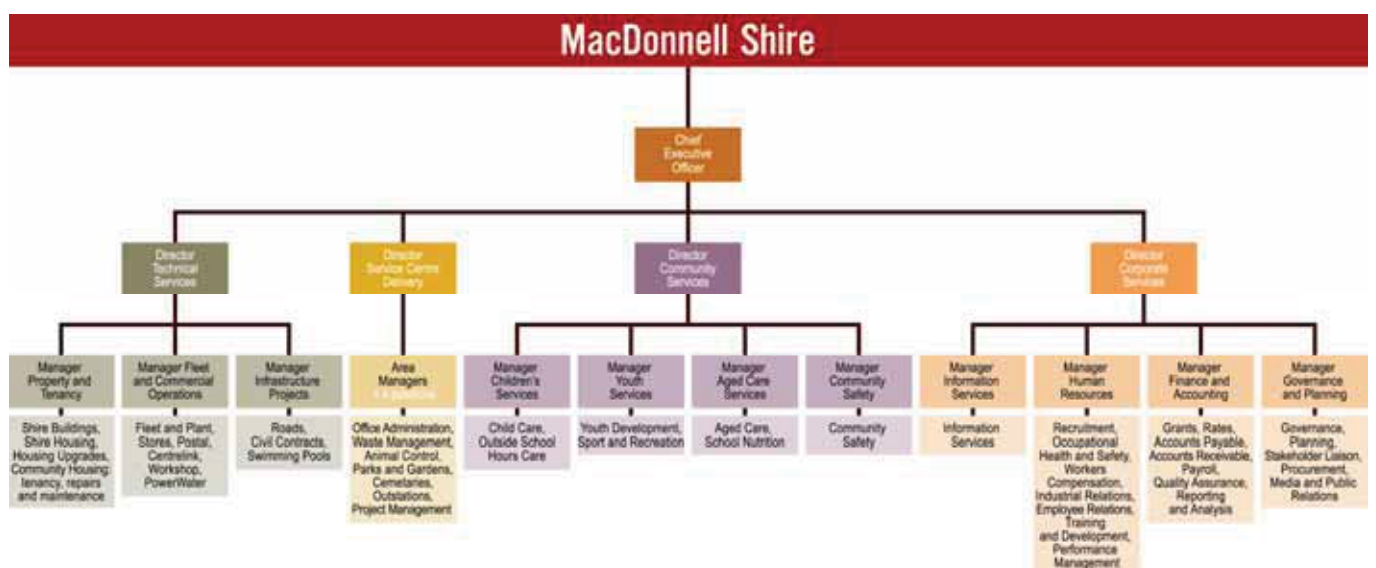


Through the reform process the MacDonnell Shire Council is committed to creating a strong future for all of its residents. The administration of governance, finance, funding arrangements, program management and human resources is undertaken centrally at Council headquarters. Today the residents of 13 major remote communities located within the MacDonnell Shire are provided with a range of local government and other services by the Council.

MacDonnell Shire area is unique, expansive, multilingual and culturally diverse. MacDonnell Shire Council places respect for cultural diversity at the heart of its operations, and Council is committed to bringing Indigenous governance and Western governance systems together in a meaningful and respectful way. Through effective two-way communication and good governance principles and practices, MacDonnell Shire Council aims to achieve a respectful Shire that celebrates its unique cross-cultural diversity.

There are four main Indigenous language groups primarily spoken in the MacDonnell Shire which include Luritja, Pintubi, Pitjantjatjara and Arrrente. For some residents, Warlpiri is also spoken, and English is almost always a second or third language. Indigenous people have existed through their own culturally based governance systems for tens of thousands of years. Today western governance systems are a relatively new form of governance for Indigenous people in Central Australia.

Clockwise from below: MacDonnell Shire Organisation Structure; MacDonnell Shire Wards Map; Northern Territory Shires Map



Elected Councillors

July 2011 – March 2012



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July 2011 – June 2012



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Ngkitja Ntjarra, Tnangkarra Nyinta Wangka Tjuta, Tjukurpa Kutju
many voices, one dream, building a quality desert lifestyle

OUR MISSION

To improve the lives of Shire residents by delivering excellent local government services in remote communities.

OUR VALUES

Our values define the manner in which we will work to carry out our mission. We will be:

Open • We will listen to one another, share ideas and welcome input from all people.

Respectful • We will respect and support our diverse cultures and heritage.

Accountable • Our governance and management processes must be transparent and accountable to the residents in whose interests we will work.

Inclusive • We will value and incorporate local knowledge, experience and perspectives into the work that we do.

Goals and Objectives

Summary of Results

The MacDonnell Shire Plan for 2011-2012 had four major goals with clearly linked objectives and key performance indicators. We retained the same high level goals year on year as we felt continued progress was needed. While details of our results are itemised within each delivery section, the highlights and link to the Shire Plan are given here.

Overall it was a strong year of progress:

- We successfully filled all our Director roles and the selected candidates are all still in place;
- While we started this year with focus from the NT Local Government compliance team, we successfully addressed all concerns;
- Policies and procedures were a focus with a substantive improvement in documentation and staff education on our polices;
- We reduced staff turnover and increased staff morale;
- Financial sustainability was turned around with a surplus delivered this financial year;
- We made substantial community progress with improved focus on Local Boards and local action plans.

GOAL 1: Economic Development

A dynamic and growing economy with strong local employment

Objectives:

- Enhanced employment opportunities in remote communities
- Skilled and experienced local people building community capacity
- Productive partnerships with all stakeholders

Key Performance Indicators:

1. Improve financial sustainability (addressing skills, capacity, partnerships)
 - a) Reduce the dependency on government grants
 - b) Deliver a surplus to the organisation
 - c) Move towards a goal of 2:1 (current) assets to liabilities

MacDonnell Shire Council reduced the dependency on government grants from 66% of its total revenue in 2010-2011 to 62% this financial year. The deficit in 2009-2010 was \$3.5million – this was reduced to \$1.7million in 2010-2011 with a further substantial improvement in delivering a small operating surplus of \$24,565 this financial year.

Our goal was to move towards a 2:1 asset to liability ratio, with the Deloitte Financial Sustainability Review setting a benchmark goal of

greater than 1:1. MacDonnell Shire Council improved its result in this area by 25% with a ratio of 1.4:1 for the 2011-2012 financial year.

2. Increased community employment

The number of staff engaged directly on communities rose from 336 (2010-2011) to 363 this financial year. We employed an average of 471 employees per month in 2011-2012 against 464 for the previous year. It was also our third consecutive year of growth in indigenous employee numbers with an average of 77.8% peaking at 80% in May 2012.

More importantly we have increased the number of indigenous employees in senior and skilled roles with average of 36% (Essential Service); 37% (Team Leaders) and 27% (Shire Service Coordinators). We now have two communities with 100% indigenous staff, our Aged Care community staff is 100% indigenous as are our Community Safety teams.

Our property management and tenancy agreements with NT Housing continue to give the Shire the responsibility for maintaining community housing. In addition, we won the refurbishment work on 41 houses across five communities through the NPARIH program. All houses were successfully completed. We have 13 community housing officers on staff, of which 11 are indigenous, who manage and monitor the reporting process for repairs and tenancy questions. We have continued to make extensive use of our local work teams with the introduction of a process where we review the work request to determine if local staff can undertake the work or whether a qualified trade person is required. This

has increased the portion of work done by local teams.

The ESO scheme with Power and Water has also been expanded this year, with eight indigenous ESO trainees on communities who commenced an Electro Technology certificate through Charles Darwin University. MacDonnell Shire Council also has a contract with Australian Government to deliver CentreLink agent functions at twelve of our communities – this contract supports twenty indigenous employees on communities (some full-time, some part-time).

3. Rollout Operations Manual for service delivery

Good progress was made in this area with documentation and standards completed for Waste Management and Parks and Gardens. This was well received by our communities and has defined a baseline with future planned improvements being locked in the next Shire Plan.

This will remain a focus area in to the next financial year with documentation and standards for Cemeteries and Sporting Grounds to be added in the early part of next financial year.

Substantial improvement in documentation and ease of access for MSC policies and procedures were also achieved with the design and implementation of an intranet so that staff can easily refer to policies in an ongoing manner. This was well received and supplements the communication and training which is delivered when policies and procedures are initially rolled out.

GOAL 2: Environment

A Shire that respects, protects and nurtures its natural and built environment

Objectives:

- Clean and attractive communities
- Efficient waste management
- Effective use of energy and water resources

Key Performance Indicators:

1. Maintain clean and attractive communities

The quality of our internal roads assists with the overall attractiveness of our communities. Several major projects were funded over 2011-2012 including upgrading the Titjikala floodway, internal road spray sealing at Santa Teresa, the construction of a roundabout at Kintore and improvements to the Wallace Rockhole floodway.

Communities have substantially improved their visual impact. Some pictures showcasing our communities are shown on the adjacent page.

2. Improve waste management through increased number of waste disposal activities

Waste management was also improved across the Shire with personnel now correctly separating white goods, batteries, tyres, steel and other recyclable waste. All sites have a functioning

plant for the collection of domestic waste and the roll out of steel stands for green bins has been effective in reducing spillage and therefore litter.

We are now consistently providing two waste pick-ups per week in communities and have also conducted Land Management and Environmental Health education with five staff from three communities resulting in improved waste and litter control and better management of landfill facilities. Technical Services also provided assistance to achieve rehabilitation and minor upgrades to waste management facilities.

3. Improve service quality as per SLAs to an average rating of '4' on the performance assessment from Power and Water.

All SLAs within the Power and Water contract were met with few penalties being applied (less than 1% at 0.853%) – this was an improvement year on year of 11.8%. A formal performance assessment and rating has not been provided as yet by Power and Water.

4. Implement energy and water resource for efficiency / sustainability measures for MacDonnell Shire properties.

Our target (measure) was to reduce energy and water usage by 5%, however an issue emerged that invoicing to date did not allow for accurate analysis and which sites were included was blurred. Emphasis has been on resolving this issue and ensuring the correct properties are named for MacDonnell Shire Council. Focus will remain on this issue in 2011/2012.

From a top line perspective, electricity total charges reduced year on year by 7.8%, however water and sewerage charges (adjusting for the price increase over the year) increased by 4.65% primarily due to the more frequent pool re-fills necessary at Santa Teresa due to pool repairs as well as a truck stop that was not previously billed

to the Council and was being used by multiple organisations. This situation has been fixed.

Relief ESOs were identified for each community to provide continuity and an ESO trainee program was commenced across the Shire.



Waste Management at Mount Leibig



Road works at Imanpa



Docker River Cemetery Upgrade



Entrance to Apatula



Civil Works at Haast's Bluff



Civil Works team at Ntaria

GOAL 3: Community Life

A supportive, safe and healthy social environment

Objectives:

- Remote community access to public services
- A safe community
- Family well-being is promoted
- Youth development
- Indigenous culture and heritage is supported

Key Performance Indicators:

1. Maintain level of community services within the communities and increase where possible

MacDonnell Shire Council delivers a number of human services across the Shire on behalf of various Commonwealth and Territory Government agencies. Holiday programs were run in eight communities across all school vacations. Funding was sought for including new holiday programs at Wallace Rockhole and Amoonguna, however this advocacy failed.

In 2011-2012 thirty seven staff across seven communities commenced a Certificate II in Business from Charles Darwin University where trainers travelled to community to deliver the

training. In addition, approximately 1000 hours of on-site training has been delivered across communities as part of the Housing Maintenance Program.

Staff across Community Safety, Youth and Children's Services commenced a Certificate III in Non-accredited training was also provided in the areas of First Aid, 4WD training, Workplace Safety and Plant and Equipment operations.

Aged Care focussed on the development of quality, needs-based services – this was to implement community care common standards primarily aimed at supporting staff in outcomes and reporting requirements (meals, showers etc). A major project completed in 2011-2012 was the opening of the refurbished Papunya Aged Care centre, after it had been upgraded to meet the national common community care standards. Risk management was also reviewed with the development of a Food Safety Plan for delivery of Aged Care meals.

The Shire operates nine Children's services at Utju, Kaltukatjara, Apatula, Ntaria, Walungurru, Watiyawanu, Warumpi and Titjikala. 2011-2012 saw the development and implementation of a three year strategic plan for the Shire to work towards meeting the National Quality Standards when we come under their scope. A key focus has been improving collaboration with other agencies that work with families and children which has resulted in, for example, the development of picture books at Kintore and working with Bachelor to develop resources for use with children and training of staff.

Youth Services continued to deliver diverse and dynamic programs for many youth aged 5 to 24 year old in nine remote locations. The highlight of the year was the delivery of the “Stay Strong, Live Long” youth suicide prevention program, which resulted in youth across our communities writing and performing songs and multimedia output. The Shire produced a CD and DVD which showcased the performances and the program had significant exposure national media, local radio and newspapers, and was used as the theme for the 2012 CA AFL final series.

2. Develop community based action plans for specific needs

An addition was made during the year to the advice and input sought from Local Boards. A local action plan was documented using issues raised in each community with regular reporting back to the Local Board and to Council. Also, a small budget was allocated to each Local Board who then had decision making authority over how this money was spent on community sport, recreation or events. Examples of the decisions made included sporting equipment, trophies for community events, purchase of gardening equipment and tools.



Adult carer and child at the Child Care centre in Kintore



Building the playground at Titjikala



Park land at Santa Teresa



Aged Care visit to Port Augusta

GOAL 4: Organisation and Management

Effective and inspiring governance, strong participation and voice, and high quality provision supported by sound management practice.

Objectives:

- Representative Council and Local Boards
- A high standard of professional management and administration
- Responsible management of financial resources
- A professional and motivated workforce in a supportive environment
- Responsible management of Council assets
- Effective use of business systems and technology

A key highlight of 2011-2012 was the increased input from across Local Boards and from Council towards the Shire Plan for 2012-2013. Council reviewed Local Board input from across the year and also conducted a brainstorming session to test our goals and objectives. This has resulted in a simplification and strong focus for the upcoming year 2012-2013 with three clear filters moving forward:

Developing Communities

Liveable Communities

Engaged Communities

Key Performance Indicators:

1. Improved staff morale

The total terminations this financial year was 324, down from 433 for the year ending June 2011 – a decrease of 25% and a significant improvement for the Shire.

Through funding from the NT Government, a mentoring program was introduced this financial year. An indigenous staff member has won the role of managing, with input from management, the interview process and mentoring both indigenous and non-indigenous staff across the Shire.

We have continued with our monthly newsletter which has a focus on good news stories from the communities and what our teams are achieving on the ground.

Another impact on staff morale is the quality of the Shire infrastructure. On top of regular maintenance, MSC has achieved two key improvements this financial year:

- a) replacement or installation of reverse cycle air conditioners; and
- b) commencing a program of installation of security screens and lights on staff housing.

2. Improved financial management – implement finance committee

MacDonnell Shire Council implemented a finance committee early in the year. This committee has met bi-monthly with the full complement of Councillors undertaking the finance review in the months where an Ordinary Council Meeting was

held. Reports were developed to provide Income and Expenditure as well as Cash Flow analysis. These have continued to be upgraded over the year with the addition of community expenditure reports which now goes to both the committee / Council and to Local Boards.

This improved focus on financial management as well as the ongoing internal review and improvements, has resulted in an improved financial position - the delivery of a (small) surplus for the financial year 2011-2012 and improved financial indicators as defined by Deloitte in their Shire review.

3. Implement all required policies and procedures – HR, Accounting, OH&S, Information Technology

Significant improvements were made in this area with the creation of a staff intranet as a central repository for all MSC policies and procedures. New and updated policies and procedures now on the intranet are:

- ✓ Corporate credit card
- ✓ Emergency phone contact
- ✓ Motor vehicle usage
- ✓ Employment recruitment
- ✓ Mobile and satellite phone usage
- ✓ Internet / email
- ✓ Procurement
- ✓ Councillor's allowances
- ✓ Protocol for Shire access
- ✓ New employee criminal history checks and working with children clearances
- ✓ Investment
- ✓ Conflict of interest
- ✓ Borrowing
- ✓ Debtor management
- ✓ CouncilBiz webmail and remote access
- ✓ Accounting and Policy manual

There are some older (but current) policies still residing on a system less accessible by staff and these will be reviewed, updated where needed, redistributed to staff and placed on the intranet over the next financial year.

Core Local Government Services

Roads

MacDonnell Shire Council provides repairs and maintenance over the 1700 km road network within its jurisdiction. This comprises roads within communities, access roads between communities and outstations and roads connecting with highways. Programmed community internal and access road maintenance took place during the year in all areas across the Shire.

Major works and upgrades were also delivered in the following locations and funded through respective organisations.

In Santa Teresa community internal roads were spray sealed courtesy of the federal government Roads to Recovery program. The Kintore roundabout was constructed through Federal Assistance Grants (FAA) funding, as was an upgrade to the Wallace Rockhole floodway. The Titjikala floodway was upgraded and was part funded through the Northern Territory Disaster Resilience Fund.

Shire Infrastructure

Housing and Buildings

MacDonnell Shire Council is responsible for the repair and maintenance of approximately 118 core service related buildings throughout its 13 communities. Typically these buildings include Service Delivery centres, Civil Works sheds and staff housing.

In addition to regular maintenance on these buildings there was extensive upgrade and renovation work completed this year. Ntaria and Docker River Shire offices were both renovated

resulting in much improved amenity and safety for staff and clients. Other offices had various upgrades ranging from new split system air conditioners to floor coverings. Staff houses in many communities received much needed renovations, this ranged from painting to complete makeovers. Security upgrades to Ntaria staff houses were also completed as part of an ongoing program throughout the shire.

Fleet and Plant

Having an effective fleet plan ensures that the MacDonnell Shire Council has an efficient, well maintained Fleet that is appropriate to deliver both Core Shire and Agency Services in future years. The continuation of MacDonnell Shire Council Fleet Management Plan sees fleet items due for disposal identified and appropriate replacements sourced throughout the financial year.

A total of 29 vehicles comprising four wheel drives, conventional vehicles, buses, trucks, graders, a tractor, loader, backhoe, car trailer and a ride on mower were identified and disposed of during this reporting period recovering \$303,364. The fit for purpose replacements identified 31 vehicles costing \$1,502,300 and included four wheels, backhoes, tractors, garbage compactor trucks and a rubbish collection trailer.

MacDonnell Shire Mobile Mechanics visited all Service Delivery Centres five times this year to undertake inspections and scheduled servicing of all fleet assets. This significantly reduces vehicle downtime and the staff time transporting vehicles in and out of Alice Springs. The Mobile Mechanics also respond to unscheduled repairs and emergency breakdowns.

Municipal Services

Waste Management

The Council has continued its strong focus on improving waste management standards across its 13 Service Delivery Centres ensuring its Environment goal of clean, attractive and healthy communities is attained. Building on the audit work from the previous year, which identified that all waste facility sites need to be appropriately fenced and waste sorted, staff now separate white goods, batteries, tyres, steel and other prescribed and recyclable waste out of the land fill trenches.

Derived from the Waste Management Guidelines for Small Communities in the NT developed in 2009 by the Local Government Association of the NT (LGANT), Council has further improved services with its development and implementation of a formal management plan setting standards and operational guidelines for all MacDonnell Shire Council waste facility sites. Utilising the LGANT guidelines a pilot waste management training program was carried out in the Luritja Pintubi Ward with shire employees across the communities participating in field trips and classroom training. The program will be rolled out to the remaining communities in 2012/13 to generate greater efficiencies and continue the commitment to improving waste management standards across the Shire.

The introduction of steel stands and 240 litre wheelie bins to each property has been effective in reducing spillage, airborne dispersion, animal intrusion and generally reducing litter in communities by household rubbish. Each community has a minimum of two domestic waste collections per week. All sites have functioning

plant for the collection of domestic waste and back up equipment is available, should there be any failures.

On average each Service Delivery Centre is supplied a vehicle and trailer or compactor truck for waste collection and a minimum of two Civil Works Team staff spend on average 2 days per week collecting waste and managing the waste facility. This meets the baseline key performance indicator for improving waste management through increased number of waste disposal activities.

Companion Animal Welfare

In addressing the Shire's Community Life goal of culturally supportive, safe and healthy environment, companion animal welfare is ongoing. Shire veterinarians Dr Colin Gulbrandson and Dr Bob Irving visited all communities during the reporting period and have reported ongoing improvement in the health of community dogs and a reduction in dog numbers. They have attended each community on a quarterly basis and provided a comprehensive report detailing dog numbers, the number of animals treated, euthanized, de-sexed. They also participate in a children's Animal Welfare and Education Program with the schools.

In Ntaria the Animal Welfare and Education Program commenced with the assistance of FaHCSIA funding. The program employed a local indigenous Animal Welfare Officer (AWO) who visits all community houses monthly, collecting accurate data on dog numbers and health while educating household members on animal welfare. The AWO then prepares an action treatment list, and when the Vet visits Ntaria every six weeks,

assists during visits and also provides an interpreter service. The AWO in conjunction with clinic staff visit the school to deliver the Animal Welfare and Education Program. From this the first round of baseline data has been collected and correlated. There is an average of 1.8 dogs per residence across public housing in Ntaria. Council is closely monitoring the Ntaria program and is very keen to expand the program to other communities within the Shire.

Parks, Gardens and Open Spaces

This year has seen further progress made in the development and maintenance of community parks, public spaces and sports grounds in achieving our Environmental goal of clean and attractive communities. Through consultation with Local Boards a number of new park sites have been identified. Civil Works Teams have been busy upgrading facilities with new fences, shade structures, seating and playgrounds. Responding to the Community Life goal to provide a safe community, work has also involved carrying out safety audits on playground equipment with the removal of any substandard legacy apparatus.

Also to ensure the safety of the community members', vegetation has been kept short to minimise the fire risk. Civil Works Teams commit approximately one day per week for maintenance of parks and public spaces using tractors, slashers and minor equipment in the course of their duties.

Cemetery

The Civil Works Teams are responsible for the maintenance of cemetery grounds in 12 communities. In achieving the Environment goal to provide clean and attractive communities the cemetery maintenance has involved the regular clearing of vegetation and the repair of fencing. The Shire continues to assist families by digging graves using civil staff and equipment.

There has also been a major emphasis on consulting with senior community members to identify the location of unmarked graves, both inside and outside of the cemetery grounds. Service Delivery Centres have commenced keeping burial registers so family members can identify where loved ones are buried as head stones are not always used.

Other Local Government Services

Outstations

Infrastructure and Maintenance

MacDonnell Shire Council continues to manage a housing maintenance program servicing 104 dwellings to various outstations associated with its communities. Twice annual inspections were performed throughout the year to determine and prioritise maintenance as additional to reported maintenance requests. Full housing and infrastructure assessments were completed on three outstations as part of our endeavour to continually improve service delivery, and resulted in further works identified and actioned.

The MacDonnell Shire experiences ongoing environmental issues such as water quality that present maintenance problems. Due to the high total dissolved solids content and high hardness levels causing scaling problems with infrastructure, many solar hot water systems have needed replacement.

In addition the Shire have undertaken several housing upgrades where work to houses included roofing repairs, replacement of windows and doors, and full internal pressure clean and paint.

Municipal and Essential Services

Municipal and Essential Services support 8 full time indigenous employees and a full time Outstation Officer in the delivery of services to 26 Outstations. Regular inspections are conducted and works identified on a priority basis.

Municipal Services include activities primarily associated with access and internal road maintenance, waste collection and disposal, landscaping and dust control in common areas,

weed and vegetation control, fire breaks, animal welfare programs and environmental health activities.

Essential Services include activities primarily associated with operation and maintenance of existing power generation equipment, water and sewage infrastructure including maintenance of bores and associated solar systems, tanks and stands.

Swimming Pools

The Council operates swimming pools in Santa Teresa, Kintore and Areyonga. Successful seasons were experienced during the 2011-12 summer at the Kintore and Areyonga pools.

Due to ongoing major repairs being carried out on the Santa Teresa pool it did not open until very late in the 2011-12 summer season. Funded through grants and bequests received from the Northern Territory Government Department of Sport and Recreation, Centrecorp and LGANT repairs were completed and the pool is now ready to have a successful 2012-13 summer.

MacDonnell Shire has great partnerships with NT Royal Life Saving, Swimming NT and Swimming Australia to help with training pool staff, learn to swim classes and swimming carnivals throughout the season. The challenge remains for the Shire is securing ongoing funding the operation of its pools. Each pool needs about \$150,000 every year to meet the operational costs. MacDonnell Shire Council is unfunded to meet the pools' costs and Technical Services staff are constantly lobbying both Government and Non-Government sources for funding assistance.

Commercial Services

Community Housing

MacDonnell Shire Council manages community housing through two Service Level Agreements with Territory Housing.

Property

The Property Management Agreement with Territory Housing funds the Shire to maintain community housing. The building maintenance process of reporting required that repairs have been effective and allows the Shire to track all maintenance requests and report on progress. The cyclic program of twice annual repair audits has this year been very successful in ensuring regular maintenance visits to all community houses thereby catching required repairs early and avoiding more extensive costly works with the added advantage of reducing mobilisation costs per house.

Tenancy

The Tenancy Management Agreement with Territory Housing funds the MacDonnell Shire Council's employment of Community Housing Officers (CHO) to staff a front desk service in all communities allowing tenants to report housing issues and have access to tenancy services. Over 80% of the CHOs employed are local community residents providing an in depth knowledge of their communities.

National Partnership Agreement on Remote Indigenous Housing (NPARIH)

Through the NPARIH program, the MacDonnell Shire Council directly managed the refurbishment of 41 houses in 5 communities. The scope of works included renovation of bathrooms, fitting

new kitchens, replacing doors and windows and providing internal painting throughout the houses. The work was completed within a 12 week time frame and provided a great opportunity to increase housing standards for Mac Donnell Shire residents.

Housing Management Employment Sustainability Program (HMESP)

HMESP was also funded by Territory Housing during 2011-12 with a focus on providing employment in communities and improving housing. The Shire employed 29 part time Works Assistants under the program who carried out vegetation control, hard rubbish removal, external house painting and fencing. Over 300 houses received vegetation control and hard rubbish removal and 61 houses were targeted for external painting and a further 61 for fencing. This program received great community engagement contributing soundly to the Shire's Community Life goal of a supportive, safe and healthy social environment.

Commercial Contracts

Power and Water Corporation

The role of the Essential Services Operator (ESO) is a position of responsibility and requires skills, knowledge and experience in power, water and sewage systems. MacDonnell Shire Council operates these essential services on behalf of the Power and Water Corporation at its 13 communities. Both parties are committed to developing the capacity of local community members to perform the role of Essential Services Operator. In early 2012 this commitment has been

further enhanced with the addition of an ESO Coordinator. Based in the Alice Springs office the ESO Coordinator regularly undertakes visits to mentor newly created ESO trainee position holders who are community based. By the end of the financial year MacDonnell Shire Council had 8 Indigenous ESO trainees who have commenced the Electro Technology Certificate through Charles Darwin University. The Shire also employs 5 indigenous Essential Services Operators and a further 7 of our relief ESOs are indigenous employees.

Australia Post

Postal services are delivered on behalf of Australia Post by MacDonnell Shire Council from 12 of its Service Delivery Centres. Mail is transported to communities by air and road with Shire representatives taking possession of the mail and sorting it at the Shire's Service Delivery Centre for distribution. Some communities have mail boxes installed at houses enabling mail to be delivered directly to the household. In the remainder, mail is held for collection at the Service Delivery Centre Office.

Centrelink

MacDonnell Shire Council has a contract with the Australian Government Department of Human Services to deliver Centrelink Agent Services at 12 communities. The Centrelink Agent Service delivery creates employment for both fulltime and part time positions totalling up to twenty Indigenous employees within the MacDonnell Shire Council. These employees are supported on site by other Shire staff members as well as regular community visits by Centrelink as well some formal training is provided by Centrelink to Shire staff employed in these roles. Additionally, Centrelink have Remote Service Centres in Papunya and Hermannsburg operating in conjunction with Shire staff to deliver this service.

Community Store

The MacDonnell Shire Council operates a community store at Amoonguna and offers residents a selection of basic food as well as some clothing and household goods. The store operates as a service to the community to assist people with these basic items without having to travel the 14 km to Alice Springs.

Community Services

MacDonnell Shire's contracted community based programs were formalised into a Community Services directorate in December 2011. This was a strategic initiative to achieve MacDonnell Shire's Community Life goal of a supportive, safe and healthy social environment. Through the delivery of Children's Services, Outside School Hours Care, Youth Development, Sport and Recreation, Aged Care, Disability and Community Safety programs, the directorate met the objectives of remote community access to public services, a safe community, family well-being promotion, youth development and indigenous culture and heritage support.

Key to the Community Life goal has been to maintain all services and additional programs, as well as provide Certificate III training for staff in 5 communities. All four programs of the directorate have strengthened service delivery and rolled out training across 12 communities in collaboration with Batchelor Institute of Indigenous Tertiary Education, Charles Darwin University and Henge Education through the. In addition, Community Services delivers unaccredited training to continuously build capacity of community based Indigenous employees.

Community Safety

MacDonnell Shire Council continued to deliver the Community Safety program in twelve remote communities offering employment opportunities for 50 fulltime equivalent local Indigenous staff. The Community Safety team achieved 100% indigenous employment both within the communities and with head office staff in Alice Springs. Community Safety patrollers have

engaged in a pre-requisite course for Certificate III in Community Services and non-accredited training programs throughout 2010-11 in order to build personal and community capacity. All team leaders and many patrollers are now 4 Wheel Drive accredited.

The Community Safety program continues to be funded by the Australian Government Attorney-General's Department to break the cycle of violence and crime in the communities and to provide a safe and healthy environment for community members. Objectives of the program funding align with the Shire's Community Life goals to provide a safe community and promote family well-being by assisting people at risk of either causing or becoming the victims of harm.

Patrollers support the well-being of vulnerable individuals, children and families as well as supporting indigenous cultural practices and heritage. A key aim is to reduce indigenous peoples contact with police and the justice system through having a presence in the community and providing mediation with individuals and the community.

These objectives are delivered by vehicle and on foot Night Patrols, 'walking' school buses, assisting in the safe delivery of evening youth programs, assisting in meal delivery to the elderly, and supporting safe behaviour at Alice Springs and community based sports weekends.

Community Safety also works with stakeholders such as police, clinics, schools and community stores within the communities. They also work with Alice Springs based services such as Tangentyere, Central Desert Shire Community Safety teams and Alice Springs Police.

Aged Care Services

The Aged Care program employed six full-time, 24 part-time and 32 casual Indigenous employees within its services supporting an average total of 130 Aged Care clients across the Shire. Key medical conditions of the aged community continue to be dementia, diabetes, renal failure, frail aged, and multiple chronic disease.

The MacDonnell Shire Aged Care program is fully-funded through a range of Commonwealth and Territory programs that meet the Shire's Community Life goals promoting family well-being and supporting indigenous culture and heritage. Funding is sourced nationally through the Australian Government Community Aged Care Packages, National Aboriginal Torres Strait Islander Flexible Aged Care Program and Northern Territory Jobs Creation Package and in the territory through the Northern Territory Government Department of Health.

Throughout the 2011-12 financial year the Aged Care program developed and delivered a range of quality, needs-based services across the Shire

In a three-year quality assurance review of three outlets by the Commonwealth Department of Health and Ageing, we are proud to report that Ntaria had an outstanding result receiving an 'Outcome 1' rating.

Refurbishment of the Papunya Aged Care centre supports the service to address the National Common Community Care Standards in its provision for clients seeking personal care, laundry, or day respite.

In response to clients 'bucket list' wish to 'see the sea at Port Augusta', MacDonnell Shire Imanpa

Aged Care service organised and accompanied 16 clients on a week long adventure. Some of the elders had family in Port Augusta who came to keep them company each day and introduce newly born grandchildren or reintroduce nieces and nephews. This was a priceless experience for clients and staff gained a timely reminder of the simple things we take for granted in life but can mean so much to others.

Children's Services

The Children's Services program has operated in nine MacDonnell Shire Council communities throughout the 2011/12 financial year.

Child care services provide an opportunity for the child and family members to engage in education and care activities in a safe and healthy environment. Children's family carers are encouraged to participate in all aspects of the program and regularly stay throughout the morning to bath, feed and play with their children.

MacDonnell Shire Children's Services worked with the Australian Government Department of Education, Employment and Workplace Relations (DEEWR) and the Northern Territory Government Department of Education (DoE) on the design and development of two new child care facilities for existing services in Ntaria and Apatula.

The Children's Services program also works collaboratively with other agencies engaging with families and children in the Shire communities such as the Strong Women, Strong Babies (SWSB) Program, Families as First Teachers (FAFT), the NT Government Department of Remote Health and Department of Education.

In pursuit of the Community Life goal to promote family well-being Children's Services program has developed and implemented a three year strategic plan that seeks to have the program meet National Quality Standards before they commence. As part of this plan, Children's Services staff work with the Regional and Remote Aboriginal Children's Services Support Unit (RRACSSU) to begin developing Individual Service Quality Improvement Plans.

Youth Services

The MacDonnell Shire Youth Services program delivers its three main programs of Youth Development, Sport and Recreation, and Outside School Hours Care for youth aged 5 to 25 years old in 9 communities across the Shire. These programs delivered significant outcomes towards the Shire's Community Life goals. One highlight was the Youth Suicide Prevention project which demonstrated the program's responsiveness to the needs of community and resulted in MacDonnell Shire Youth being showcased in the national media with the delivery of the "Right Track" CD and DVD project.

During the reporting year Youth Services engaged over 1,200 youth in its diverse and dynamic programs working closely with communities and often alongside elders, parents and other

community members. The programs engage through multimedia, computers, music, sports, discos, arts, crafts, after school care and cultural programs such as bush trips, story telling, dancing, band nights, camps, swimming and inter-community events.

Programs are consistently delivered every week of the year and take into consideration cultural business when required. Youth Services have had near capacity staffing that includes up to 70 indigenous staff being employed to run programs over the year with all staff receiving ongoing professional development with many courses being offered throughout the year. Courses include Volatile Substance Authorised Persons Training, Sexual Health Education Training, Cross Cultural Training, Child Protection Training, Mental Health First Aid Training and a Certificate II in Community Services.

Funding for Youth Services programs comes from Australian Government Department Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) Youth In Communities Program and Department of Education, Employment and Workplace Relations (DEEWR) as well as the Northern Territory Government Department of Natural Resources, Environment, the Arts and Sport (NRETAS), the Department of Health and Department of Families and Children.

Corporate Services

Governance and Planning

The first full term of MacDonnell Shire Elected Councillors concluded in this reporting year. Northern Territory Council General Elections were held on 24 March in all local government jurisdictions throughout the Territory. One of the MacDonnell Shire wards attracted twice the number of candidates for the electable positions while in the remaining three wards councillors were elected unopposed. One of these wards required a Supplementary Election to fulfil its quota of councillors.

Governance Training for elected local government councillors was provided by the Local Government Association of the Northern Territory (LGANT) in Darwin following the 2012 elections and was attended by the seven new and five re-elected councillors. The ongoing Governance Training program for elected members also continues to be delivered by the MacDonnell Shire from the 2010/11 year with positive results.

The MacDonnell Shire strives to achieve effective and inspiring governance, strong participation and voice in its jurisdiction. The Local Boards were supported by its own specific governance training provided in each community through NT Government Closing the Gap funding. Within the training process was the development of governance guidelines taking into account the clear communication needs and the cultural nature of the readership and has since been published for current and future Local Board members.

The Shire Governance Support Team performs a number of essential functions of supporting elected members, local boards and advocacy.

The team performed the role of the secretariat to the Council and Local Board meetings. In addition they manage the logistics, travel, accommodation and meal allowances to facilitate these meetings. There were six Ordinary Council meetings during the reporting year, each with a closed preliminary workshop to support the agenda and Special Council meetings are scheduled outside of the regular council meeting program when extraordinary issues arise. Local Board meetings are scheduled four times a year – for each of the thirteen communities across the Shire.

During this year MacDonnell Shire contributed to the regional planning process and throughout the year it contributed through the Ntaria Economic Development Team to the joint Australian Government / Northern Territory Government development of the Growth Town planning initiative.

This June the Shire finalised a revised Corporate Plan with a restructured format that most notably focusses the its goals and objectives though three clear filters:

- Developing Communities
- Liveable Communities
- Engaged Communities

Human Resource

Key to the MacDonnell Shire's economic development plans is its goal to achieve strong local employment by providing enhanced employment opportunities in its remote communities. There was an increase in the number of staff directly engaged at the community from 336 at the end of the financial year 2010/11 to 362 at the end of this financial year 2011/12.

MacDonnell Shire Council employed an average of 471 employees per month during this financial year. This was a 1% increase on the preceding year demonstrating the third consecutive year of positive growth in indigenous employee numbers.

During this reporting year indigenous employment increased slightly from the previous year to an average of 77.8%, peaking at 80% in May and showing a steady increase over the year. In the key community positions of Essential Service Operators, Team Leaders and Shire Service Coordinators, indigenous employment levels were at averages of 36%, 37% and 27% respectively. Shire Service Coordinators have shown the largest increase of 8% over the previous year. Two entire communities are entirely staffed by Indigenous employees, as are the Community Aged Care Centres and all Community Safety Teams.

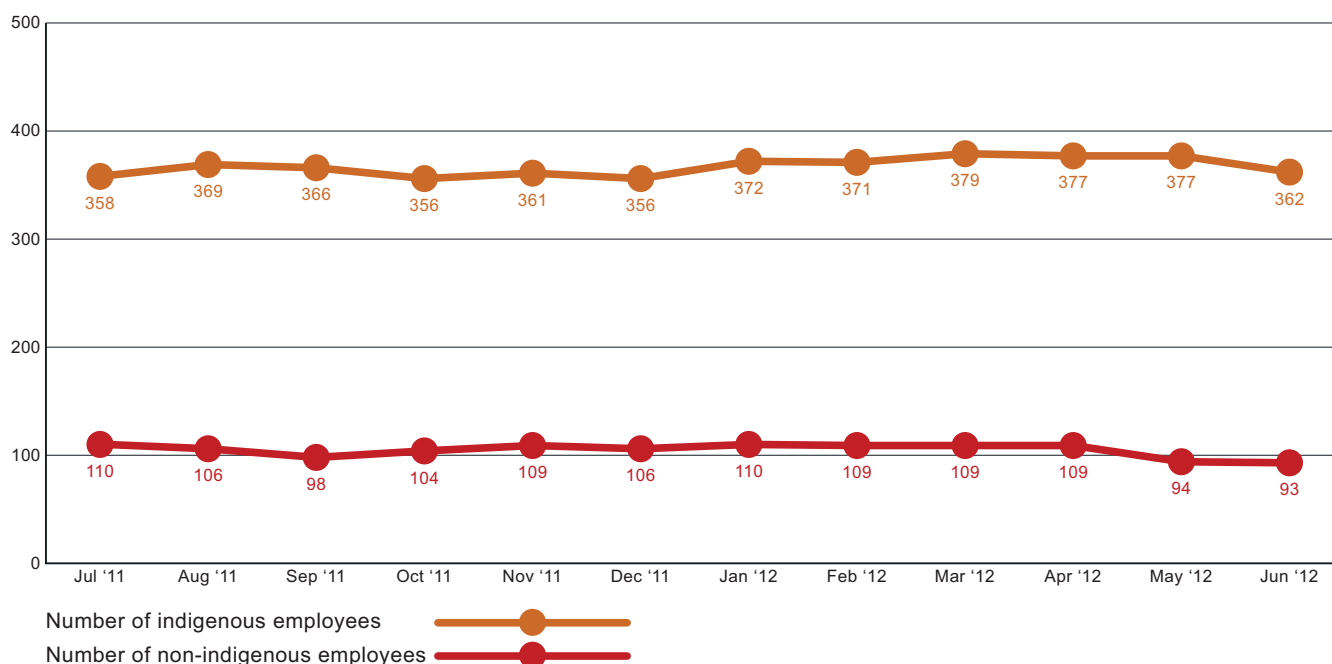
Through improved organisational and management practices MacDonnell Shire underpins its aims of improved staff morale

through its promotion of a professional and motivated workforce in a supportive environment. The results of this are observed through levels of staff turnover in comparative years. During 2011/12 employee turnover numbers decreased by 25% from the previous financial year. This continued the trending turnover reduction from previous years. Figure 1 shows employee numbers were relatively stable this year with a high of 488 in April.

The MacDonnell Shire goal to achieve strong local employment is further underpinned by its activities to provide enhanced employment opportunities in its remote communities. Through its training and development opportunities for its staff the Shire increases the skills and experiences of local people building the capacity of its communities.

Numerous training courses were held throughout the year and these are detailed within each of the earlier sections.

Figure 1
Monthly Numbers of Indigenous and Non-indigenous Employees 2011/12





Finance

The MacDonnell Shire Council goal of providing economic development to deliver a dynamic and growing economy showed positive results in the 2011/12 financial year. The clear objective to improve the financial sustainability of the MacDonnell Shire Council has been achieved against its three key performance indicators.

In seeking to reduce its dependency on government grants, the MacDonnell Shire needed to show less than 66% of its income from that source. The Shire exceeded its target securing 62% of its income through government grants in the financial year.

The deficit in 2009/10 of \$3.5million was reduced the following year to \$1.7million. The debt was further reduced in 2011/12 to deliver a modest surplus achieving the overarching key performance indicator of delivering a surplus to the organisation in this financial year.

With the goal to improve its ratio of assets to liabilities by striving toward an aspect ratio of 2:1 the Shire reduced its target by 25% delivering an improvement ratio of 1.4:1 from the previous year of 1.2:1

The MacDonnell Shire Council wishes to acknowledge the support and assistance given by the grant funding bodies in resolving and finalising its grants. Financial reporting is included from page 32.

Financial Summary

Income and Expenditure Summaries

Figure 2
MacDonnell Shire Council Sources of Income for 2011/2012

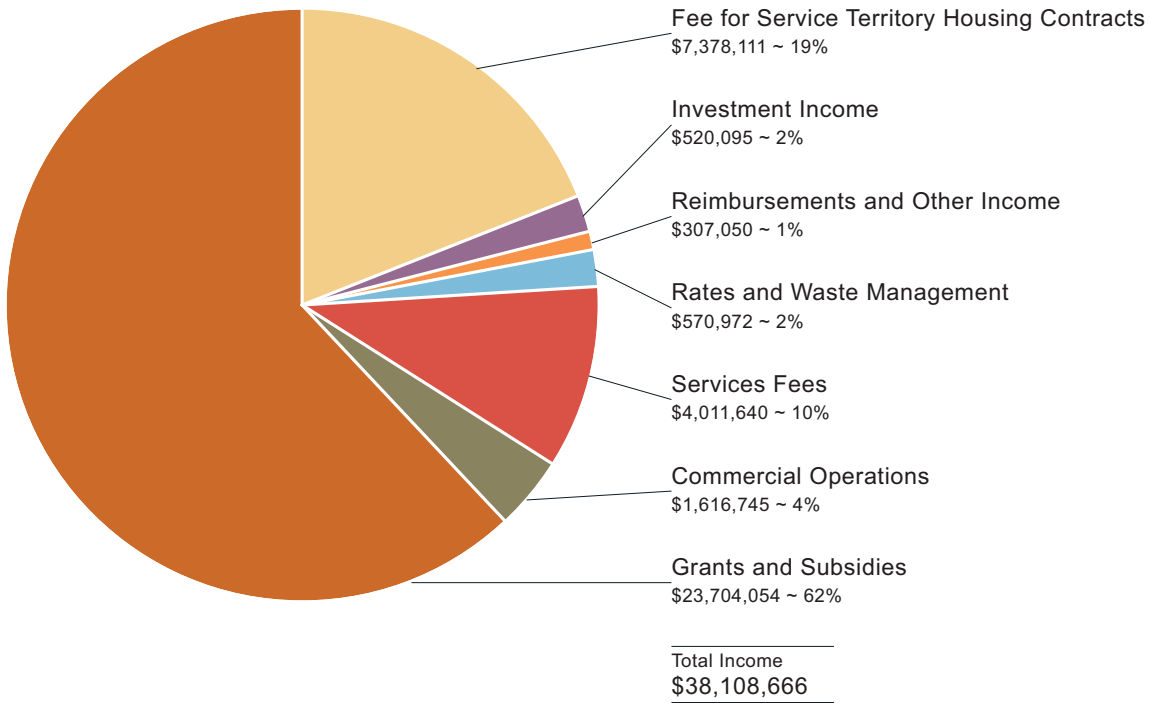
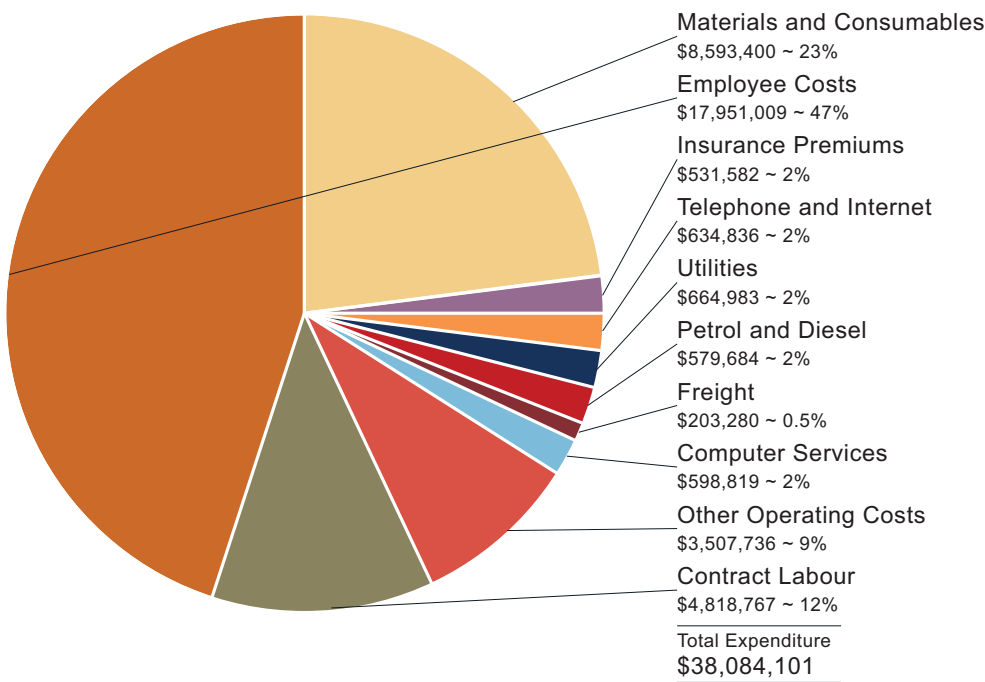


Figure 3
MacDonnell Shire Council Operating Expenditure for 2011/2012



Key Performance Indicators

Figure 4
Total Operational Expenditure

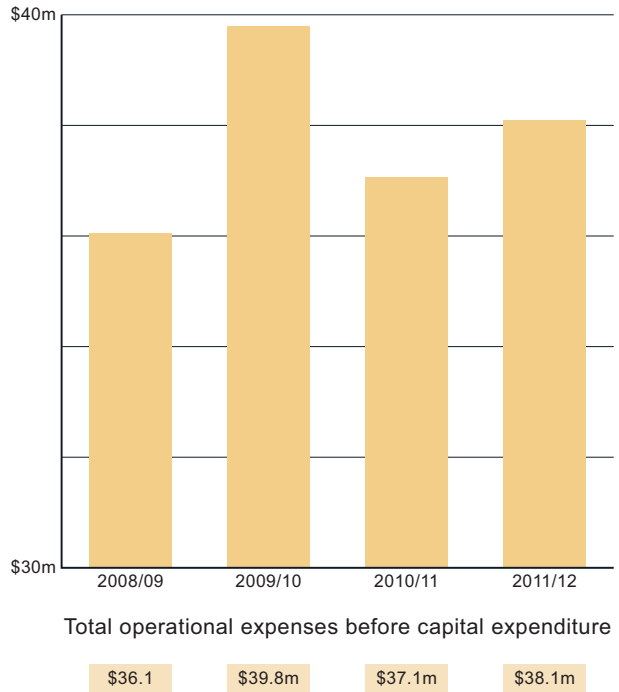


Figure 5
Operating Surplus / Deficit



Figure 6
Dependency upon Government
Grants and Subsidies Income as % of Total Revenue

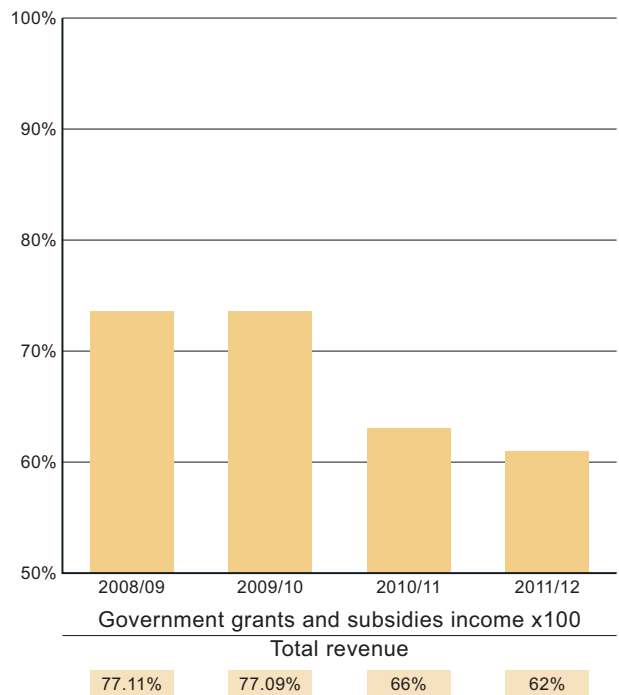


Figure 7
Rates and Charges
 as % of Total Revenue

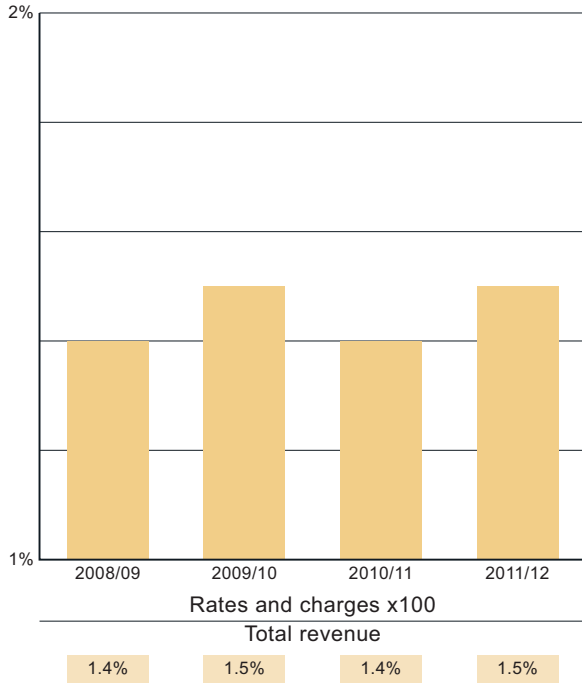


Figure 8
Core Service Expenditure
 per Shire Resident Core Service Performance

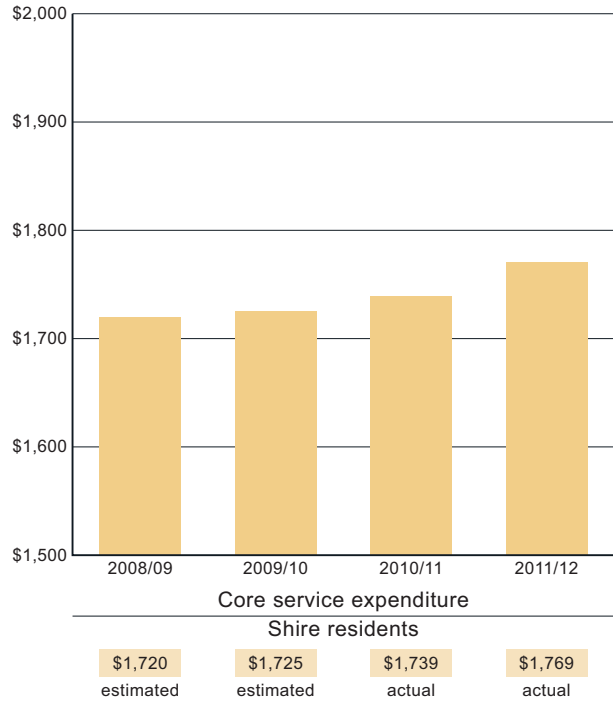
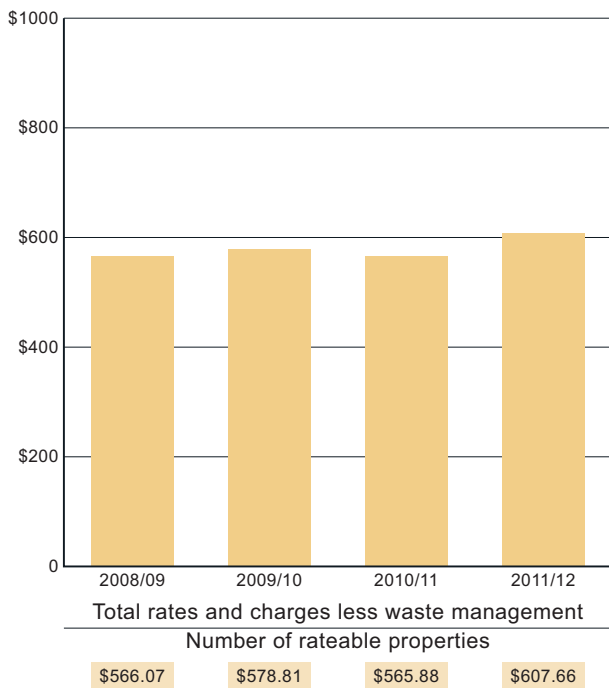


Figure 9
Average Rates and Charges Assessment
 excluding Waste Management



Audited General Purpose Financial Report

For the Financial Year Ended 30 June 2012



MacDonnell Shire

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Chief Executive Officer's Certificate

MacDonnell Shire Council


**CHIEF EXECUTIVE OFFICER'S CERTIFICATE
For the Year Ended 30th June 2012**

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

- a) The Financial Statements have, been drawn properly drawn up to reflect the accounting records and follow the requirements of the Australian Accounting Standards, the Local Government Act, and the Local Government (Accounting) Regulations for the year ended 30 June 2012, and
- b) the Financial Statements are in accordance with the accounting and other records of the Shire.



Chief Executive Officer



Date

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

MACDONNELL SHIRE COUNCIL

We have audited the accompanying financial report of MacDonnell Shire Council (the "Council"), which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Chief Executive Officer's certificate, as set out on pages 4 to 25.

The Responsibility of the Chief Executive Officer for the Financial Report

The chief executive officer of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards the Northern Territory Local Government Act 2008 and for such internal control as the chief executive officer determines is necessary to enable the preparation of the financial report that 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

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INDEPENDENT AUDITOR'S REPORT TO

MACDONNELL SHIRE COUNCIL (continued)

Opinion

In our opinion, the financial report of MacDonnell Shire Council presents fairly, in all material respects, the Council's financial position as at 30 June 2012 and its financial performance for the year ended on that date in accordance with the Australian Accounting Standards and the Northern Territory Local Government Act.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

EDry

E Dry

Partner

Chartered Accountants

Alice Springs, 15 / 11 / 2012.

Statement of Comprehensive Income

For the Year Ended 30th June 2012

	Notes	2012 \$	2011 \$
INCOME			
Rates		474,160	400,079
User charges - waste management		96,812	93,088
User charges & fees - rent		4,011,639	4,602,690
Grants, Subsidies and contributions	3a	23,704,054	23,196,515
Interest		520,095	606,282
Income from commercial operations		1,616,744	2,215,883
Fee for service - Territory Housing		7,378,111	3,652,785
Reimbursements & other income		307,051	515,918
Total Income		38,108,666	35,283,240
EXPENSES			
Employee costs	4a	17,951,009	17,214,511
Materials & Consumables		8,593,401	5,973,518
Interest charges		65,337	62,864
Depreciation & amortisation	4b	1,523,488	2,330,882
Other operating expenses	4c	9,950,867	11,473,408
Total Expenditure		38,084,102	37,055,183
OPERATING SURPLUS / (DEFICIT)		24,564	(1,771,943)
Less: Impairment of net assets transferred to the Shire upon restructuring of local government	9,17	(4,443,597)	-
Change in net assets attributable to restructure of local government		(4,443,597)	-
Transfer Operation & Control of Stores at Titjikala and Santa Teresa back to Independent Indigenous Entities		0	(160,377)
TOTAL COMPREHENSIVE INCOME		(4,419,033)	(1,932,320)

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

Statement of Financial Position

At 30th June 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and cash equivalents	5	5,487,497	1,574,013
Investments	6	8,000,000	9,000,000
Trade and other receivables	7	6,268,770	3,515,929
Inventories & Work in Progress	8	34,293	17,382
		19,790,560	14,107,324
NON CURRENT ASSETS			
Capital Work in Progress	8	25,319	34,150
Property, plant and equipment	9	5,636,973	10,173,231
		5,662,292	10,207,381
TOTAL ASSETS		25,452,852	24,314,705
CURRENT LIABILITIES			
Payables & Accruals	10a	4,823,591	4,219,044
Employee Benefits	10b	1,311,071	1,121,088
Borrowings	10c	966,706	972,168
Deferred Grant Income	13	9,716,358	4,948,246
		16,817,726	11,260,546
NET ASSETS		8,635,126	13,054,159
EQUITY			
Accumulated funds		8,635,126	13,054,159
TOTAL EQUITY		8,635,126	13,054,159

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

Statement of Changes in Equity

For the Year Ended 30th June 2012

	2012	2011
	\$	\$
Accumulated funds at the beginning of the year	13,054,159	14,986,479
Total Comprehensive Income	(4,419,033)	(1,932,320)
Accumulated funds at the end of the year	8,635,126	13,054,159

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

Statement of Cash Flows

For the Year Ended 30th June 2012

	Notes	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates & Annual Charges		540,329	489,221
Other receipts		7,525,797	9,913,448
Grants received		29,340,474	23,114,895
Payments			
Employee Costs		(17,761,026)	(17,595,080)
Other operating payments		(15,819,826)	(18,257,534)
Interest paid		(65,337)	(62,864)
Net Cash provided by (or used in) Operating Activities	11a	3,760,412	(2,397,914)
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Interest received		520,095	606,282
Sale of Property, Plant, Equipment and Vehicles		206,559	868,253
Payments			
Purchase of Property, Plant, Equipment and Vehicles		(1,568,120)	(2,456,713)
Work in Progress			(34,150)
Net Cash provided by (or used in) Investing Activities		(841,466)	(1,016,328)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from Borrowings			
Payments			
Repayments of Borrowings		(5,462)	(23,319)
Net Cash provided by (or used in) Financing Activities		(5,462)	(23,319)
Net Increase (Decrease) in Cash Held		2,913,484	(3,437,561)
Cash & Cash Equivalents at Beginning of the Reporting Period		10,574,013	14,011,574
Cash Transferred on Restructuring of Local Government			
Cash & Cash Equivalents at End of the Reporting Period	11b	13,487,497	10,574,013

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

Notes to and Forming Part of the General Purpose Financial Report

For the Year Ended 30th June 2012

1 SUMMARY OF ACCOUNTING POLICIES

Financial Reporting Framework

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

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

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

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

Significant accounting policies

In the application of A-IFRS management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

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

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

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

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

Adoption of new and revised Accounting Standards

All new and revised Standards and Interpretations have been adopted in the current period. Their adoption has not had any significant impact on the amounts reported in these financial statements and is not expected to affect the accounting for future transactions or arrangements.

For the Year Ended 30th June 2012

AASB 1054 Australian Additional Disclosures

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. These standards are not expected to result in any changes in recognition or measurement.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments	01 Jan 2013	30 Jun 2014
AASB 200911 Amendments to Australian Accounting Standards arising from AASB 9	01 Jan 2013	30 Jun 2014
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	01 Jan 2013	30 Jun 2014
AASB 119 Employee Benefits (2011)	01 Jan 2013	30 Jun 2014
AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (2011)	01 Jan 2013	30 Jun 2014
AASB 2011-9 Amendments to Australian Accounting Standards- Presentation of Items of Other Comprehensive Income	01 Jul 2012	30 Jun 2013

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

Accounting standards and interpretations issued but not yet effective

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

For the Year Ended 30th June 2012

Accounts Payable

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

Depreciation

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

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

Economic dependency

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

Employee benefits

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

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

Provisions made in respect of wages and salaries, annual leave and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

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

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

Financial instruments

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

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

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

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

Held-to-maturity investments

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

Goods and Services Tax (GST)

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

Government Grants

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the amounts pertaining to those undischarged conditions are disclosed in these notes.

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

Impairment of assets

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

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

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

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

Income tax

The entity is not subject to income tax.

Inventories

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

For the Year Ended 30th June 2012

The local Government reporting entity

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

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

Revenue recognition

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

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

Revenue from investments is recognised on an accrual basis.

Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

2a ACTIVITIES UNDERTAKEN

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

Amoonguna

Aputula Housing Association Inc

Areyonga Community Incorporated

Ikuntji Community Council Incorporated

Imanpa

Ltyentye Apurte Community Government Council

Ntaria Council (Hermannsburg) Incorporated

Papunya Community Council Incorporated

Tapatjatjaka Community Government Council

Wallace Rockhole Community Government Council

Watiyawanu Community Government Council

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

The major functions undertaken by the entity are:

General public services

Corporate management, administrative support and governance.

Public order and safety

Operation of a night patrol services.

Economic affairs

Community stores, Commercial Fuel Sales, Garage Workshop activities.

Housing, Community Amenities

Housing repairs and maintenance and new housing. Local roads maintenance

Health

Child nutrition program.

Recreation, Culture & Religion

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

Education

Preschool care.

Social Protection

Public Behaviour & Youth Programme, Aged care.

For the Year Ended 30th June 2012

2b FUNCTION RESULTS

	1	2	3	5	6	7	8	9	Total
	General Public Services	Public Order & Safety	Economic Affairs	Housing & Community	Health	Recreation, Culture & Education	Education	Social Protection	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
OPERATING REVENUES									
Rates	474,160								474,160
User charges - waste management	96,812								96,812
Grants - NT Operational	7,462,689			471,104		57,347	567,152	227,015	8,785,307
Grants - NT capital	30,631								30,631
Grants - Cwth Operational	1,332,167	2,391,186		4,960	359,109	49,538	6,114,769	2,397,168	12,648,896
Grants - Cwth capital	75,317	136,379						70,537	282,233
Investment Income			520,095						520,095
Reimbursements & other Revenues	3,705,443	67,241	564,216	9,031,532	92,885	61,813	268,436	1,478,967	15,270,532
	13,177,219	2,594,806	1,084,311	9,507,596	451,994	168,697	6,950,357	4,173,086	38,108,666
OPERATING EXPENSES									
Employee Costs	8,103,143	1,808,145	1,026,795	1,226,956	204,421	213,500	3,761,681	1,606,367	17,951,009
Materials, Contracts & Other	4,362,079	136,017	913,460	951,549	131,112	86,867	1,033,161	979,155	8,593,400
Interest Charges			66,337						66,337
Depreciation	157,299		1,366,189						1,523,488
Other operating expenditure	2,061,922	647,515	(2,450,281)	5,224,194	116,462	137,696	2,031,536	2,181,825	9,950,868
	14,684,443	2,591,677	921,500	7,402,699	451,995	438,063	6,820,378	4,767,346	38,064,102
TOTALS	(1,507,224)	3,129	162,811	2,104,896	(1)	(269,366)	123,979	(593,660)	24,564

For the Year Ended 30th June 2012

	2012 \$	2011 \$
3a GOVERNMENT GRANTS RECOGNISED AS REVENUE		
From Commonwealth of Australia Government Agencies		
Operating grants	4,775,608	5,995,608
Special Purpose grants	67,241	70,463
Capital grants	282,233	298,174
Agency services grants	8,408,948	10,170,780
Sub-total	<u>13,534,030</u>	<u>16,535,025</u>
From Northern Territory Government Agencies		
Operating grants	8,785,307	5,978,145
Special Purpose grants	600,126	125,521
Capital grants	30,631	-
Agency services grants	753,960	557,824
Sub-total	<u>10,170,024</u>	<u>6,661,490</u>
Total Grants Revenue	<u><u>23,704,054</u></u>	<u><u>23,196,515</u></u>
3b OTHER OPERATING REVENUE		
Income from commercial services	1,616,744	2,215,883
Rates	474,160	400,079
Service fees	4,011,639	4,602,690
Domestic waste charges	96,812	93,088
Fee for service - Territory Housing	7,378,111	3,652,785
Fundraising & donations	61,558	33,355
Reimbursements	38,932	2,434
Gains from disposal of plant, equipment and vehicles	206,558	480,129
Total Other Operating Revenue	<u><u>13,884,516</u></u>	<u><u>11,480,443</u></u>
4a EMPLOYEE COSTS		
Salaries, wages and allowances, including on-costs	15,768,932	15,158,279
Employer's Superannuation contributions	1,328,563	1,181,376
Employee benefits and other employee costs	240,788	225,455
Training programs	433,108	478,951
Recruitment expenses	178,037	166,035
Protective clothing	1,581	4,415
Total Employee Costs	<u><u>17,951,009</u></u>	<u><u>17,214,511</u></u>
4b DEPRECIATION		
Buildings	110,048	997,088
Plant & Equipment	530,211	523,021

For the Year Ended 30th June 2012

	2012 \$	2011 \$
Furniture & Equipment	47,251	53,865
Vehicles	835,978	756,908
Total Depreciation	1,523,488	2,330,882
4c OTHER OPERATING EXPENSES		
Elected Members' Allowances	383,939	176,904
Telephone & Internet services	634,836	626,350
Insurance Premiums and Fees	531,583	639,524
Gas, Power, Sewerage & Water	664,983	808,581
Fuel for Plant and Vehicles	579,689	558,817
Provision for Bad & Doubtful Debts	45,888	86,105
Repayment of unaccrued grant liabilities	304,050	2,945,006
Freight charges	203,281	312,222
Legal & Professional Services	190,453	180,212
Advertising & Promotional Activities	34,604	44,538
Audit Services	60,000	58,170
Computer Services	598,819	675,623
Loss on sale/destruction of assets	-	242,497
Memberships & subscriptions	59,383	64,073
Operating Leases	97,980	51,658
Travel, Accommodation & Entertainment	670,544	474,632
Contract Labour	4,818,768	3,442,992
Transaction Fees & Taxes	72,067	85,504
Total Other Operating Expenses	9,950,867	11,473,408
5 CASH AND CASH EQUIVALENTS		
Westpac Operating Account	563,151	90,777
Westpac Enterprise Development Account	453	12,152
Westpac Trust Account	4,126,174	1,318,836
Westpac ICC Account	73	103,682
Westpac Territory Housing Account	793,683	
Bank Accounts for community stores	2,837	18,687
Westpac Centrelink Processing Account	311	28,879
Petty Cash	815	1,000
Total Cash & Cash Equivalents	5,487,497	1,574,013
6 INVESTMENTS		
Interest earning term deposits at trading banks.	8,000,000	9,000,000
7 TRADE AND OTHER RECEIVABLES		
Trade Receivables	4,507,238	2,112,362

For the Year Ended 30th June 2012

	2012 \$	2011 \$
Allowance for Doubtful Debts	(180,888)	(197,244)
Rates Receivable	58,211	27,568
GST Receivable	1,789,410	1,411,552
Sundry Receivables	70,126	151,706
Prepayments	-	-
Accrued Income	24,673	9,985
Total Trade & Other Receivables	6,268,770	3,515,929

The average credit period on sales of goods and rendering of services is 60 days.

No interest is charged on the trade receivables.

Ageing of past due but not impaired trade debtors

60-90 days	1,456,014	294,777
90-120 days	51,653	53,958
	1,507,667	348,735

Movement in the allowance for doubtful debts

Balance at the beginning of the year	197,244	111,409
Impairment losses recognised	-	86,105
Amounts written off as uncollectible	(16,356)	(270)
Balance at the end of the year	180,888	197,244

8 INVENTORIES & WORK IN PROGRESS

Bulk fuel	-	-
Goods for sale held at community stores	34,293	17,382
Work in progress - partially completed capital works	25,319	34,150
Total Inventories & Work in Progress	59,612	51,532

For the Year Ended 30th June 2012

9 PROPERTY, PLANT AND EQUIPMENT

Year Ended 30th June 2011	Land	Buildings & Facilities	Plant & Equipment	Furniture & Fittings	Vehicles	Total
	\$	\$	\$	\$	\$	\$
Gross Carrying Amount at Cost or Valuation						
Opening balances at 1st July 2010	404,250	29,937,652	5,293,375	278,711	4,608,981	40,522,969
Additions	-	765,383	237,999	0	1,558,600	2,561,982
Less: Disposals	-	(379,528)	(321,484)	0	(980,679)	(1,681,691)
Balance at 30th June 2011	404,250	30,323,507	5,209,890	278,711	5,186,902	41,403,260
Accumulated Depreciation						
Opening balances at 1st July 2010	-	23,774,514	3,514,255	115,011	2,557,445	29,961,225
Charge for the year	-	996,072	521,399	51,487	756,908	2,325,846
Less: Accumulated depreciation on disposals	-	254,670	(183,640)	-	(618,732)	(1,057,042)
Balance at 30th June 2011	-	24,515,916	3,852,014	166,478	2,695,621	31,230,029
Net Book Value						
Carrying value at 1st July 2010	404,250	6,163,138	1,779,120	163,700	2,051,536	10,581,744
Carrying value at 30th June 2011	404,250	5,807,591	1,357,876	112,233	2,491,281	10,173,231

Year Ended 30th June 2012	Land	Buildings & Facilities	Plant & Equipment	Furniture & Fittings	Vehicles	Total
	\$	\$	\$	\$	\$	\$
Gross Carrying Amount at Cost						
Opening balances at 1st July 2011	404,250	30,323,507	5,209,890	278,711	5,186,902	41,403,260
Additions	-	0	639,008	-	929,112	1,568,120
Less: Disposals	-	(10,041,099)	(281,132)	-	(437,634)	(10,759,865)
Adjustments			(63,719)	56,294		(7,425)
Balance at 30th June 2012	404,250	20,282,408	5,504,047	335,005	5,678,380	32,204,090
Accumulated Depreciation						
Opening balances at 1st July 2011	-	24,515,916	3,852,014	166,478	2,695,621	31,230,029
Charge for the year	-	110,048	530,211	47,251	835,978	1,523,488
Less: Accumulated depreciation on disposals	-	(5,583,503)	(281,726)	-	(321,171)	(6,186,400)
Balance at 30th June 2012	-	19,042,461	4,100,499	213,729	3,210,428	26,567,117
Net Book Value						
Carrying value at 1st July 2011	404,250	5,807,591	1,357,876	112,233	2,491,281	10,173,231
Carrying value at 30th June 2012	404,250	1,239,947	1,403,548	121,276	2,467,952	5,636,973

A building is secured as per the borrowings note.

For the Year Ended 30th June 2012

	2012 \$	2011 \$
10a TRADE AND OTHER PAYABLES		
Creditors	1,639,596	1,252,791
PAYG payable	119,279	128,635
GST payable	1,954,745	1,412,918
Accruals	1,109,971	1,424,700
	4,823,591	4,219,044
10b EMPLOYEE BENEFITS		
Annual leave, including on-costs	1,031,709	864,660
Sick leave	143,179	160,877
Long service leave	136,183	95,551
	1,311,071	1,121,088
10c BORROWINGS		
Westpac credit card liability	8,669	16,091
Westpac Mortgage over 50% of Headquarters premises.	958,037	956,077
	966,706	972,168
11 RECONCILIATION OF CHANGE IN NET ASSETS FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Surplus (Deficit) for the year	(4,419,033)	(1,932,320)
Interest Received	(520,095)	(606,282)
(Profit) loss on disposal of assets	4,383,162	242,497
Depreciation of non-current assets	1,523,488	2,330,882
Impairment of net assets	4,443,597	
Increase (decrease) in doubtful debts provision	(16,356)	86,105
Changes in Net Assets:		
Change in assets and liabilities		
(Increase) / Decrease in trade debtors and receivables	(7,180,082)	(1,437,864)
Decrease / (Increase) in Inventory	(16,911)	273,985
Increase / (Decrease) in trade creditors and accruals	794,530	110,257
Increase / (Decrease) in provisions		(380,569)
Increase / (Decrease) in unexpended grant liability	4,768,112	(653,156)
11a Net cash provided by operating activities	3,760,412	(1,966,465)

For the Year Ended 30th June 2012

	2012 \$	2011 \$
12 CAPITAL COMMITMENTS		
There were no capital commitments at the balance sheet date.		
13 DEFERRED GRANT INCOME		
Unexpended grants that have been paid to the Shire Council for specific purposes are treated as deferred income at the end of the financial year. This is because funding bodies will require either that the unused funds be returned or that they be carried forward to be applied against activities undertaken in future periods.		
13a Grants to MacDonnell Shire Council		
10/11 DEEWR After school Care Ikuntji CO-386	-	196
09/12 Youth development Papunya CO280	-	367
10/11 Titjikala Basketball competition CO365	-	675
10/11 DEEWR After school Care Mt Liebig CO-407	-	695
10/11 Kintore Park project SPG CO-429	818	818
09/11 ICC Santa Teresa Fire trailer CO361	-	1,911
10/11 DEEWR Flexible Child Care Kintore CO-389	-	2,258
10/11 NT Local Board Funding Governance CO-369	-	3,475
09/10 Development of Aged Care Policy Manual CO250	-	4,960
10/11 ICC Night patrols unexpended fund CO-431	-	5,386
10/11 DEEWR Flexible Child Care Mt Liebig CO-404	-	7,100
10/11 ICC DEWHA RIBS Broadcasting P CO-412	-	7,188
10/11 DEEWR Child Care Aputula CO-380	-	7,526
09/11 ICC Repairs to 3 Swimming Pools CO-302	-	9,345
10/11 DOHA Job creation Package Sport&Re CO-372	-	9,910
09/12 Active remote communities CO-292	-	13,149
09/11 ICC Ntaria Outdoor Meeting Place CO-334	-	13,517
09/11 DOHA Docker River - Outside Area CO-251	-	13,697
10/11 DOHA Flexible Aged Care Program CO-356	-	14,055
09/11 DOHA Aged Care Indigenous Jobs CO-235	-	14,897
09/11 NRETAS 09/10 Facility dev. Ntaria CO-314	-	16,084
10/11 DEEWR Flexible Child Care Ikuntji CO384	-	18,788
10/11 Residents outside town Governance CO-368	-	20,124
10/12 DHF Papunya Community Care upgrade CO-471	-	21,000
08/11 NT Library Grant Santa Teresa CO-127	-	21,596
10/11 DEEWR Child Care Creche Areyonga CO-381	-	23,501
08/11 Closing the Gap Local Boards CO-252	-	25,289
08/11 ICC Youth Enhancement Project CO-183	-	27,507
10/11 DEEWR Child Creche Papunya CO-396	-	29,188
10/11 Housing Maintenance Program- Outst CO 291- CO 378	-	35,186
10/11 DOHA Flexible Aged Care Operational CO-379	-	35,669
10/12 LGANT Santa Teresa Swimming pool CO-476	-	40,909

For the Year Ended 30th June 2012

	2012 \$	2011 \$
10/11 DEEWR Flexible Child Titjikala CO-401	-	41,614
10/11 DEEWR Child Care Creche Docker Riv CO-383	-	51,826
08/09 HACC Home & Community CO-71	-	52,675
11/12 RLCIP Round 3 Capital CO-418	-	61,800
10/11 DOHA Major upgrades Docker River CO-424	-	70,579
10/11 Closing the Gap - Manage Governance CO-132	-	76,780
09/10 HACC Home & Community CO-247	-	79,400
08/11 DOHA Community Aged Care (CAAP) CO-69	-	94,887
10/12 ICC Animal Dog Control Ntaria CO-433	-	100,000
10/11 ICC DEWHA Jobs Package CO-413	-	103,414
10/11 NT DHF HACC Home&Community CO-408	-	130,496
09/11 Urban Enhancement Project Hrmnsbrg CO-226	-	136,363
10/11 Housing Management Program - Ousts CO-377	-	141,241
09/10 DOHA Flexible AC operational CO-355	-	147,930
09/14 Roads to Recovery- Capital CO-371	-	175,952
10/11 Converted Jobs Program CO-420	-	182,811
Nutrition Program CO 428	-	209,631
09/11 DOHA HACC Workforce CO-272	-	211,292
10/11 NT MUNS & ESSENTIAL SERVICES CO-409	-	288,351
09/12 ICC Youth Workers CAPSUS CO-328	-	687,263
09/10 Night Patrols CO 294-CO 421	-	797,229
Sub-total	818	4,287,500
11/12 AGD Community Night Patrols CO-480	353,242	-
11/12 NRETAS - ARC Basketball competitions CO-437	6,300	-
11/12 DOHA Community Aged Care Package(CACP) CO-69	33,001	-
11/12 DOHA Purchase of Medical Equipment Docker River CO-483	9,906	-
11/12 DEEWR School Nutrition Program CO-428	165,426	-
11/12 DEEWR SNP Minor Capital CO-428	244,988	-
11/12 DOHA Capital Maintenance & priority upgrades CO-424	13,739	-
11/12 NRETAS 09/10 Facility development program Ntaria CO-31-	16,084	-
11/12 Road To Recovery Capital 09-14 CO-371	143	-
11/12 NT DHLGRS Local Area Traffic Management CO-472	40,000	-
11/12 NT DHLGRS Capital Infrastructure Mt Liebig CO-477	39,369	-
11/12 NT DHLGRS Housing Maintenance Program CO-443	98,452	-
11/12 RLSSA Santa Teresa swimming pool repairs CO-476	41,371	-
11/12 FAA ROADS CO-434	152,440	-
11/12 FACHSIA Imanpa basketball Court Lighting CO-485	5,500	-
11/12 FACHSIA Animal Dog Control program Ntaria CO-433	132,759	-
11/12 NT DHLGRS MUNS & ESSENTIAL SERVICES CO-470	113,223	-
11/12 NT DHLGRS Converted Jobs CO-474	128,596	-
11/12 NT DHLGRS Residents outside town Governance CO-368	8,574	-

For the Year Ended 30th June 2012

	2012 \$	2011 \$
11/12 NT DHLGRS Local Board Funding Governance CO-369	20,570	-
11/12 NT DHLGRS Closing the Gap Local Boards CO-252	22,166	-
Sub-total	<u>1,645,849</u>	-
13c 2012/13 Grants Received in Advance		
FAA General Purpose Grant	930,812	453,214
FAA Roads Grants	497,759	193,932
Community Night Patrols	379,184	
Closing the Gap Infrastructure Grant	160,200	
Closing the Gap Governance	124,375	
Housing Management Program Fencing Grant 2012-15	3,975,000	
Northern Territory Jobs Package	264,600	
Northern Territory Operational Subsidy	1,321,911	
BBF Quality Measure Infrastructure Upgrade of Child Care Centres	195,000	
SPG Upgrade Park & Playground Titjikala	40,000	
DHLGRS Recreational Infrastructure Papunya	175,000	
11/12 NRETAS Basketball ompetitions	-	7,000
Service fee accommodation received in advance	5,850	6,600
Sub-total	<u>8,069,691</u>	<u>660,746</u>
Total Deferred Grant Income	<u><u>9,716,358</u></u>	<u><u>4,948,246</u></u>

14 OTHER INFORMATION

The MacDonnell Shire Council is a not-for-profit entity incorporated under the Local Government Act 2008 of the Northern Territory of Australia.

The principal place of business and registered address of the entity is:
1 Bagot Street, Alice Springs, NT, 0870.

MacDonnell Shire is a member of CouncilBiz, a local subsidiary operating under the auspices of the Local Government Act 2008 (NT). The other members are Barkley, Central Desert, East Arnhem, Roper Gulf, Tiwi Islands, Victoria Daly and West Arnhem Shire Councils and the Local Government Association of the Northern Territory.

CouncilBiz's operations were restructured to an Information Technology support service only from July 2010. Further, CouncilBiz charges its members on a user-pays basis based on a formula agreed to by all members. Roydon Robertson, the Chief Executive Officer of Central Desert Shire Council was the Chairman of the CouncilBiz Board until his retirement. Diane Hood, the Chief Executive Officer of MacDonnell Shire Council was elected the Chairman of CouncilBiz on the 19 July 2012.

Information regarding CouncilBiz can be found on the MacDonnell Shire Council Web Site:
www.macdonnell.nt.gov.au

15 KEY MANAGEMENT PERSONNEL COMPENSATION

Aggregate compensation made to councillors		
Short term employee benefits	383,939	176,904
Termination benefits	-	-
	<u>383,939</u>	<u>176,904</u>

For the Year Ended 30th June 2012

2012	2011
\$	\$

The councillors during the financial year were:

Sid Anderson(Shire President), Roxanne Kenny(Deputy President)
Lance Abbott, Marlene Abbott, Raymond Kiernan, David Doolan,
Joe Rawson, Lisa Sharman, Peter Wilson, Irene Nangala, Carl
Inkamala, and Mildred Inkamala.

16 POST BALANCE DATE EVENTS

There were no Post Balance Date Events

For the Year Ended 30th June 2012

17 FINANCIAL INSTRUMENTS

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

Liquidity Risk

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

Credit Risk

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

Interest rate risk management

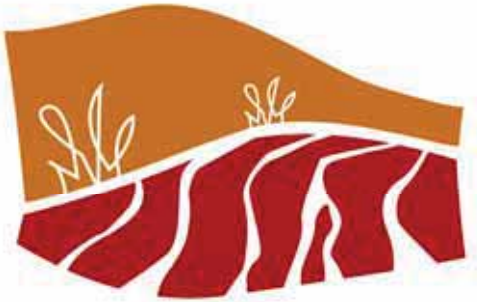
The entity has no material exposure to interest rate risk as its only borrowing is a mortgage over 50% of its HQ building. The loan facility was renegotiated in early July 2011 and the variable interest rate loan and the fixed interest rate loan were combined in to one loan at a variable interest rate. The annual percentage rate of the loan was 5.93% at 18 June 2012.

2012	Ave. Int. rate %	Variable Int. rate \$	Fixed Interest rate		Non-Interest Bearing	Total
			Less than 1 year	1 to 5 years		
Financial Assets						
Cash *	4.00	5,487,497				5,487,497
Term deposits at bank	5.45		8,000,000			8,000,000
Trade receivables					4,326,350	4,326,350
Rates Receivable					58,211	58,211
Total financial assets		5,487,497	8,000,000	-	4,384,561	17,872,058
Financial Liabilities						
Trade payables					1,639,596	1,639,596
Bank bill business Loan	5.93	958,037				958,037
Unexpended grants					9,716,358	9,716,358
Total financial liabilities		958,037	-	-	11,355,954	12,313,991

2011						
Financial Assets						
Cash *	4.55	1,574,013				1,574,013
Term deposits at bank	6.05		9,000,000			9,000,000
Trade receivables					1,915,118	1,915,118
Rates Receivable					27,568	27,568
Total financial assets		1,574,013	9,000,000	-	1,942,686	12,516,699
Financial Liabilities						
Trade payables					1,252,781	1,252,781
Bank bill business Loan	6.73	474,404				474,404
Bank bill business Loan	6.84			481,704		481,704
Unexpended grants					4,948,246	4,948,246
Total financial liabilities		474,404	-	481,704	6,201,027	7,157,135

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

There is no foreign exchange risk.



MacDonnell Shire

