



Tiwi Islands Shire Council

Tiwi Islands Shire Council Business Plan 2008-2009



July 2008

Foreword

This 2008-2009 business plan for the Tiwi Islands Shire has been developed with the assistance and input from many people and groups. The first draft of the Business Plan generated much discussion and input from stakeholders and residents on the Tiwi Islands. Those issues and concerns that were raised have been instrumental in the development of this plan.

This plan was made possible because of the continued time, expertise and knowledge provided by the Tiwi Islands Shire Transition Committee, staff of the former Tiwi Islands Local Government (TILG) and many other people in the Tiwi community. In addition I would like to acknowledge the work undertaken by the consultants and staff of the Department of Local Government and Housing.

This Business Plan incorporates the input from stakeholders as a result of submissions, public meetings and local discussions to ensure that this plan reflects the current status in terms of organisational, budgetary, governance and development processes.

This plan ushers in a new era in local government administration and service delivery on the Tiwi Islands. The plan brings together into one document all the facets of council governance and administration. It includes the key finance and service delivery information necessary to ensure that the Shire is on a sound financial footing and can confidently identify the services to be provided in all the communities.

A key factor in the success of any organisation is good governance. The new Shire Council will build on past efforts, but in an improved framework of accountability and transparency. Good governance includes commonsense, fair and equitable approaches to revenue raising and the management and delivery of services. The aim of New Local Government in the Territory is to achieve the Nation's best standards of delivering services to Indigenous communities, including better environmental health services, roads, sporting and community facilities and, importantly, opportunities for jobs and training.

The new shire will ensure the needs of all residents are taken into account in a culturally sensitive way. The Council members elected at the first elections in October 2008 will have the exciting and rewarding task of steering the new Shire. The Local Boards to be established in communities will be an important vehicle for local input and feedback to the Shire Council on specific community needs and priorities.

I encourage all interested parties to familiarise themselves with the business plan which will guide the first year of operation by the Tiwi Islands Shire Council.

Des Harris
Manager
Tiwi Islands Shire Council

Contact Us

The Tiwi Islands Shire Council welcomes and values comments, questions and suggestions regarding the Shire Plan. All constructive comments will be acknowledged and considered for incorporation in future plans. Please include your relevant contact details (full name and post or email address) when contacting us.

We look forward to hearing from you.

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1. Introduction

On 31 January 2007, the structural reform of local government was announced by the Northern Territory Government. The structural reform will transform the way local government services are delivered to all Territorians living in rural and remote communities. The reform involves the establishment of eight large Shire and three small Shires and the retention of five existing municipal councils (Alice Springs Town Council, Darwin City Council, Katherine Town Council, Litchfield and Palmerston City Council). Coomalie, Wagait and Belyuen remain as existing, with these three becoming small Shires. The new local government structure came into full effect on 1 July 2008.

This is the second version of the new Tiwi Islands Shire's Plan. It has been prepared by the Tiwi Islands Shire's Chief Executive Officer, Mark Goode, Director of Corporate and Community Services, Ian McLay and Shire Manager, Des Harris with assistance from the Department of Local Government and Housing (DLGH). Development of the plan has occurred in partnership with the Tiwi Islands Shire Transition Committee to propose levels of service delivery, governance framework, organisational structure and a three year financial plan.

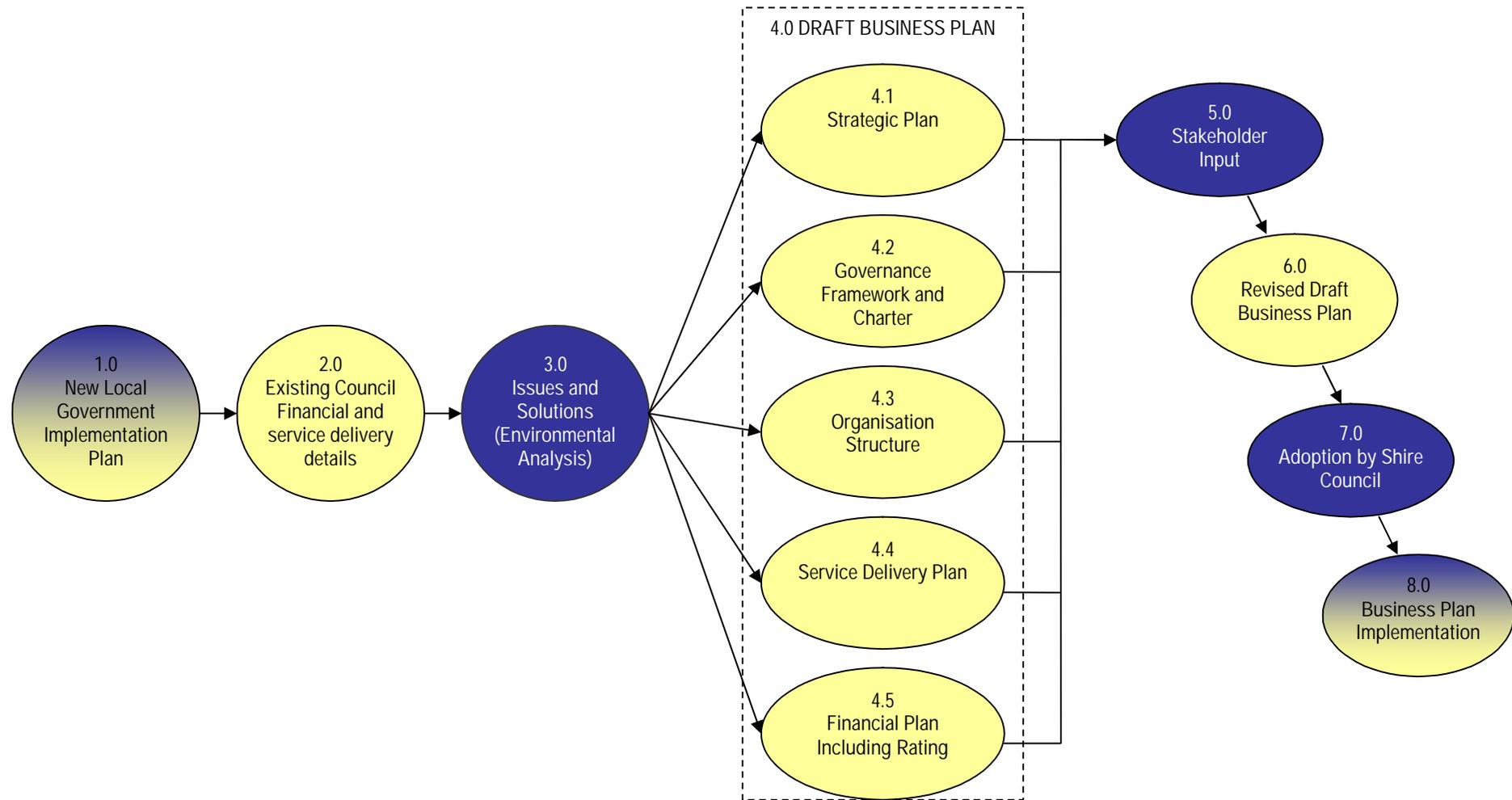
The new Shire incorporates the previous local government body, Tiwi Islands Local Government Council.

Consultation with key stakeholders including the Shire Council Committee, residents of the new Shire, industry groups, representatives of key Government Agencies, indigenous organisations and existing Councils has been undertaken and will continue in order to develop a business plan that will truly reflect the aspirations and operations of the new Shire.

Illustration front cover: mural at Pirlangimpi.

2. Methodology

The following methodology has been utilised to prepare the three year Business Plan.



3. Issues and Solutions (Environmental Analysis)

The Tiwi Islands Shire Plan has been developed utilising information obtained through consultation with key stakeholders that included Transition Committee and Council staff, meetings with funding agencies and engagement with community members. Participants in discussions were asked to identify their perceptions of the strengths, weaknesses, opportunities and threats facing the new Shire Council.

This plan includes additional issues and feedback provided from public comment on the draft released in December 2007.

In addition, all available documents and literature relevant to the establishment of the Shire were reviewed as part of the preparation of this business plan.

The process of identifying issues facing the new Shire and developing solutions to these issues is called an "environmental analysis". Solutions to issues are included within the plan as strategies or actions of the Shire Council.

Details of the environmental analysis undertaken in the development of this plan are contained in [Appendix 1: Issues Summary](#).

4. Governance and Representation

Principles for Developing the Governance Structure:

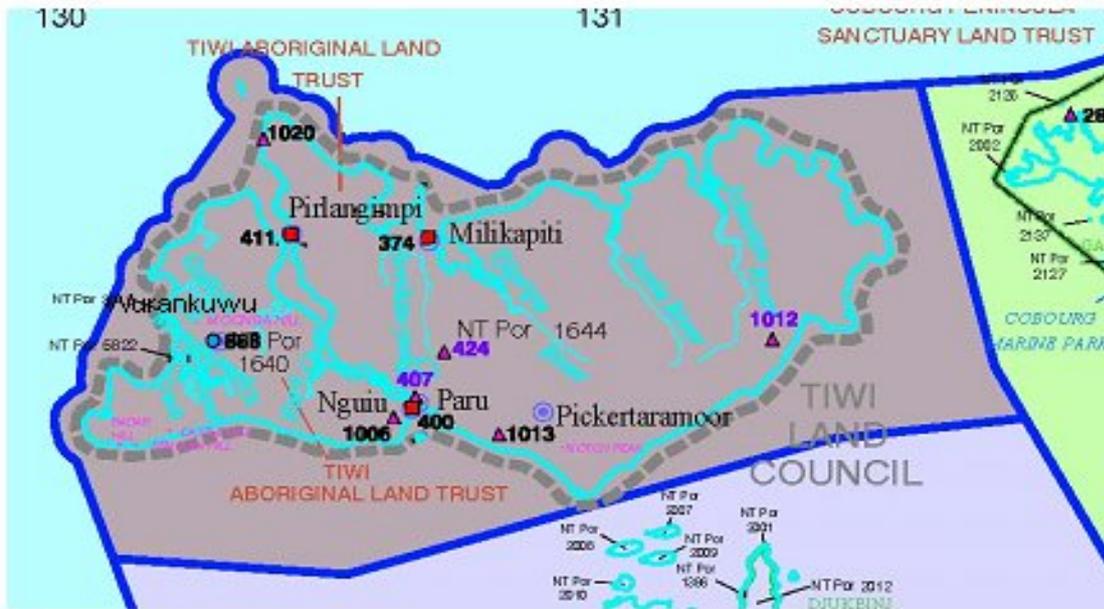
The following principles have been considered in developing the governance structure for the Shire:

- Maintain local community input and influence in local government decision making
- Ensure flexibility in dealing with local issues and local community differences
- Incorporate transitional requirements in mapping out governance implementation
- Ensure each local community's interests are represented through appropriate structures and processes
- Ensure representation occurs as closely as possible to one vote one value
- Support the retention of cultural identity at the local community level

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Shire Boundaries:

The boundaries of the Shire are shown in the following map.



Relevant Facts:

Area

The new Shire Council covers an area of approximately 7,522 km² of land.

Localities

For a complete list of localities refer [Appendix 2: Communities and Localities](#)

Business Plan – 2008-2009**Population**

The total estimated resident population* of the Shire is 2,512.

The estimated resident population of the major localities within the Shire are shown in Table 1 below.

Table 1: Estimated Resident Population by locality (ABS Census 2006)

Locality	Population
Nguiu	1495
Pirlangimpi	434
Milikapiti	449
Wurankuwu**	85
Other Communities within Shire	49
Total	2,512

* The Australian Bureau of Statistics uses a number of methods to represent population, including Usual Resident Population and Estimated Resident Population. The Northern Territory Government and the Northern Territory Grants Commission use Estimated Resident Population figures when representing population. Where Estimated Resident Population figures at the locality or Shire level are not available through the 2006 Census Data, the Northern Territory Government has developed a formula to calculate these figures. This formula is undergoing constant refinement and as such the figures in Table 1 are subject to change.

** This figure includes Wurankuwu and 4 Mile Camp.

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Statutory Requirements

The new Shire has statutory obligations under a variety of Northern Territory and Australian Government legislation. The most important legislation governing the Shire is the Local Government Act 2008 (NT). The Local Government Act 2008 (the Act) can be viewed at www.dlgh.nt.gov.au

In particular, the Act sets out rules for election systems, obligations of Councillors and many other matters relating to the governance and administration of the Shire.

Basis for Good Governance

The following provides the generally accepted basis for good governance and has informed the development of a Governance Charter for the new Shire:

- Build upon the foundations of governance best practice
- Build upon existing community strengths and capacities
- Ensure plans and services are driven by a clear vision
- Promote ethical and responsible decision making
- Ensure openness and integrity in financial reporting
- Recognise and manage risk
- Encourage improved performance
- Recognise the legitimate interest of stakeholders

Tiwi Islands Shire Council Committee 1 July-October 2008

As a mechanism for community representation during the period from the formation of the new Shire until elections in October 2008, a Shire Council Committee (SCC) has been formed under Part 5.2 of the Act.

The SCC will be properly serviced by the shire, including sitting fees.

The SCC will have the following characteristics;

- At least one representative from each community
- Nominated person to be an elected member or former elected member
- All representatives must reside in the shire
- Chair to be appointed by SCC from amongst members

The SCC will:

- Partner with Shire Manager on managing the shire business
- Make formal resolutions to the Shire Manager which will be adopted by Shire Manager unless there is a good reason for not doing so
- Provide advice and guidance to the Shire Manager
- Seek views of local communities and represent local views in discussions
- Assist Shire Manager and CEO in providing feedback to communities

The SCC can hold meetings jointly with Shire Manager or alone. It will meet at least as frequently as for the shire council in the Act, i.e., at least every 2 months. Observers can be present at meetings.

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The SCC will operate from 1 July 2008 until declaration of the first shire elections. It will look and feel like a shire council, however SCC members are not councillors.

Members of the Tiwi Islands Shire Council Committee as at 23 July 2008

MEMBER	COMMUNITY
Robert Tipungwuti	Ranku
Richard Hadley Tungatalum	Nguiu
Bernard Tipiloura	Nguiu/ Pickataramoor
Teresita Puruntatameri	Nguiu
Maralampuwi Kurrupuwu	Nguiu
Andrew Tipungwuti	Milikapiti
Connell Tipiloura	Milikapiti
Lynette DeSantis	Milikapiti
Marius Puruntatameri	Pirlangimpi
Cyril Kalippa	Pilangimpi
Manyi Rioli	Pirlangimpi
Gawain Tipiloura	Nguiu
Barry Puruntatameri	Nguiu
Alberta Puruntatameri	Pirlangimpi
Esther Babui	Nguiu
Ken Kantilla	Ranku
Raelene Mungatopi	Milikapiti

Shire Council Charter

As part of development of the Shire's Business Plan a draft Governance Charter has been developed. This can be further developed and will ultimately be adopted by the new Council.

Refer to [Appendix 3: Governance Charter](#)

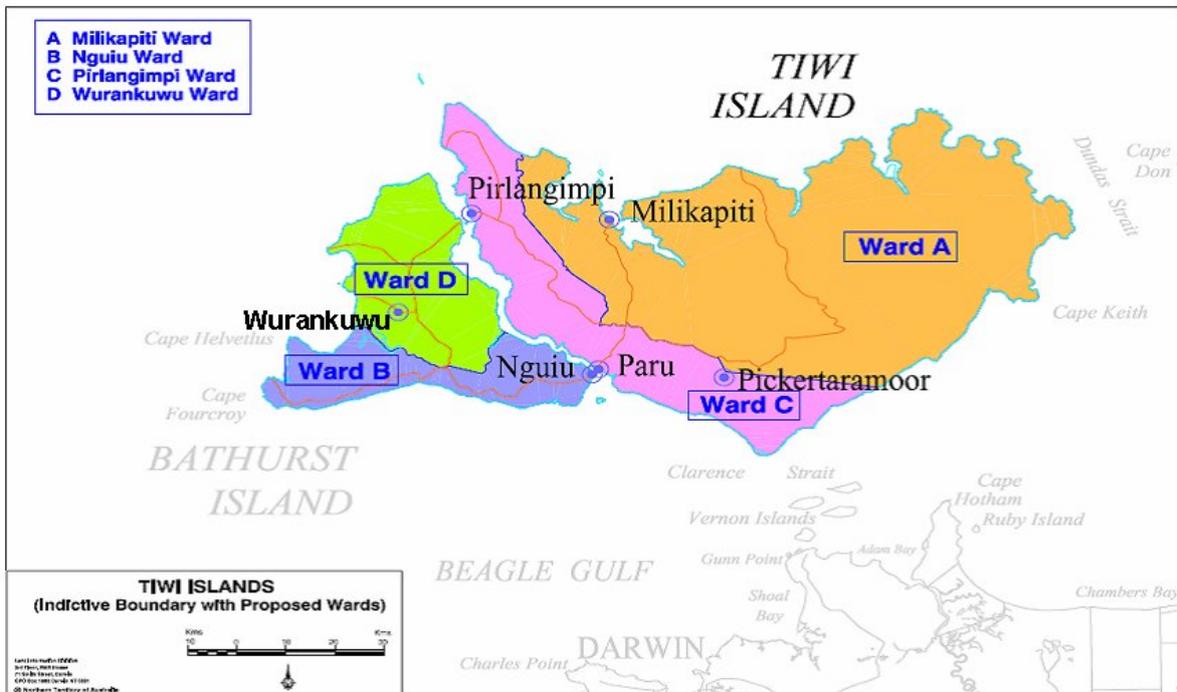
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Shire Elected Representation

The Shire Transition Committee has made representation to the Northern Territory Government and the Northern Territory Local Government Advisory Board in terms of its proposed system of elected representation.

The following representation model has been approved by the Minister and was formally gazetted on 30 June 2008:

Ward	No Elected Members
Milikapiti	3
Nguiu	5
Pirlangimpi	3
Wurankuwu	1
Total	12



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Election of Mayor or President

The new Local Government Act provides that the chairperson of the Council can hold the title of either President or Mayor. The Council will make the decision as to the title, but as an interim measure the Transition Committee has decided on the interim title of mayor.

In addition, the new Act provides that the first Council will elect the President/Mayor from within the Council and then decide whether subsequent elections will include a separate election for a President/Mayor.

In the case of the Tiwi Islands Shire, the Transition Committee and feedback from community consultation demonstrated a clear preference for the Mayor to be elected from among the elected council members.

Community Engagement through Local Boards and Other Processes

Local Boards

A Local Board is a voluntary group of members of the community who provide advice to the Shire Council and a voice on local issues and priorities. A network of Local Boards will be established by the Shire to enable Council to have a systematic approach to gaining input on issues that affect a particular community or local region.

An outline of the function, status, membership, establishment, communication and procedures of Local Boards is contained within the Local Government Act. Within the terms of this legislation, there is also opportunity for the Council and community to provide considerable direction towards the development and form of Local Boards.

A Local Board will have the following roles:

- Provide advice to the Council on service delivery plans for communities or local regions, and have input into Shire Plans.
- Provide advice on specific Council community and social projects that impact on that community or region
- Alert Council to new and emerging issues within the scope of Council activity
- Provide a voice for the community and ensure the cultural, economic, social and environmental needs of the local community or region are considered by the Council
- Other delegated roles such as organising community events.

Members of Local Boards will be nominated by the Shire Manager in the first instance, and then by Council in consultation with community leaders. Existing Community Councils and other community groups will be encouraged to submit a Local Board proposal to the Shire Manager. Assistance will be provided from the Department of Local Government and Housing in the development of Local Board proposals into the first year of Shire operations.

Local Boards will be supported by Council staff who will act as secretariat to the Board and provide other support as required. Staff will also be responsible for providing an induction program to Board members, and ongoing training as needed.

For further details on Local Boards, refer to [Appendix 4: Community Engagement](#)

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Other Community Engagement Processes

Establishment of Stakeholder Forums/Advisory Committees

The Council or CEO may from time to time establish formal or informal forums with particular stakeholders to allow for discussion and input from these stakeholders.

Such forums will include in the first instance:

- A forum for Australian Government Business Managers to meet with the CEO and senior staff to discuss operational issues within communities
- A forum for locally resident business people including mining, forestry, tourism, contractors and others to discuss issues of concern with the CEO and senior staff and to provide feedback on the impact of Shire service provision on their businesses

Council meetings open to the public

Except under exceptional circumstances, Council meetings will be open to the public. This ensures transparency in decision making processes and accountability to residents.

Formal deputations to Council

In addition, the Council will accept formal deputations from Local Boards and other interest groups at Council meetings, to put a particular point of view or argue a case for a particular action to be supported by Council (For example traditional owners, or youth groups may wish to present their views on the allocation of Council resources or service priorities).

Meetings of Electors (Public Meetings)

Councils and Local Boards may also call meetings of the electors in their area. These may be used to provide information and discuss particular issues.

Communication and Media

The Shire will use a number of different media based communication tools to meet its obligations to facilitate communication between the Council and Shire residents and to ensure residents are kept properly informed about Council's policies, programs and decisions.

These will include:

- Shire Council newsletter, regularly produced and distributed by Council
- Local and Territory newspapers
- Community radio stations
- Service Centre noticeboards, maintained and regularly updated by Council
- Tiwi Islands Shire web-site

The Tiwi Islands Shire website is at: <http://www.tiwiislands.nt.gov.au>

For further details on all community engagement forms described above refer to Refer to [Appendix 4: Community Engagement](#).

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Establishment of Committees

The Shire may establish Council committees. The members of a Council committee may include people who are not Council members. A Council committee can have a wide range of executive or advisory functions. An executive committee carries out on behalf of the Council functions delegated to it by the Council.

A Council committee is subject to control and direction by the Council. Subject to any direction by Council, a Council committee may determine its own procedures. An example of such committees is the Finance Committee which advises council on financial matters.

The Tiwi Islands Shire Council Committee will be the first committee of the new shire, formed under Part 5.2 of the new Local Government Act.

5. Strategic Plan

The Shire Strategic Plan has been developed based on feedback obtained through a series of workshops with key stakeholders including the Shire Transition Committee and staff from the former Tiwi Islands Local Government.

Issues and related solutions identified in Section 3 of this Business Plan have formed the basis for the development of strategies to achieve the Shire's identified goals and outcomes.

The Shire's Strategic Plan contains the following:

- Vision
- Mission
- Core Values
- Goals
- Outcomes
- Strategies

The Strategic Plan forms the basis for the development of service delivery plans and associated actions required to implement the Council's strategies and achieve the Shire's outcomes.

Refer to [Appendix 5: Strategic Plan](#)

6. Service Delivery Plans

The development of service delivery plans has been based on the identification of individual services and the classification of those services as follows:

- Core Services
- Commercial Services
- Agency Services
- Other Council Services

Core Services

Core Services are services that all Shire Councils are required to deliver to specified communities from 1 July 2008 under the Local Government Act.

The following core services will be provided to communities in the Shire:

- Administration of Local Boards, Advisory Boards and Management Committees
- Administration of Local Laws
- Advocacy and Representation on Local and Regional Issues
- Asset Management
- Cemetery Management
- Civic Cultural and Sporting Events
- Companion Animal Welfare and Control
- Council Planning and Reporting
- Customer Relationship Management
- Financial Management
- Fleet and Plant Management
- Governance
- Human Resource Management
- Information Technology and Communications
- Library and Cultural Heritage
- Lighting for Public Safety including Street Lighting
- Local Emergency Management
- Local Road Maintenance
- Local Road Upgrade and Construction
- Maintenance and Upgrade of Council Controlled Buildings, Facilities and Fixed Assets
- Maintenance and Upgrade of Council Controlled Parks, Reserves and Open Spaces
- Public and Corporate Relations
- Records Management
- Revenue Growth
- Risk Management
- Traffic Management on Local Roads
- Training and Employment of Local People in Council Operations
- Waste Management (including litter reduction)
- Weed Control and Fire Hazard Reduction

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Commercial Services

Commercial Services are services that the Shire is undertaking on a full commercial basis with the intention of using profits from commercial activities to improve services to the community. The following Commercial Services may be undertaken by the Shire:

- Horticulture
- Housing and Infrastructure Maintenance
- Non Council Roads
- Post Office Agency
- Power, Water and Sewerage

Agency Services

Agency Services include services that the Shire Council has agreed to deliver on behalf of other Government Agencies on a fee for service basis. These services will be fully funded by the relevant agency and that funding will include a contribution to administrative costs associated with delivering the service. The following Agency Services will be delivered by the Shire subject to ongoing funding arrangements:

- Airstrips
- Community Safety
- Economic Development Support
- Employment and Training
- Family (Including Child Care)
- Outstation/Homeland Municipal
- Sport and Recreation
- Youth

The following agency services may be delivered by the Shire subject to ongoing negotiations with relevant agencies:

- Aged and Disabled Care
- Arts and Culture
- Centrelink
- Community Media
- Environmental Health
- Family Finance Skills
- Natural and Cultural Resource Management

Other Council Services

These are services that each Shire chooses to deliver from its own-source revenue. These are services that are not funded on an Agency or Commercial basis. The following additional services will be delivered by the Shire:

- Swimming Pools

Government initiated projects

A number of community projects have been developed through initiatives of Commonwealth and Territory Government Agencies including internet cafes, art galleries, horticultural projects and similar business enterprises. The proponents have generally initiated the projects on the understanding that the projects would become self sustaining over time and funding was limited to initial capital cost and start-up.

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The Tiwi Islands Shire Council is of the view that the impetus for these projects is external to the Council and accordingly the projects should be managed on a self sustaining basis. Where this is not practicable the Council does not have the capacity to maintain these services without financial assistance from the agencies responsible for their creation.

Therefore, whilst the Council will facilitate the development of business enterprises and promote economic development it does not have the capacity to fund unsustainable business entities.

Development of Service Delivery Plans

Detailed Service Delivery Plans have been developed for all services being provided by the Shire. These plans contain the following details:

- A description of the service
- Service outputs
- The primary outcome that the service delivers
- An analysis of the current approach to service delivery
- An analysis of the future approach to service delivery
- Details of the specific actions to be undertaken relevant to the delivery of the service, including each community that will receive the service
- Financial details relating to the delivery of the service
- Measures that will be used to assess service delivery performance (KPI's)

Service Delivery Plans will be continually refined.

The ways in which services are being delivered is constantly changing, particularly since the implementation of the Northern Territory Emergency Response. The Service Delivery Plans attached may not contain all the current information regarding service delivery and the Service Delivery Plan will be continually revised.

Shared Service Centre

The East Arnhem, West Arnhem, and the Tiwi Islands Shire Councils are sharing a Service Centre based in Darwin. This Centre will provide financial management services, payroll, asset accounting, record management and information technology services. Joint procurement arrangements with other shires, and possibly through LGANT to the National Procurement Network, are likely to reduce the high costs of delivering services.

The Centre will provide the following services to the three Councils:

- Payroll Processing
- Creditors Processing
- Debtors Processing
- Contracts and Purchasing Services
- Bank Reconciliation

7. Organisation Structure

Governance Objectives supported by the Organisation Structure

The organisation structure has been designed to support the following governance objectives:

- Improved control over outcomes within the community
- Strong and developing leadership
- Improved ability to influence government policy
- Increased staff accountability through the utilisation of performance based contracts and performance management and monitoring tools
- Long term financial sustainability through prudent financial management supported by regular and accurate financial reporting
- Formal induction for the CEO / Managers in local issues and induction and training for elected members in governance practices e.g. legal / accounting
- Improved selection processes for CEO and Managers
- Clear directions and policies and regular monitoring, review and advice on performance of the portfolio of programs and projects
- Clear and comprehensive roles and responsibilities of the Council and their committees, supported by appropriate policies and delineated from the role of the CEO and management
- Fully integrated Council plans, projects and budgets to ensure strategic priorities clearly drive project and resource allocation decisions
- Alliances and partnerships will be actively managed to ensure stakeholders' needs are identified, projects are targeted and commitment is secured
- Prioritisation of projects within and between program areas will be supported by decision making tools and processes to ensure the right mix of initiatives to achieve the goals and outcomes of the Council's Strategic Plan

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Administrative Objectives supported by the Organisation Structure

The organisation structure has been designed to support the following administrative objectives:

- Ability to attract and retain talented people, underpinned by policies and processes that encourage good performance, identify and provide training and development opportunities and enable flexibility in the contract appointment of senior level positions
- Ability to work effectively to deliver community outcomes identified in the Strategic Plan to the community utilising a coordinated, cross-departmental approach
- Ensure that community infrastructure provision and service delivery is clearly linked to priority community outcomes
- Present a common and coordinated approach to government agencies on funding requirements and community projects
- Utilise a "Regional" approach to targeted programs e.g. community development, economic development, sport and recreation, aged care, waste management and housing maintenance
- Apply a consistent and beneficial approach to employment across the region to maximise outcomes for the community and the individual
- Ability to provide full financial reporting and program/project performance reporting against planned objectives and budget provided to the Shire Council on a regular basis
- Maximise the utilisation of current assets including buildings, workshops, plant and equipment
- Ability to provide an improved level of service delivery in key areas including roads, waste management, parks and reserves etc.
- Information systems and software will be of a high industry standard and scaleable, enabling data and information essential to operations to be collected internally and externally, analysed and delivered at the appropriate level
- Professional skills in the following disciplines:
 - Management and Administration
 - Strategic and Business Planning
 - Accounting/Financial
 - Engineering/Technical
 - Information Technology
 - Community Development
- Have a continued and stable presence in key community locations
- In-house delivery of key services where appropriate to retain, increase and utilise skills linked to labour market programs
- Centralised information technology and administrative systems and processes
- A focus on achieving partnerships and external funding to achieve community outcomes

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It is important to take the organisational analysis and put it into the broader context of public sector reform, in particular:

- Emphasis on performance management and accountability
- Competitiveness
- Activity review and process improvement
- Autonomy of operation with a limited number of supervisory controls

Meaningful and responsible work should be performed at all levels in the organisation structure, with employees being responsible for:

- Customer satisfaction
- Quality of work output
- Financial performance
- Finished staff work
- Decision making
- Organisation of priorities
- Problem solving
- Innovation and change

In today's environment an organisational structure should:

- Support decentralisation of decision making
- Empower autonomy of operation
- Encourage cross functional cooperation
- Be adaptable to a rapidly changing environment
- Encourage multi-skilling and a variety of job design without organisational chaos
- Encourage initiative
- Be non-hierarchical
- Have as low ratio of administration (management) as possible
- Have a customer focus

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Operational Locations

In 2008/2009 the Shire provides services from the following operational locations:

Service Delivery Centres:

- Milikapiti
- Nguiu
- Pirlangimpi
- Wurankuwu

Headquarters:

- Nguiu

Shared Services:

- Darwin

The operational model includes service delivery centres at appropriate locations and a centralised administration office. The make up of each service delivery centre will vary according to identified needs but will include at a minimum a Community Manager, a Customer Service Officer and Operations Staff. Communities with higher asset maintenance needs will clearly have a higher need for additional local staff.

The centralised administration office will be networked to local offices and play a strong coordination role in liaison with Local Boards and committees. Major strategic projects will be directly managed through the Shire headquarters.

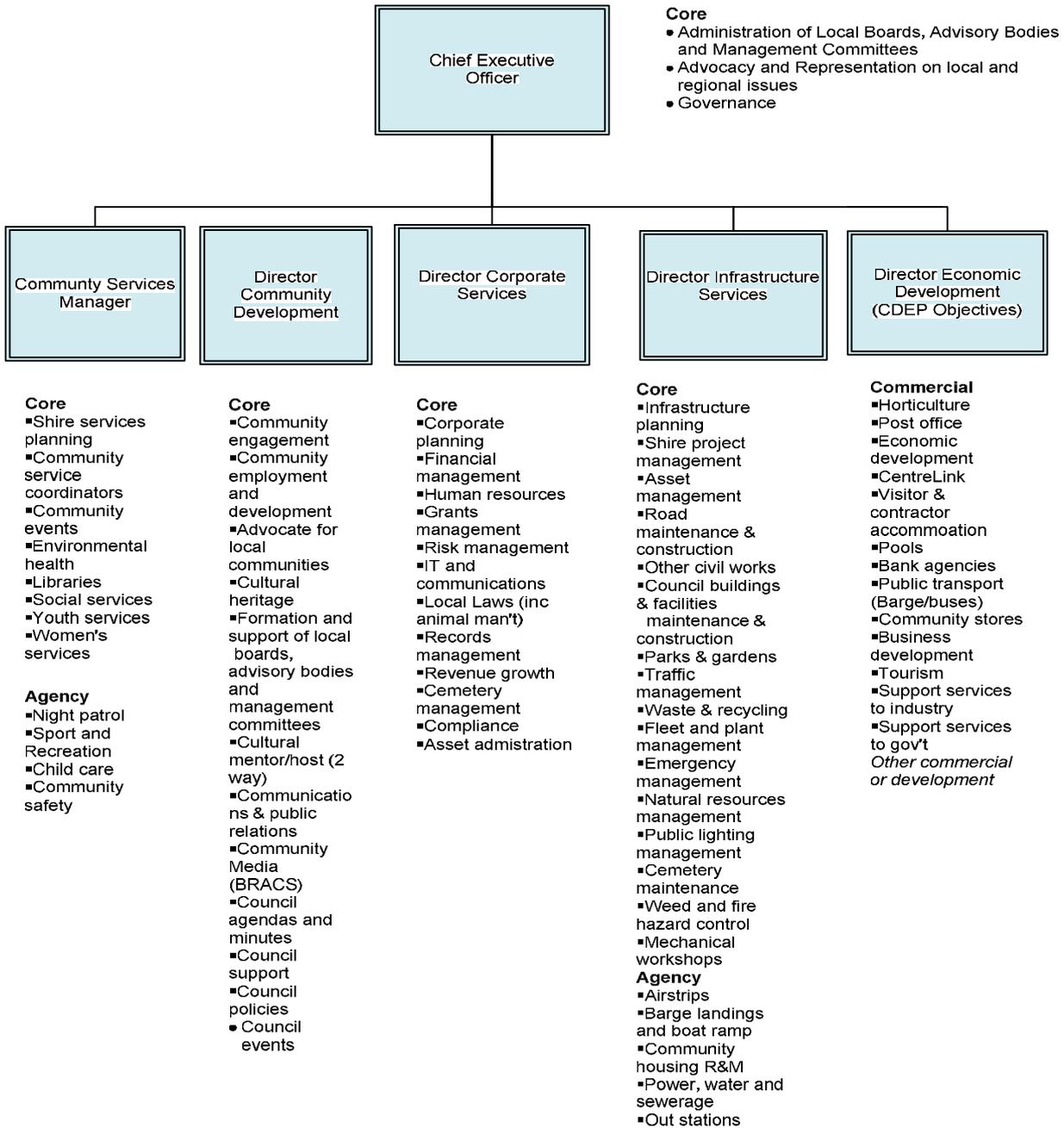
Shared service arrangements with the Northern Shared Service Centre will be managed from the Tiwi Island Shire Headquarters by the CEO and Director of Corporate Services.

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Directorate Structure

The directorate structure outlined below provides a framework for the strategic delivery of more efficient and effective services. Professional expertise will be available at the regional level however there will remain a strong need for the local delivery of services in communities.

Figure 2: Directorate Structure



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Staffing Levels and Detailed Organisational Structure

The Shire's organisational structure will facilitate increased service provision across the region and increased opportunities for local and indigenous employment.

Overall, the structure provides for the following:

Service Delivery Area	Full Time Equivalent (FTE's)	Estimated Actual Staff (Headcount)
Core Services (Communities)	47	70
Core Services (Headquarters)	19.5	22
Sub Total Core Services	66.5	92
Agency Services	Actual numbers dependant on final funding agreements	To be confirmed (TBC) as funding is determined
Commercial Services	Actual numbers dependant on finalising contract and decisions about the structure of local businesses	To be confirmed as funding is determined
Other Council Services	Included in Core Service Staffing Levels	Included in Core Service Staffing Levels
Total	TBC	TBC

Detailed Organisation Charts (including staffing levels) for the Community Service Delivery Centres and Headquarters are available on request from the Shire.

8. Rating Policy

Council's rates and charges for the 2008/2009 financial year were formally declared on 31 July 2008. This declaration accords with Northern Territory Government determinations on the 2008/09 financial year rating policy. The rating policy of the Shire Council shall be as follows:

Pastoral Leases and Commercial Agricultural Properties

In 2008/2009 the rate for pastoral leases and commercial agricultural properties will be calculated by multiplying the unimproved capital value (UCV) by 0.00060. The minimum amount payable will be \$710.

In future years, in accordance with the new Act, all proposals for rating of pastoral leases will have to be presented by the Shire to the Minister for Local Government for approval prior to any change in the rating. This requirement is enshrined in the new Local Government Act. The Minister will issue guidelines to councils indicating the issues that will have to be taken into account in presenting a proposal to the Minister. The Minister will be required to consult with Cabinet on Shire rating proposals.

The major commercial agricultural property on the Tiwi Islands is the Great Southern Plantations lease. A separate rate equivalent contribution will be negotiated with Great Southern given its special status on the island and specific impacts on local government services and infrastructure.

Active Mining, Extractive and Petroleum Leases

Only active mining, extractive or petroleum leases will be rateable. The assessed value of an active mining, extractive or petroleum lease shall be 20 times the yearly rent payable in respect of the lease, where the rent is \$10 per hectare. This is in line with the approach taken in Western Australia and Queensland, where the rateable value of a mineral lease is calculated on the basis of its rental value.

The guideline rate for mining land is to be the same as the guideline rate for 'commercial non-agricultural', calculated by multiplying the assessed value by 0.00284. The minimum rate shall be \$710. Under this model the great majority of extractive and mining leases in the Territory will pay the minimum amount of \$710.

The Shire plan rates only mineral, extractive and petroleum tenements with current authorisations for commercial production. The Minister for Local Government will be releasing more detailed guidelines on the rating of mineral leases in the near future. The Shire's rating policies and estimates will be adjusted, if necessary, to comply with the Minister's guidelines. In future years, under proposed amendments to the Local Government Act, all proposals for rating of active mining, extractive and petroleum leases will have to be presented to the Minister for Local Government for approval prior to any change in the rating. This requirement will be enshrined in the new Local Government Act. The Minister will be required to consult with Cabinet on Shire rating proposals. The amount the council intends to raise by way of rates from these leases in the shire for the 2008-2009 financial year is \$5,000.

The major mineral lease operation on the Tiwi Islands is the Matilda Minerals sand mining operation. A separate rate equivalent contribution will be negotiated with Matilda Minerals given its special status on the island and specific impacts on local government services and infrastructure.

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Commercial properties (excluding mining and pastoral)

The minimum rate or service charge for commercial properties (not otherwise classified above) will be \$710 per operational location or, where the commercial property is on rateable title with a UCV in excess of \$250,000, an amount calculated by multiplying the unimproved capital value by 0.00284.

No commercial properties with an assessed UCV in excess of \$250,000 have been identified in the Shire. It is estimated that the total rates from this sector in the Shire will \$7,000 in 2008/09. Further, where a business uses a waste management facility operated by the Shire and/or receives waste collection from the Shire waste charges will apply.

Residential Properties including Public Housing

A significant majority of indigenous housing in the Northern Territory falls within the jurisdiction of existing community government councils. Most of the former councils on indigenous land levied a poll tax against residents of indigenous housing in lieu of the revenue that would otherwise be derived from rating property.

The concurrent reforms to the management of indigenous housing in the Territory provide an opportunity for Shire councils to move to a fairer, simpler and more efficient method of collecting local government revenue in indigenous townships.

From 1 July 2008, Territory Housing assumed direct responsibility for tenancy management of housing stock in most indigenous communities. The Australian Government and Territory Government have agreed that these tenancy arrangements will include the payment of a 'rate equivalent' per dwelling, replicating the current payment of rates to municipal councils in respect of public housing in major centres such as Darwin or Alice Springs. The responsibility for payment of the rate equivalent will rest with the management authority.

For example, where a Shire council provides local government services to 500 dwellings managed by Territory Housing, the Shire council will charge Territory Housing the annual rate equivalent amount multiplied by 500. Like any 'landlord', Territory Housing will cover its 'rate' payments through rent collected from residents and other sources of tenancy management income. Due to current non-applicability of unimproved capital values on inalienable indigenous land, the 'rate equivalent' will be a flat service charge.

In the Northern Territory Government Gazette No. S30, dated 30 June 2008 the Territory Government made a determination on the service charges for remote public housing in the Shire, this charge is a flat rate of \$600 per dwelling per annum for houses currently managed by local government bodies. In addition, where the existing council provides a garbage collection service, there may be an additional guideline charge of \$150 per dwelling.

The minimum rate for residential properties within Shire residential allotments will be \$600 per dwelling. The amount that Council intends to raise by way of rates from residential properties in the Shire is \$264,000 in 2008/09. Garbage Charges in the shire is \$150.00 per residential allotments. The amount the council intends to raise by way of garbage charges in the shire is \$70,000.

Rating Exemptions

Certain land is exempt from rating under the Local Government Act, including:

- Crown Land - occupied by the Territory or land owned by the Commonwealth other than for industrial or commercial uses

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- Community Land – reserves, parks, sports grounds, gardens, cemeteries or roads which are a public place
- Land Owned by Religious Bodies – churches, manses, teaching buildings etc
- Public Hospitals
- Land used for a Public Benevolent Institution or Public Charity
- Educational Institutions – schools, universities, tertiary education, youth centres
- Libraries or Museums
- Land exempted under other Acts

9. Three Year Financial Plan

Councils are responsible for the delivery of a broad and unique range of services to their communities, with different communities within the Shire having their own different priorities.

The new Shire is responsible for:

- Delivering Core Services
- Providing Corporate Governance
- Providing Advice and Advocacy
- Ensuring Legislative Compliance

and managing the following resources:

- Financial Resources
- Human Resources
- Physical Resources
- Information Resources
- External Resources (Suppliers and Contractors)
- Partnerships and Relationships

The Shire will deliver a range of Agency, Commercial and Other Council Services that contribute toward improving the level of services provided to their communities.

The Shire is faced with the challenge of delivering a broad range of services to a standard acceptable to the community whilst at the same time raising revenues required to deliver core services within the context of its community's ability to support those services.

Long term financial planning (3-5 years or longer) assists the Shire in delivering services in a sustainable way and will be undertaken to ensure that:

- Managers and elected members understand the current financial position of the Shire and how various financial elements impact on each other
- Guidelines are set to underpin the long term financial capacity
- Short term decisions and annual Budgets are made within the framework of longer term financial capacity
- Available funds are maximised for the benefit of the community

The key component of any financial strategy in a service delivery organisation is to balance community demands and expectations with the Shire's financial capacity.

A long term financial plan will link the strategic direction and policy of Council into the delivery of a range of services. The extent and standards of service delivery will depend largely on Council's preferred position on debt, cash reserves, liquidity and rating. The financial information contained in any long term plan simply reflects this. There is no right or wrong position but rather a "preferred" position based on strategic needs and level of financial conservatism.

This financial plan is being constantly revised as further financial information becomes available.

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Future Strategic Management Planning Development

The following model has been prepared for consideration. It is designed to provide a solid planning base by providing effective linkages from Strategic Planning, through the Business or “Corporate” Planning element and into the allocation of resources in the budget process. It demonstrates the interaction with planning documents, including long term financial plans, with the strategic direction of Council.



Once the organisation's goals, objectives and strategies have been developed, individual actions or processes are defined to support achievement of outcomes. This is usually carried out at a Business Unit level on an annual basis (Business Planning). These actions are also linked to relevant areas of service delivery.

The information obtained from the strategic planning and business planning processes can then be utilised in the preparation of annual plans and budgets.

Overview - Three Year Financial Plan

In order to assist in the discussions on development of the new Shire, a three-year financial plan has been prepared as the basis on which discussion and decisions on service delivery and revenue requirements and therefore the long-term financial viability of the organisation can be made.

A major task of the new Council is to ensure, over time, consistency of standard of service delivery across all existing and new areas of the Shire.

The 3 Year Financial Plan has been based on the Core, Agency, Commercial and Other Council Services.

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The major financial assumptions that have been made in the development of the first three-year financial plan for the Shire are summarised below:

FINANCIAL ITEM	ASSUMPTIONS
Operating Expenditure	
Ongoing operations	<ul style="list-style-type: none"> • Ongoing base operational expenditure has been developed for each service from first principles and compared with existing 07/08 budget details where possible • Operational income and expenditure has been expressed in 2008/2009 values to facilitate development of detailed budgets for the first year of operation of the new Shire • No attempt has been made to allocate minor labour costs across core services with minimal budgets • Given the limited information available on many of the minor services, a nominal provision of \$5,000 has been made for that service in each community. This will be reviewed in subsequent revisions of this plan. • A provision of \$10,000 per annum per community has been made for the maintenance of Council facilities • FaHCSIA will provide \$10,000 per annum for vet clinics in each community
Road Maintenance	<ul style="list-style-type: none"> • The existing communities general purpose road grant funding has been used as the basis for establishing the initial road maintenance budget. This will be reviewed once actual road maintenance needs have been determined • A provision of \$482,000 pa has been allocated for the road maintenance program • No provision has been made for the transfer of DPI roads over the three year planning period • Local community civil works teams will continue to undertake relevant DPI road maintenance activities under contract
Waste Management	<ul style="list-style-type: none"> • No provision has been made for Waste related capital works on the assumption that essential works are being undertaken during the current year as part of the Federal Government's intervention strategy • No allowance has been made for provision of additional household bins • There has been no specific allocation of plant costs to the waste service but significant plant operating expenditure has been budgeted under the Plant and Equipment Service
New operating initiatives	<ul style="list-style-type: none"> • No new operating initiatives have been included in this first draft • The first year costs associated with the establishment of ICT infrastructure and the introduction of new business systems have not been included as they will be funded by the DLGHS.
Depreciation	<ul style="list-style-type: none"> • Depreciation schedule is currently being finalised
Interest on borrowings	<ul style="list-style-type: none"> • No loan borrowings have been provided for
Operating Income	

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FINANCIAL ITEM	ASSUMPTIONS
Rates	<ul style="list-style-type: none">• This plan has been prepared in 2008-09 values but it should be recognised that rates will need to be increased in nominal dollars by CPI over the next three years to match costs that will increase by CPI
Fees and Charges, Interest Earnings and Other Income	<ul style="list-style-type: none">• Current levels sourced from the 2007/08 budgets where available• Assumed to increase by CPI consistent with the comment included above for Rates
General Purpose and Road Grants	<ul style="list-style-type: none">• Grant estimates for 2008/09 were provided by DLGHS
Goods and Services Tax (GST)	<ul style="list-style-type: none">• GST offsets have not been included in the budget estimates.

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FINANCIAL ITEM	ASSUMPTIONS
Balance Sheet Items	
Road Upgrade and Construction	<ul style="list-style-type: none"> No provision has been made for Black Spot, but a \$330,000 provision has been made for Roads to Recovery funding from 2009/10. Additional funding will be added when there is greater certainty about road construction priorities
Vehicles, Plant and Equipment	<ul style="list-style-type: none"> It has been assumed that all Vehicles, Plant and equipment will be purchased, not leased. Initial requirements for new vehicles for headquarters staff will be funded by DLGHS from the establishment fund. There is likely to be a significant requirement to replace key plant and equipment during the first year of operations
Landfill Restoration Provision	<ul style="list-style-type: none"> No provision has been made for restoration of landfills
Borrowings	<ul style="list-style-type: none"> No loan borrowings are proposed
Valuation of Fixed Assets	<ul style="list-style-type: none"> Issues relating to fixed asset ownership, valuation and related depreciation expenses is currently being finalised
Unrestricted Cash and Unrestricted Current Ratio	<ul style="list-style-type: none"> The general lack of balance sheet information has prevented an assessment of unrestricted cash. This will not be determined until completion of the 2007/08 financial statements for the existing organisation that will form the new Shire

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Three Year Financial Summary by Service 2008-2011

A summary of proposed Operating Income and Expenditure for Core, Agency, Commercial and Other Services is contained in the following table:

SERVICE BUDGET SUMMARY	2008-09 Estimate	2009-10 Estimate	2010-11 Estimate
TOTAL INCOME	-26,500	-26,500	-26,500
EXPENDITURE			
Other - Community Swimming Pools	26,500	26,500	26,500
TOTAL EXPENDITURE	26,500	26,500	26,500
OPERATING RESULT - OTHER COUNCIL SERVICES	0	0	0
NET RESULT - OTHER COUNCIL SERVICES	0	0	0
CORE SERVICES			
INCOME			
Core - Administration of Local Boards, Advisory Boards & Management Committees	-300,000	-300,000	-300,000
Core - Companion Animal Welfare and Control	-30,000	-30,000	-30,000
Core - Council and Committee Support	-100,000	0	0
Core - Financial Management	-3,668,392	-3,668,392	-3,668,392
Core - Libraries	-53,687	-53,687	-53,687
Core - Local Road Maintenance	-748,297	-748,297	-748,297
Core - Local Road Upgrade and Construction	0	-330,000	-330,000
Core - Waste Management (including litter reduction)	-114,200	-114,200	-114,200
TOTAL INCOME	-5,014,576	-5,244,576	-5,244,576

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EXPENDITURE

	2008-09	2009-10	2010-11
Core - Administration of Local Boards, Advisory Boards & Management Committees	385,255	385,255	385,255
Core - Advocacy and Representation on Local and Regional issues	29,600	29,600	29,600
Core - Asset Management	128,669	128,669	128,669
Core - Cemetery Maintenance	15,000	15,000	15,000
Core - Cemetery Management	52,863	52,863	52,863
Core - Community, Civic and Cultural Events	15,000	15,000	15,000
Core - Companion Animal Welfare and Control	30,000	30,000	30,000
Core - Council and Committee Support	987,291	887,291	887,291
Core - Council Planning and Reporting	128,669	128,669	128,669
Core - Financial Management	267,711	267,711	267,711
Core - Fleet and Plant Management	405,813	405,813	405,813
Core - Human Resource Management	24,500	24,500	24,500
Core - Information Technology and Communications	20,000	625,000	625,000
Core - Libraries	53,687	53,687	53,687
Core - Lighting for Public Safety including Street Lighting	50,000	50,000	50,000
Core - Local Emergency Management	15,000	15,000	15,000
Core - Local Road Maintenance	748,297	748,297	748,297
Core - Local Welfare and Social Services	120,000	120,000	120,000
Core - Maintenance and Upgrade of Council Controlled Buildings, Facilities & Fixed Assets	109,307	109,307	109,307
Core - Maintenance and Upgrade of Council Controlled Parks, Reserves & Open Spaces	245,815	245,815	245,815
Core - Records Management	20,000	20,000	20,000
Core - Risk Management	50,000	50,000	50,000
Core - Traffic Management on Local Roads	20,000	20,000	20,000
Core - Waste Management (including litter reduction)	187,564	187,564	187,564
TOTAL EXPENDITURE	4,110,041	4,615,041	4,615,041
OPERATING RESULT - CORE SERVICES	-904,535	-629,535	-629,535
CAPITAL			
Core - Fleet and Plant Management	829,570	224,570	224,570
Core - Local Road Upgrade and Construction	0	330,000	330,000
TOTAL CAPITAL	829,570	554,570	554,570
NET RESULT - CORE SERVICES	-74,965	-74,965	-74,965

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COMMERCIAL SERVICES			
	2008-09	2009-10	2010-11
INCOME			
Commercial - Housing & Infrastructure Maintenance	-2,928,189	-2,928,189	-2,928,189
Commercial - Power, Water and Sewerage	-455,979	-455,979	-455,979
TOTAL INCOME	-3,384,168	-3,384,168	-3,384,168
EXPENDITURE			
Commercial - Housing & Infrastructure Maintenance	2,635,370	2,635,370	2,635,370
Commercial - Post Office Agency	48,948	48,948	48,948
Commercial - Power, Water and Sewerage	455,979	455,979	455,979
TOTAL EXPENDITURE	3,140,297	3,140,297	3,140,297
OPERATING RESULT - COMMERCIAL SERVICES	-243,871	-243,871	-243,871
NET RESULT - COMMERCIAL SERVICES	-243,871	-243,871	-243,871
AGENCY SERVICES			
INCOME			
Agency - Airstrips	-150,000	-150,000	-150,000
Agency - Barge Landings and Boat Ramp Maintenance	-33,500	-33,500	-33,500
Agency - Centrelink	-186,942	-186,942	-186,942
Agency - Employment and Training	-9,355,320	-9,355,320	-9,355,320
Agency - Family (including child care)	-419,584	-419,584	-419,584
Agency - Night Patrol and Safe Houses	-323,503	-323,503	-323,503
Agency - Outstation/Homeland Municipal	-259,560	-259,560	-259,560
Agency - Sport and Recreation	-239,544	-239,544	-239,544
Agency - Youth	-120,000	-120,000	-120,000
TOTAL INCOME	-11,087,953	-11,087,953	-11,087,953
EXPENDITURE			
Agency - Airstrips	150,000	150,000	150,000
Agency - Barge Landings and Boat Ramp Maintenance	89,131	89,131	89,131
Agency - Centrelink	177,742	177,742	177,742
Agency - Employment and Training	9,355,320	9,355,320	9,355,320
Agency - Family (including child care)	419,584	419,584	419,584
Agency - Night Patrol and Safe Houses	307,231	179,231	179,231
Agency - Outstation/Homeland Municipal	259,560	259,560	259,560
Agency - Sport and Recreation	239,544	239,544	239,544
Agency - Youth	120,000	120,000	120,000
TOTAL EXPENDITURE	11,118,112	10,990,112	10,990,112
OPERATING RESULT - AGENCY SERVICES	30,159	-97,841	-97,841
NET RESULT - AGENCY SERVICES	30,159	-97,841	-97,841

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FINANCIAL SUMMARY

	2008-09	2009-10	2010-11
INCOME	-\$19,513,197	-\$19,743,197	-\$19,743,197
EXPENDITURE	\$18,394,950	\$18,771,950	\$18,771,950
NET OPERATING RESULT	-1,118,247	-971,247	-971,247
CAPITAL	\$829,570	\$554,570	\$554,570
NET RESULT	-288,677	-416,677	-416,677

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Financial Statements

A three year financial plan includes the following:

- Income and Expenditure Statement
- Balance Sheet
- Statement of Cash Flow

Existing 2006-07 Annual Financial Statements and the 2007-2008 TILG budget have been used as the basis for development of this plan.

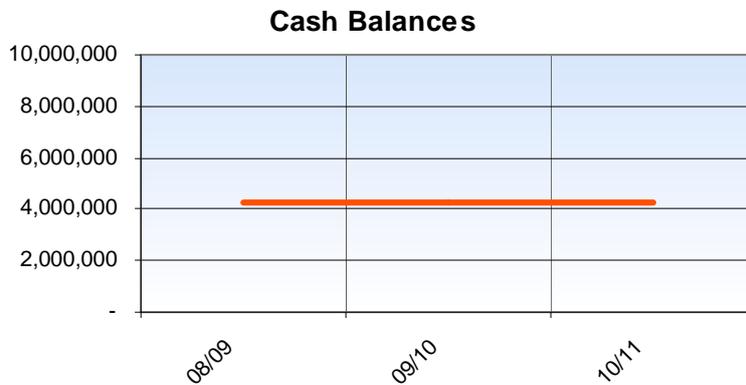
The Income and Expenditure statement contains financial details for those agency service profiles where funding details were provided. This statement will need to be updated when full details for all agency and commercial services are available.

A copy of the shire three year financial plan is available on request from the Council.

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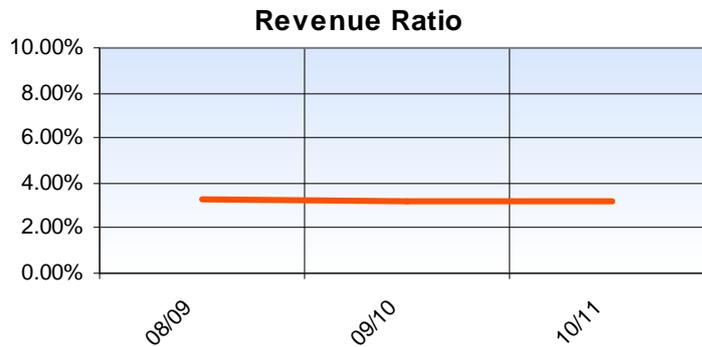
Financial Indicators

The following graphs provide key financial ratios for the full term of the three year financial plan.

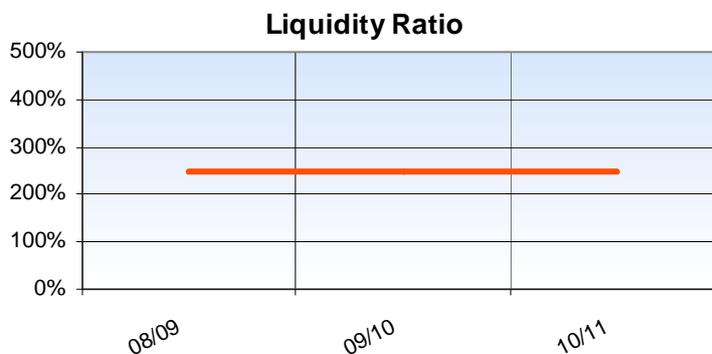


Total cash held by the Community Council at the end of 2007/08 are estimated to be \$4,287,746.

There is no proposed change to cash balances over the life of this plan.



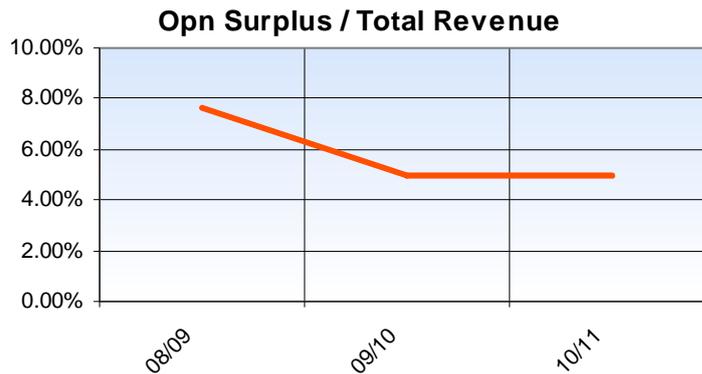
This ratio indicates the proportion of Council income that is generated through rates (Rate Revenue/Total Revenue). The existing Councils are highly dependant upon grant income with just 3.2% coming from rates.



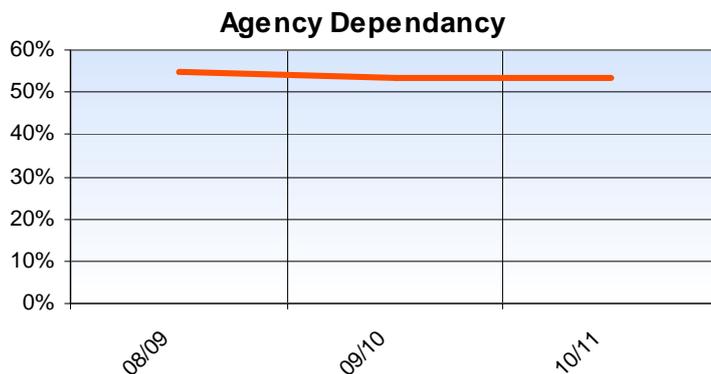
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The liquidity ratio (Current Assets/Current Liabilities) indicates the council's ability to meet creditors and other immediate cash outgoings.

Whilst ideally it would be better to reduce the amount of outstanding creditors and accruals the liquidity ratio remains fairly constant. No attempt has been made to predict changes to creditors or debtor levels in the financial plan.



This ratio indicates the cash surplus that can be applied to capital works projects and new operating initiatives. The predicted ratio is less than industry standard but reflects the need to improve service delivery mainly through recurrent expenditure and fund capital through additional Northern Territory Government and Australian Government grants.



Agency dependency is calculated as the total revenue from agency contracts as a proportion of the Shire's operating income. Additional agency agreements will be included in this plan as part of the plan and it is anticipated that agency dependency will significantly increase.

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Key Conclusions

The new Shire will have a high dependency on revenues from fully funded agency services

The financial analysis highlights that under the new Shire structure the Council will have annual revenues totalling at least \$10.9 million in the first year of which at least \$6 million (54%) will be generated from the delivery of agency and commercial services. A number of additional agency and commercial contracts are expected to be added to the Shire's planned operations in 2008.

Agency dependency will grow as additional contracts are finalised. It will be important to ensure that all agency contracts are negotiated and operated on a commercial basis

There is a significant reliance on grant funding

Despite an increase in the rating base of the Council there remains a significant reliance on grant funding. Under the proposed model rate revenue comprises approximately 3.2% of total revenue.

Road funding will be a key driver of the new Shire's Financial Plans

Funding of road infrastructure is likely to be the biggest risk to the new Shire. Ongoing improvement and maintenance of the roads will be a major service delivery issue that will require the development of road asset management plans and long term prioritisation of the work required under those plans.

There is no provision for new borrowings under the proposed Financial Plan

The use of debt is a legitimate means of financing major new or replacement infrastructure projects. Further discussion and analysis needs to be undertaken as to the appropriateness of utilising borrowings for financing long term capital works and asset refurbishment, and the future capacity of the Shire to service debt

Council's liquidity position will remain sound

Under the assumptions utilised in this Business Plan Council has a strong liquidity position upon which to build future operations.

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There is a need to resolve issues relating to Shire assets

The existing Council asset register and further asset information collected by DLGHS over the last 12 months has formed the basis of the asset analysis. However the following issues need to be addressed by the incoming senior administration:

- The accuracy of the existing council asset register, in particular the inclusion of assets that are obsolete or unable to be located leading to an overstatement of assets in the Shire's balance sheet.
- Inadequate valuation of gifted assets
- The likely condition of assets after the shire takes formal possession on 1 July 2008
- The ownership (and liability) in relation to fixed assets, given that many were built on Aboriginal Land without leases from the relevant Land Trust.
- The impact of the Australian Government 'intervention' leasing arrangements; and the move to a public housing model in respect to indigenous housing.
- The ongoing responsibility (and management authority), if any, of the shire in relation to fixed assets that will be used by third party providers to deliver services previously delivered by local government

Prior to transfer of assets to the Shire and subsequent insurance of the assets, it is intended that Shire assets will be re-valued as necessary.

