



WAGAIT SHIRE COUNCIL



2016 – 2017 Annual Report

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Introduction

This report has been generated to satisfy the requirements of Part 14.1 of the *Local Government Act 2016* which states in part that councils must prepare an annual report on the preceding financial year; therefore the following information communicates the Wagait Shire Council's activities from 01 July 2016 to 30 June 2017. The report also complies with Sec 131 of the Information Act

The report gives an account of council's work and performance in achieving the goals and objectives of the service delivery plans identified in the Wagait Shire (WSC) Plan 2016 – 2017. It also includes the President's report on council achievements during the year as well as the Chief Executive Officer's (CEO) report. Council's audited financial statements for year ending 30 June 2016 are included in this report. All related documents identified in this report can be found on the council's web site at <http://wagait.nt.gov.au/publications-2/>

Contact details

Shire council CEO:	Mark Sidey
Postal address:	PMB 10, Darwin NT 0801
Telephone:	08 8978 5185
Facsimile:	08 8978 5100
Mobile:	0407 007 558
Email:	ceo@wagait.nt.gov.au

President's message

I am very pleased to provide this 2016 – 2017 annual report for the Wagait Shire Council. It has indeed been an honour to represent this community and lobby for new and improved services. It also is good to have such proactive councilors who are interested in the advancement of the community above any self-interest. I would also mention that all councilors volunteer their valuable time to council with consideration of only a small meeting allowance. The councilor's time, which is not insignificant, is given freely and for this I thank them very much.

The majority of 2016/17 year was in the most capable hands of CEO Deborah Allen. Deborah did a really good job as CEO and the council is in a much sounder position because of her efforts. Deborah returned to South Australia for family reasons and we wish her all the best.

Late in the 2016/17 year saw a new CEO come on board. Mark Sidey hit the ground running and I believe he is doing a great job. Mark's efforts are proving very valuable to the community and I have full confidence in his abilities as the council's chief executive.

The loss incurred in the 2016 financial year was larger than that expected and resulted in a more frugal approach by council in the subsequent financial year. An approach which has paid off and allowed us to minimise the increases in rates that council levies.

The community health clinic continues to provide the Wagait Beach community with professional and reliable health care services and support. It is competently and professionally staffed as an outreach service of the Belyuen Clinic. This has been extremely successful and is a most valuable asset to our community. The council will continue to lobby for additional facilities, including a regular visiting general practitioner.

In relation to the council's corporate and community service obligations, it is pleasing to report that key performance measures have been achieved. I am delighted to say that the council is in a very sound financial position, due mainly to the sound principles adopted over the years. The council's underlying financial position remains very stable as evidenced by our ability to absorb wages and other cost increases whilst maintaining service delivery at current levels. This is due in no small part to the efforts of the staff, past and present. They are to be commended for their contributions as well as their willingness to contribute to the community when required.

Rates have been maintained at a significantly low level by comparison with local government areas in both the Northern Territory and nationally. Future demand on funding will place ongoing pressure on ratepayers over the next few years as NT funding decreases.

There has been a general discussion about Wagait Shire joining with the Belyuen and Coomalie councils. I am yet to be convinced that this proposal has any significant benefits to this community. A government report on the proposed amalgamations failed to demonstrate any significant advantages and a gathering of community members during late 2016 also reached

the same conclusion. The gathering did indicate that a proposal to amalgamate with our close neighbour, the Belyuen Shire, should be further investigated.

The NT Government have made it clear to this council that our failure to amalgamate has resulted in a loss of grant income and this will be ongoing.

In finishing, I must give special thanks to our local volunteer groups, including the Emergency Services, the Wagait Shire Emergency Recovery Group and the Bush Fire Brigade for their ongoing efforts. I also thank the CEO and the council staff for their efforts in serving the community during the course of the year.

Peter Clee
President
Wagait Shire Council

Chief Executive Officer's message

Having recently relocated to Wagait Beach it is with pleasure that I provide my comments for the 2016 – 2017 Annual Report.

Staff

This year saw the departure of CEO Deborah Allen on May 31, this being the end date of her contract. Deborah indicated that she would have sort a further contract but family commitments precluded this. I wish Deborah and her partner Leigh all the best for the future.

I commenced employment with Wagait Shire Council on 25 May and officially commenced as CEO on June 1. The thorough handover provided by Deborah was much appreciated and allowed me to hit the ground running.

Other changes to staff throughout the year were limited to the resignation of cleaner Angela Adams. The cleaner position was abolished and these services are now provided by a local contractor.

My staff have performed admirably since the beginning of my tenure and have responded well to my hands-on management style. I look forward to working with them to further improve efficiencies and service delivery.

Governance

Council met all of the Local Government Act, regulatory and guideline statutory requirements for the year.

Council holds general meetings on the third Tuesday of every month other than during the month of December, when no meeting is scheduled. The meetings provide a forum for community members and organisations to make presentations to Council with notice. The meetings are open to the public who may attend and observe without any notice.

Council's Audit Committee held its inaugural meeting.

Council continues to work with NTG in relation to the introduction of Dog by-laws.

Finance

Council increased its rates from \$525.30 to \$560.00 or 6.19%. A waste management charge of \$300.00 per allotment was introduced. Rates and charges received in 2016 – 2017 amounted to \$351,000 and contracts returned \$157,000; totalling \$508,000. The council received total grants of \$279,000 so income generated solely by council was in the order of 55%.

The Council's financial position for the Financial Year ending June 30 2017 saw an operating surplus of \$107,545. Cash available at the end of the financial year was \$1,011,583. With

careful management, Council's finances continue to be satisfactory.

The council is grateful for the support of the Federal Government and the Northern Territory Government by way of funding and grants. We welcome and appreciate the continued support of both governments by providing funds to our council. Without these funds it would be difficult to continue operating without a reduction in services provided to the community.

Roads

A quiet year for road maintenance in the shire given the significant outlay of over \$100,000 during the 2015/2016 financial year. The culvert at the entrance to Cloppenburg Park was removed and a replacement with a higher capacity, along with drainage remediation works has been scheduled for the 2017//2018 financial year. A further 3.5km of road shoulder remediation has also been scheduled with these works scheduled to commence in the second quarter of 2018 following the wet season. The completion of these works will complete Council's road shoulder remediation project.

Waste management

A waste management charge of \$300 per allotment was introduced to fund waste management activities. The charge was necessitated by the closure of Council's landfill site at short notice in November 2016. There is no opportunity to establish a new landfill site and household and hard waste will continue being transported to the Shoal Bay Waste Management Facility for disposal.

Weekly kerb-side collection for household waste will continue as will quarterly hardwaste pickups.

A trial for disposing of green waste by way of the provision of a hook bin for residents to place green waste in occurred. Costs in the order of \$1,000 per week for removing the green waste to Shoal Bay were incurred. This cost is not financially sustainable.

Council will construct a green waste recycling compound during the 2017/2018 financial year. This will enable residents to dispose of green waste at a central facility. The green waste will then be woodchipped and made available to residents.

Regional cooperation

The Wagait Shire is a member of the Local Government Association NT (LGANT) and the Top End Regional Organisation of Councils (TOPROC). Membership of these organisations facilitates and encourages access to a wealth of local government knowledge as well as senior bureaucrats and NT Government ministers.

The council has a strong working relationship with the Local Government Association NT and appreciation is extended to the association's board, CEO and staff for their ongoing support.

Vital Assistance

I would like to extend Council's gratitude to the staff at the Northern Territory Government's Local Government Division. So much of what we are able to accomplish is due to their tireless support.

I would also like to acknowledge our Territory Local Member Gary Higgins and Federal Local Member Warren Snowden for their advocacy and support.

Appreciation

On behalf of former CEO, Deborah Allen and myself, I would like to thank our Councillors, under the leadership of President Peter Clee, for all of their support and guidance.

Their passion for and commitment to the community was immediately evident to me.

Finally, I wish to thank my staff for their hard work and dedication to Council and community. That they are able to operate effectively within resource constraints demonstrates an exceptional level of professionalism and adaptability.

Mark Sidey
Chief Executive Officer

About Us

The township of Wagait Beach was established in the early 1960's with the beachfront roads of Delissa Drive and Cox Drive being the first areas to be subdivided. Further subdivisions in the early 1980's resulted in the township layout and footprint seen today.

The council was established as the Cox Peninsula Community Government council on 28 April 1995 and was renamed on 01 July 2008 to Wagait Shire Council.

The council derived its previous name from the Cox Peninsula and was named after Matthew Dillon Cox who was regarded as the Territory's first pastoralist after he applied for a lease over the peninsula in 1869. The current name is derived from the name of the town. The shire is located west of Darwin and is a 12 minute ferry ride or a 138 km drive from Darwin city.

Wagait Shire covers an area of 5.62 km² and there are 14km of internal roads. From the 2016 Census, 51.1% of our population were male with 48.9% being female. The median age was 48. The population of Wagait Beach is approximately 460. The council has four permanent and three casual staff.

Our Councillors

The Wagait Shire Council consists of 7 elected members. Elected members are elected through local government elections, by elections or may be co-opted.

Electors vote for councillors who in turn elect a president and Vice President. During the 2016/2017 Financial Year our President was Peter Clee and our Vice President Brad Irvine.

Following the resignation of Councillor Veronica Thorpe on 20 September 2016 Councillor Tom Dyer was Co-opted on 18 October 2016.

There was one vacancy through the 2016/2017 financial year.

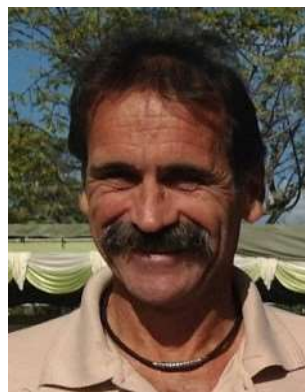
A community meeting held in August 2016 resolved to reduce the number of councillors from 7 to 5. This change was implemented by Council and was to take effect at the Local Government elections scheduled for 26 August 2017.

As at 30 June 2017, members of Council were:

President Peter Clee



Vice President Brad Irvine



Councillor Shenagh Gamble



Councillor Alex Richmond



Councillor Kurt Noble



Councillor Tom Dyer

Councillor Attendance at Ordinary Meetings of Council (11 Meetings)

NAME	ATTENDANCE
President Peter Clee	11
Vice President Brad Irvine	7
Councillor Shenagh Gamble	10
Councillor Alex Richmond	8
Councillor Kurt Noble	10
Councillor Veronica Thorpe	2
Councillor Tom Dyer	7

Note: Councillors Veronica Thorpe and Tom Dyer did not serve for the full year.

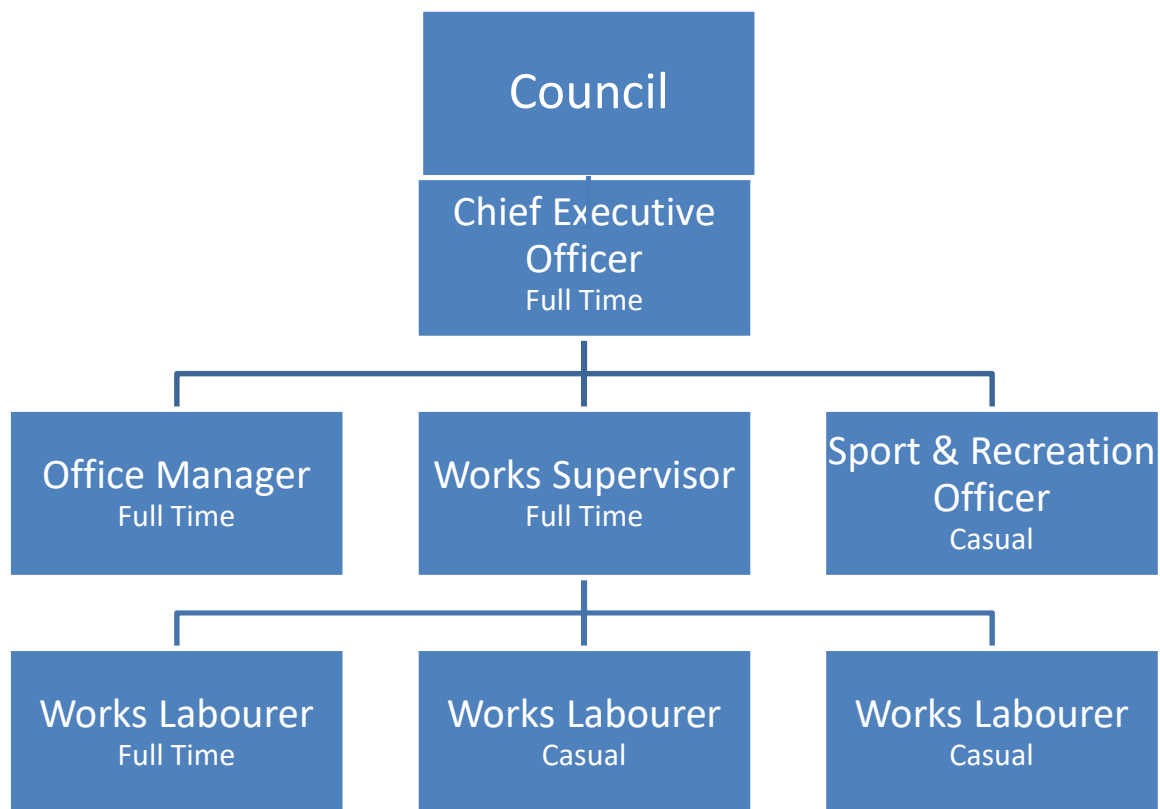
Committees of Council

Audit Committee

The Audit Committee is an advisory committee of Council responsible for monitoring Council's compliance with the Local Government (Accounting) Regulations and the Accounting Standards. In the future, the Audit Committee will take an active role in reviewing and advising on Council's Risk Management strategy.

The Audit Committee comprises of five members; the independent chair Russell Anderson, community representative Barry Bamford, President Peter Clee and Vice President Brad Irvine.

Our Organisational Structure



Our Mission:

To provide a strong voice and appropriate services to the whole of the Wagait Shire community.

Our Vision:

To meet community expectations in relation to the level and quality of service delivery.

Our Values:

- Be Respectful
- Be Accountable
- Be Inclusive
- Be Collaborative
- Be Innovative

Performance Against Objectives in Shire Plan

1 Local Infrastructure

1.1 Maintenance and upgrade of parks, reserves and open space

Objective: Develop and maintain Council's parks, gardens and open space facilities.

Tasks and activities:

- Regular mowing
- Spraying of weeds
- Collection of litter
- Provision of new facilities

Performance indicators

- Less than six complaints per year – Achieved.
- Number of times mowing, weed control and litter collection – 70.
- Operation within budget – Achieved.

1.2 Maintenance and upgrade of public buildings, facilities and fixed assets

Objective: Manage and maintain Council's public buildings, facilities and fixed assets.

Tasks and activities:

- Attend to maintenance needs as required.
- Insure contract availability for scheduled maintenance.
- Undertake regular inspections of Council buildings.

Performance Indicators

- User complaints and comments
- Replace gutters on Council house and works depot –Achieved.
- Compliance with budget – Achieved.
- All air conditioning units serviced – Achieved.
- Install a new water tank at the Council house and works depot – Achieved.

1.3 Local road upgrade and construction

Objective: Construction of new and upgrading of existing sealed and unsealed roads.

Tasks and activities:

- There are currently no roads requiring construction.

Performance indicators

- N/A this financial year

1.4 Local roads maintenance

Objective: Maintenance of sealed and unsealed roads including drainage footpaths and curbing.

Tasks and activities:

- Repair pot holes when evident
- Clear blocked drains
- Monitor road surface conditions

Performance Indicators

- Repair all pot holes greater than 20mm in depth – Achieved.
- Repair all cut outs in bitumen where services have been laid underground – Not achieved.

1.5 Traffic management on local roads

Objective: Provision of adequate street signage and traffic control devices to increase the safety of users of the road network.

Tasks and activities:

- Regular inspection of condition of street name plates and where necessary arrange replacement.
- Ensure that traffic control devices are operated effectively.

Performance Indicators:

- Replace six yellow hazard signs – Achieved.
- Replaced all street name signs – Achieved.

1.6 Fleet, plant and equipment maintenance

Objective: Provision of routine maintenance on Council's plant fleet.

Tasks and activities:

- Regular inspection of plant and equipment
- Regular routine maintenance undertaken
- Log books updated each time after plant is used
- Arrange for major maintenance to be undertaken by authorised dealer

Performance Indicator:

- Planned servicing completed no more than one month after due date – Not achieved.

2 Local Environment Health

2.1 Waste management and litter reduction

Objective: Collection and disposal of domestic, hard and green waste. Management and maintenance of waste collection contract and general litter reduction within Wagait Beach.

Tasks and activities:

- Manage waste in public areas
- Manage waste management contract
- Community education

Performance Indicators:

- Less than four complaints per year about wheelie bin emptying service – Achieved.
- Public spaces cleaned after a community events – Achieved.
- Quarterly hard waste collections provided – Achieved.

2.2 Weed control and fire hazard reduction

Objective: Reduce fire hazards and increase the amenity of the area through the control of noxious weeds around Council controlled roads and facilities.

Tasks and activities:

- Spray weeds on a regular basis
- Slash grassed areas that may become a fire hazard
- Fulfil Restricted Use Area weed control contracts

Performance Indicators

- Less than six complaints about weeds annually – Achieved.
- Weed outbreaks identified in or near the community – Achieved.

2.3 Animal welfare and control

Objective: The administration of delegated Territory legislation in relation to the care, custody and control of domestic and feral animals to protect health, safety, amenity and environment of the community. Promotes responsible ownership of animals.

Tasks and activities:

- Annual renewal of firearms license.
- Maintenance and promotion of the voluntary companion registry.

Performance Indicators

- Start process to introduce a dog by-law with 50% of steps achieved – Not achieved.

3 Local Civic Services

3.1 Library, culture and heritage

Objective: Provision of access to library programs and material designed to meet the diverse needs of all ages and groups within the community.

Tasks and activities:

- Encourage more users and ascertain future needs.

Performance Indicators:

- Library to be open for public use >240 days – Achieved.

3.2 Civic events

Objective: Conduct and manage agreed community events such as the senior's ball, Anzac Day celebrations, Australia Day celebrations and Territory Day.

Tasks and activities:

- Conduct Australia Day celebrations
- Conduct Anzac day celebrations
- Conduct seniors activities
- Conduct Territory Day celebrations

Performance Indicators:

- Deliver at least four community events in FY – Achieved.

3.3 Local emergency services

Objective: Preparation and planning for local emergencies through participation in relevant committees and facilitation of preventative measures.

Tasks and activities:

- Operate cyclone shelter when cyclone is present
- Attend regional cyclone shelter briefings
- Liaise with police and emergency services during disasters
- Provide support to local brigade and emergency services units
- Encourage community to have annual clean-up
- Endorse and support local disaster recovery plans

Performance Indicators

- CEO and/or President to attend all local cyclone shelter meetings – Achieved.
- CEO to attend pre-cyclone season regional cyclone shelter briefings – Achieved.

4 Community engagement in Local Government

4.1 Administration of local laws

Objective: Monitoring and enforcement of Council local laws.

Tasks and activities:

- Continue to monitor community expectations and behaviour.

Performance Indicators:

- Start process to introduce a dog by-law with 50% of steps achieved by end of FY – Not achieved.
- Present all requests from the community that reflect changes in attitude or expectations at Council meetings – Achieved.

4.2 Customer relationship management

Objective: The provision of high standards of service and assistance to the community and other customers; effective service delivery; and the achievement of corporate and community objectives.

Tasks and activities:

- Continue to utilise notice boards.
- Continue to upgrade the Council web site.
- Conduct community meetings to seek community feedback on major issues.

Performance Indicators

- No more than four complaints annually regarding Council staff performance – Achieved.

4.3 Governance

Objective: Costs of governance to the Council including elected members expenses, elections, civic and ceremonial functions, membership of representative organisations and elected members and CEO support costs.

Tasks and activities:

- conduct monthly Council meetings.
- produce agendas and minutes.
- provide ongoing Councillor training.
- Induction training will be given to all new Councillors.

Performance Indicators

- Report number of elected members attendance at meetings – Achieved.
- Number of voter turnout at elections – Not applicable.
- Governance procedures are reviewed and updated in line with current best practice – Ongoing.
- Deliver one session of training for elected members – Not achieved.

4.4 Advocacy and representation on local and regional issues

Objective: Participate on regional boards or committees to represent the Council's views on regional issues.

Tasks and activities:

Continue participation at all functions that may be regionally significant to the Cox Peninsula.

Performance Indicators:

- Groups participated in - 2

5 Commercial Services

5.1 Commercial contracts

Objective: Undertake ongoing maintenance of assets as per contractual arrangements.

Tasks and activities:

- Wash and clean jetty.
- Remove waste from jetty.
- Maintain jetty parking area.
- Undertake maintenance to jetty required.
- Undertake water sampling at predetermined intervals.
- Monitor bores at predetermine intervals.
- Attend water related supply faults.
- Other commercial activities

Performance Indicators:

- Successful completion, acquittal and renewal of contracts and feedback – Achieved.
- Meet all KPI's articulated by contracts – Achieved.

6 Agency Services

6.1 Sports and recreation

Objective: Provision of sport and recreation activities to the community.

Tasks and activities:

- Conduct sporting and recreational activities for the whole of the community
- Continue to lobby for additional funds
- Provide support to community groups in staging events

Performance Indicators:

- Deliver at least four different types of activities every month – Achieved.
- Maintain current attendance and participation numbers – Achieved.

7 Other community services

7.1 Local welfare and social services

Objective: Provision of miscellaneous community services that enhance participation or amenity, including seniors programs, access to the Wagait Beach Medical Clinic and other welfare and social services identified by the Council from time to time.

Tasks and activities:

- Continue to support Wagait Beach Medical Clinic
- Continue to support seniors program
- Encourage expansion of medical clinic and possible doctor
- Monitor funding opportunities for new services

Performance Indicators:

- Attendance numbers at events and services – Achieved.
- Resident satisfaction/complaints with each event or service – Achieved.
- Suggestions and feedback about events and services – Achieved.

7.2 Visitor accommodation and tourism

Objective: Promotion and encouragement of economic development and local businesses through promoting and improving tourist attractions.

Tasks and activities:

- Encourage community groups in promoting the cultural significance of the area
- Lobby Government for a regional tourism plan
- Work closely with any persons or group wishing to undertake tourism activities
- Investigate possible camping area at Cloppenburg Park

Performance Indicators:

- Investigate establishing a recreational vehicle camp area at Cloppenburg Park – Not Achieved.

8 Council Administration:

8.1 Asset management

Objective: Planning and support services for Council assets land, buildings, plant, equipment fixtures and fittings, and any other asset.

Tasks and activities:

- Prepare plant and equipment replacement schedule
- Prepare maintenance schedules for plant and equipment.
- Prepare maintenance schedules for Council buildings.
- Develop strategy to increase standard of roads
- Develop asset management plans and policies

Performance Indicators:

- Engage a professional entity to establish an auditor approved asset management register that will include valuation and depreciation – Achieved.
- Develop an asset management policy – Not achieved.
- Develop a schedule of assets – Achieved.

8.2 Council planning and reporting

Objective: Development of strategic plans, including business and service delivery plans, to ensure the Council's long term sustainability to deliver services to the community.

Tasks and activities:

Continue to meet legislated deadline for the completion of documentation.

Performance Indicators:

- Develop a long term financial plan – Achieved.
- Develop a functions budget – Not achieved.

8.3 Financial management

Objective: Accounting, financial recording and reporting and other support services associated with managing the Council's financial resources.

Tasks and activities:

- Ensure financial data is up to date to produce accurate reporting.
- Regular reports to Council meetings.
- Maintain accurate property and rate records.

Performance Indicators:

- Increase contract income by >5% - Not achieved.
- Increase bank investment returns by >4% - Not achieved.

8.4 Human resources

Objective: Services and support for human resources administration including recruitment, induction, training and development.

Tasks and activities:

- Conduct annual performance reviews
- Prepare annual training plan for all employees
- Develop HR policy

Performance Indicators:

- All employees undertake performance review – Not achieved.
- No more than 1 industrial relations type complaints – Achieved.
- One annual workplace training session delivered to all staff - Not achieved.

8.5 Information technology and communications

Objective: Information technology (IT) support services and advice associated with the operation and management of Council's hardware, software and internet systems.

Tasks and activities:

- Maintain web page
- Develop IT policy
- Implement ITIL best practices

Performance Indicators:

- Meet ITIL standards – Not achieved.

8.6 Public and corporate relations

Objective: Communication with the general public through personal contact, public meetings and media information.

Tasks and activities:

- Council meetings open to the public.
- Identify issues for public meetings.
- Regular updating of the Council website.

Performance Indicators:

- Attendance numbers at public meetings – 56.
- All statutory reports completed on time – Achieved.
- Community satisfaction with corporate relations – Achieved.
- Feedback to the monthly Council meetings – Achieved.
- Website and Face Book statistics – Not achieved.

8.7 Records management

Objective: Processing of Council's incoming and outgoing correspondence and the availability and safekeeping of Council records in accordance with statutory requirements.

Tasks and activities:

- Records filed on a regular basis
- Explore computer integration
- Annual training on Freedom of Information developments

Performance Indicators:

- No more than 14 days to complete a freedom of information request – Not Applicable.
- Information required is readily available – Achieved.

8.8 Revenue growth

Objective: Funding of Council's operations through appropriate rating policies and the maximisation of grants, fees and charges and other available income sources.

Tasks and activities:

- Pursue opportunities for grant funding and new service contracts
- Implement job costing measures to avoid over expenditure
- Preparation of realistic budgets
- Avoid non-budgeted expenditure

Performance Indicators:

- Budget balanced without shortfall – Not achieved.
- New grant funding – Achieved.
- End of year position – Cash and Cash equivalents of \$862,507.
- Contract income increased by >5% - Not achieved.
- One new contract acquired or contract variation to increase scope of works – Not achieved.

8.9 Risk management

Objective: Provision of internal risk management systems

Tasks and activities:

- Conduct annual audit
- Maintain asset register
- Ensure assets have sufficient insurance coverage
- Update the fraud protection plan

Performance Indicators:

- Satisfactory audit of the asset register audited – Not achieved.
- Fraud protection plan updated – Not Achieved.
- Comprehensive risk management plan developed – Not achieved.

Audited Financial Statements 2016/2017



WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

GENERAL PURPOSE FINANCIAL REPORT

For the Year Ended 30 June 2017

Prepared by:
LOWRYS Accountants
PO Box 36394
Winnellie NT 0821

Liability limited by a scheme approved under Professional Standards Legislation

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569

GENERAL PURPOSE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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SWJR Nominees Pty Ltd
ABN 49 078 887 171
Cnr Coonawarra & Hook Roads
PO Box 36394, Winnellie NT 0821
Tel: 08 8947 2200
Fax: 08 8947 1146
lowrys.accountants@lowrys.com.au

The Council Members
Wagait Shire Council
PMB 10
Wagait Beach NT 0801

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the requirements of the *Local Government Act* and the *Local Government (Accounting) Regulations* made under that Act, in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

LOWRYS ACCOUNTANTS

A handwritten signature in dark ink, appearing to be 'Colin James', written over the printed name.

Colin James, FCA
Registered Company Auditor

Darwin, 17 October 2017

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Wagait Shire Council
ABN: 65 843 778 569

Chief Executive Officer's Certificate

I, Mark Sidey, the Chief Executive Officer of the Wagait Shire Council, do hereby certify that the annual financial statements:

- (a) have been properly drawn up in accordance with the applicable Australian Accounting Standards, the *Local Government Act* and *Local Government (Accounting) Regulations*, so as to present fairly the financial position of the Council as at 30 June 2017 and the results for the year then ended; and
- (b) are in accordance with the accounting and other records of the Council.



Mark Sidey
Chief Executive Officer

Dated: 17 October 2017

Wagait Shire Council

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue and Other Income			
Rates and annual charges	3A	351,368	205,474
User charges and fees	3B	157,632	176,470
Grants and contributions	3C	279,276	360,504
Interest	3D	8,778	11,310
Total operating revenues		<u>797,054</u>	<u>753,758</u>
Operating Expenses			
Employee costs	4A	341,520	334,473
Materials and contracts	4B	238,012	337,816
Depreciation	4C	96,509	154,915
Other operating expenses	4D	13,468	16,880
Total operating expenses		<u>689,509</u>	<u>844,084</u>
Surplus/(Deficit) for the year		<u>107,545</u>	<u>(90,326)</u>
Other Comprehensive Income			
Revaluation increment	7	-	1,526,801
Total other comprehensive income		<u>-</u>	<u>1,526,801</u>
Total surplus and other comprehensive income for the year		<u>107,545</u>	<u>1,436,475</u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017**

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	1,011,583	862,507
Accounts receivable and other debtors	6	62,147	20,970
Total current assets		<u>1,073,730</u>	<u>883,477</u>
Non-current assets			
Property, plant and equipment	7	2,909,817	2,950,767
Total non-current assets		<u>2,909,817</u>	<u>2,950,767</u>
Total Assets		<u>3,983,547</u>	<u>3,834,244</u>
LIABILITIES			
Current liabilities			
Accounts payable and other payables	8	40,377	25,960
Grant liabilities	9	31,949	-
Employee provisions	10	27,927	31,178
Total current liabilities		<u>100,253</u>	<u>57,138</u>
Non-current liabilities			
Employee provisions	10	-	1,357
Total non-current liabilities		<u>-</u>	<u>1,357</u>
Total Liabilities		<u>100,253</u>	<u>58,495</u>
Net Assets		<u>3,883,294</u>	<u>3,775,749</u>
EQUITY			
Retained surplus		1,513,270	1,715,725
Reserves	11	2,370,024	2,060,024
Total Equity		<u>3,883,294</u>	<u>3,775,749</u>

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

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WAGAIT SHIRE COUNCIL
ABN 65 843 778 569

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

ACCUMULATED FUNDS	Accumulated Surplus	Asset Revaluation Reserve	Roads Reserve	Motor Vehicle Reserve	Asset Replacement & Maintenance Reserve	Total Equity
	\$	\$	\$	\$		\$
Balance at 1 July 2015	1,806,051	343,223	180,000	10,000	-	2,339,274
Deficit for the year	(90,326)	-	-	-	-	(90,326)
Other comprehensive income	-	1,526,801	-	-	-	1,526,801
Closing Balance at 30 June 2016	1,715,725	1,870,024	180,000	10,000	-	3,775,749
Balance at 1 July 2016	1,715,725	1,870,024	180,000	10,000	-	3,775,749
Surplus for the year	107,545	-	-	-	-	107,545
Other comprehensive income	-	-	-	-	-	-
Transfer to/(from) reserve	(310,000)	-	(180,000)	(10,000)	500,000	-
Closing Balance at 30 June 2017	1,513,270	1,870,024	-	-	500,000	3,883,294

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

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**STATEMENT OF WORKING CAPITAL
FOR THE YEAR ENDED 30 JUNE 2017**

		2017	2016
ASSETS		\$	\$
Current assets			
Cash and cash equivalents	5	1,011,583	862,507
Accounts receivable and other debtors	6	62,147	20,970
Total current assets		1,073,730	883,477
Less:			
Current liabilities			
Accounts payable and other payables	8	40,377	25,960
Grant liabilities	9	31,949	-
Employee provisions	10	27,927	31,178
Total current liabilities		100,253	57,138
Net current assets		973,477	826,339
Current ratio		10.71 : 1	15.46 : 1

The Statement of Working Capital should be read in conjunction with the accompanying notes.

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

STATEMENT OF CASH FLOWS**FOR THE YEAR ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Cash flows from operating activities			
Receipts from customers		479,623	384,832
Grants and contribution receipts		311,225	379,354
Interest received		8,778	11,310
Payments to suppliers and employees		(594,991)	(702,573)
Net cash flows from operating activities	13	204,635	72,923
Cash flows used in investing activities			
Acquisition of property, plant and equipment		(55,559)	(47,551)
Net cash flows used in investing activities		(55,559)	(47,551)
Net increase in cash and cash equivalents		149,076	25,372
Cash and cash equivalents at the beginning of the year		862,507	837,135
Cash and cash equivalents at the end of the year	5	<u>1,011,583</u>	<u>862,507</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies

This note sets out the principal accounting policies adopted in the preparation of the financial statements by Council as set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of Compliance

The financial report is a general purpose financial report that has been prepared in accordance with applicable Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the requirements of the Local Government Act, the Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements were authorised for issue on 29 September 2017.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets. Historical cost is based on the fair value of the consideration given in exchange for assets.

All amounts are presented in Australian Dollars, unless otherwise noted.

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

(a) **Revenue**

Revenue is measured at the fair value of consideration received or receivable. Revenue is measured on major income categories as follows:

Rates are recognised as revenue when the Council obtains control over the asset comprising the receipt.

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

Uncollected rates are recognised as receivables.

Non-reciprocal grant revenue is recognised in the statement of profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Council and the amount of the grant can be measured reliably. If conditions attached to the grant received are not satisfied, the recognition of the grant as revenue is deferred until these conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from the rendering of service is recognised upon the delivery of the service to the customer.

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1: Summary of Significant Accounting Policies (continued)

(a) Revenue (continued)

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax, when applicable.

(b) Fair Value of Assets and Liabilities

The Council measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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

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

(c) Property, Plant and Equipment

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

Freehold property

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Council has elected not to recognise land under roads acquired prior to 1 July 2008 as an asset in accordance with AASB 1051 Land under Roads. Land under roads acquired after 30 June 2008 has not been recognised as in the opinion of Council it is not possible to reliably attribute a fair value, and further that such value if determined would be immaterial.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

(c) Property, Plant and Equipment (continued)

Buildings and improvements, plant and equipment, infrastructure, office equipment and furniture and motor vehicles

Buildings and improvements, plant and equipment, infrastructure, office equipment and furniture and motor vehicles are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Council and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including buildings and improvements, plant and equipment, infrastructure, office equipment and furniture and motor vehicles, but excluding freehold land and work in progress, is depreciated on a straight-line basis over the asset's useful life to the Council commencing from the time the asset is available for use.

The depreciation rates used for each class of depreciable assets are

	<u>2017</u>	<u>2016</u>
	Life (years)	Life (years)
Buildings and improvements	20	20
Plant and equipment	3	3
Infrastructure	10	10
Office equipment and furniture	3	3
Motor vehicles	5	5

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

(d) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are recognised as expenses in profit or loss immediately.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

(d) Financial Instruments (continued)

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter into bankruptcy or other financial re-organisation and changes in arrears or economic conditions that correlate with defaults.

When the terms of financial assets that would otherwise have been past due or impaired have been re-negotiated, the Council recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been re-negotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(e) Impairment of Assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(f) Employee Provisions

Short-term employee provisions

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

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1: Summary of Significant Accounting Policies (continued)

(f) Employee Provisions (continued)

Other long-term employee provisions

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the nominal amounts expected to be paid when the obligation is settled.

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

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position. The Council did not have an overdraft during the year.

(h) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from ratepayers as well as amounts receivable from clients for fees and services provided. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are recognised at fair value less any provision for impairment.

(i) Goods and Services Tax

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

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which 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.

Cash flows are included in the cash flow statement on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Income Tax

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

(k) Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(l) Comparative Figures

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

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

(m) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Council during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Key estimates

Impairment

Impairment of property, plant and equipment

The Council assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Council and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs to sell or value-in-use calculations, which incorporate a number of key estimates and assumptions. There was no provision for impairment of property, plant and equipment at 30 June 2017 (2016: \$Nil).

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 1: Summary of Significant Accounting Policies (continued)

(n) Critical Accounting Estimates and Judgements (continued)

Impairment of accounts receivable

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors' financial position. Provision for impairment of receivables at 30 June 2017 amounted to \$Nil (2016: \$8,512).

Useful lives of property, plant and equipment

The Council reviews the estimated useful lives of property, plant and equipment at the end of each reporting period, based on the expected utility of the assets.

Key judgements

Employee benefits

For the purpose of measurement, AASB 119: Employee benefits (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Council expects most employees will take their annual leave entitlements within 12 months of the reporting period in which they were earned.

(o) Economic Dependency

The Council is dependent upon the ongoing receipt of grants from the Northern Territory Government to ensure the continuance of its activities.

At the date of this report the management has no reason to believe that the Council will not continue to receive funding support from the Government.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Council. The Council has decided not to early adopt any of the new and amended pronouncements. The Council's assessment of the new and amended pronouncements that are relevant to the Council but applicable in future reporting periods are set out below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments and revised recognition and derecognition requirements for financial instruments.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (continued)

(p) New Accounting Standards for Application in Future Periods (continued)

The Council does not expect any impact from the new classification, measurement and derecognition rules on the Council's financial assets and financial liabilities. There will also be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Council has not yet assessed how its own impairment provisions would be affected by the new rules.

- AASB16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Council's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 1058: *Income of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2019).

This Standard is applicable to transactions that do not arise from enforceable contracts with customers involving performance obligations.

The significant accounting requirements of AASB 1058 are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 1: Summary of Significant Accounting Policies (Continued)

(p) New Accounting Standards for Application in Future Periods (continued)

- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

An entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective applications to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions*.

Although the Council members anticipate that the adoption of AASB 1058 will impact the Council's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 2016-4: *Amendments to Australian Accounting Standards - Recoverable amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* (applicable to annual reporting periods beginning on or after 1 January 2017).

This Standard amends AASB 136: *Impairment of Assets* to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities; and clarify that AASB 136 does not apply to non-cash-generating specialised assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138: *Intangible Assets*, but applies to such assets accounted for under the cost model in those Standards.

AASB 2016-4 is not expected to have a significant impact on the Council's financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 2: Functions/Core Services

Functions/core services are common municipal services that many councils deliver to their ratepayers and residents. After a community consultation on the Wagait Shire Council Strategic Plan covering the period 2013 - 2018, it was decided that some of the listed services (marked **) will not be provided by the Council. These decisions will be reassessed in the event of a change in Council's circumstances or on request from the community.

The activities relating to the Council functions/core services are as follows:

Local infrastructure

- Maintenance and upgrade of parks, reserves and open spaces
- Maintenance and upgrade of buildings, facilities and fixed assets
- Management of cemeteries**
- Lighting for public safety including street lighting**
- Local road upgrading and construction
- Local road maintenance
- Traffic management on local roads
- Fleet, plant and equipment management

Local environment health

- Waste management including litter reduction
- Weeds control and fire hazard reduction
- Companion animal welfare and control

Local civic services

- Library, cultural and heritage
- Civic events
- Local emergency services

Community engagement in local government

- Training and employment of local people in council operations
- Administration of local laws**
- Customer relationship management, including complaints and responses
- Governance including administration of council meetings, elections and elected member support
- Administration of local board advisory bodies and management committees**
- Advocacy and representation on local and regional issues

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 3: Revenue and Other Income		
Note 3A Rates and annual charges		
<i>Ordinary rates</i>		
Residential, business and rural flat rate	225,941	205,474
Waste management levy	125,427	-
Total rates and annual charges	351,368	205,474
Note 3B User charges and fees		
Jetty and boat ramp maintenance	59,390	66,791
Power and water contract income	49,946	46,479
Weed management income	16,512	16,458
Other fees and charges	31,784	46,742
Total user charges and fees	157,632	176,470
Note 3C Grants and Contributions		
<i>General purpose grants (untied)</i>		
FAA - General purpose component	8,688	7,959
FAA - Roads to recovery component	53,121	53,817
	61,809	61,776
<i>Northern Territory Government operating grants</i>		
General purpose component	149,582	143,499
Department of Sport, Recreation and Racing	21,000	21,000
Department of Infrastructure and Regional	11,795	101,734
Department of Local Government	-	31,000
	182,377	297,233
<i>Northern Territory Government non-recurring grants</i>		
Specific purpose	28,490	-
Other	5,100	-
	33,590	-
<i>Non Government grants and contributions</i>		
Australia Day Council	1,500	1,100
Other	-	395
	1,500	1,495
Total grants and contributions	279,276	360,504
Note 3D Interest		
Financial institutions	8,778	11,310
Note 4: Expenses		
Note 4A Employee costs		
Salaries and wages	295,938	303,503
Superannuation	27,153	29,233
Recruitment and relocation	7,434	-
Training and development	10,995	1,737
Total employee costs	341,520	334,473

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 4: Expenses (continued)		
Note 4B Materials and contracts		
Advertising	2,807	4,290
Bank fees	1,342	1,555
Consultants, rates valuation fees and council election fee	10,926	8,123
Contractors, maintenance and materials	2,566	13,328
Councillor and meeting expenses	6,027	810
Debt collection	2,400	-
Donations	160	750
Doubtful debts	(8,512)	-
Electricity	5,028	12,037
Information technology expenses	1,375	8,896
Insurance	23,735	24,613
Printing and stationery	3,819	2,405
Repairs and maintenance	31,878	29,458
Roads to Recovery	18,045	104,527
Subscriptions	3,009	2,609
Telephone	6,804	7,678
Travelling and accommodation	2,250	1,999
Vehicle, plant and equipment expenses	17,892	14,675
Waste management	90,176	74,604
Water and sewerage	4,189	5,653
Other	12,096	19,806
Total materials and contracts	238,012	337,816
Note 4C Depreciation		
Plant and equipment	17,066	46,982
Infrastructure	57,957	86,446
Motor vehicles	21,486	21,487
Total depreciation	96,509	154,915
Note 4D Other operating expenses		
Audit services	6,718	15,542
Other services	6,750	1,338
Total other operating expenses	13,468	16,880

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 5: Cash and Cash Equivalents		
Cash at bank	1,011,183	861,046
Cash on hand	400	1,461
Total cash and cash equivalents	1,011,583	862,507
Restricted cash and cash equivalents summary		
<i>Purpose</i>		
External restrictions		
- Included in liabilities	-	-
- Included in revenue	-	-
Total external restrictions	-	-
Internal restrictions		
Included in liabilities:		
Employee leave entitlements	27,927	32,535
Total internal restrictions	27,927	32,535
Total unrestricted	983,656	829,972
Total cash and cash equivalents available	1,011,583	862,507

Management believe that there were no grants which were not expended as at 30 June 2017 (2016: \$Nil).

Note 6: Accounts Receivable and Other Debtors		
Rates and annual charges	58,799	18,464
Less: Provision for doubtful debts	-	(8,512)
	58,799	9,952
GST receivable	1,908	9,578
Other	1,440	1,440
Total unrestricted accounts receivable and other debtors	62,147	20,970
Total receivables are aged as follows:		
Current	28,839	4,253
30 to 60 days	-	-
More than 90 days	29,960	14,211
Total receivables	58,799	18,464
The average credit period on rates and other receivables is 30 days. No interest is charged for the first 30 days from the date of invoice. Thereafter, interest is charged at 17% per annum, which is calculated on a daily basis, on the outstanding balance.		
Movement/(recoveries) in allowance for impairment of receivables		
Balance at the beginning of the year	8,512	8,512
Reduction in allowance	(8,512)	-
Balance at the end of the year	-	8,512
a. Financial assets at amortised cost classified as accounts receivable and other debtors		
Accounts receivable and other debtors:		
- total current	62,147	20,970
- total non current	-	-
	62,147	20,970
Less GST receivable	(1,908)	(9,578)
Financial assets as accounts receivable and other debtors	60,239	11,392

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
Note 7: Property, Plant and Equipment		
Land and buildings		
Land, at cost	400,000	400,000
	<u>400,000</u>	<u>400,000</u>
Buildings and improvements, at fair value	2,222,727	2,222,727
Accumulated depreciation	-	-
	<u>2,222,727</u>	<u>2,222,727</u>
Total land and buildings	<u>2,622,727</u>	<u>2,622,727</u>
Plant and equipment		
Plant and equipment, at cost	409,801	354,243
Accumulated depreciation	(331,977)	(314,912)
	<u>77,824</u>	<u>39,331</u>
Infrastructure, at cost	864,460	864,460
Accumulated depreciation	(667,927)	(609,970)
	<u>196,533</u>	<u>254,490</u>
Office equipment and furniture, at cost	174,729	174,729
Accumulated depreciation	(174,729)	(174,729)
	<u>-</u>	<u>-</u>
Motor vehicles, at cost	107,432	107,432
Accumulated depreciation	(94,699)	(73,213)
	<u>12,733</u>	<u>34,219</u>
Total plant and equipment	<u>287,090</u>	<u>328,040</u>
Total property, plant and equipment	<u>2,909,817</u>	<u>2,950,767</u>

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

Note 7: Property, Plant and Equipment (continued)

Movement in carrying amounts for each class of property, plant and equipment between the beginning and the end of the financial year:

	Land at cost \$	Buildings and improvements at fair value \$	Plant and equipment at cost \$	Infrastructure at cost \$	Office equipment and furniture at cost \$	Motor Vehicles at cost \$	Total \$
As at 1 July 2015							
Gross book value	400,000	1,517,105	306,691	864,460	174,729	107,432	3,370,417
Accumulated depreciation	-	(821,179)	(267,930)	(523,524)	(174,729)	(51,725)	(1,839,087)
Net book value 1 July 2015	400,000	695,926	38,761	340,936	-	55,707	1,531,330
Additions	-	-	47,551	-	-	-	47,551
Depreciation	-	-	(46,981)	(86,446)	-	(21,488)	(154,915)
Revaluation	-	1,526,801	-	-	-	-	1,526,801
Disposals	-	-	-	-	-	-	-
Net book value 30 June 2016	400,000	2,222,727	39,331	254,490	-	34,219	2,950,767
Net book value as of 30 June 2016 represented by:							
Gross book value	400,000	2,222,727	354,243	864,460	174,729	107,432	4,123,591
Accumulated depreciation	-	-	(314,912)	(609,970)	(174,729)	(73,213)	(1,172,824)
Net book value 30 June 2016	400,000	2,222,727	39,331	254,490	-	34,219	2,950,767
As at 1 July 2016							
Gross book value	400,000	2,222,727	354,243	864,460	174,729	107,432	4,123,591
Accumulated depreciation	-	-	(314,912)	(609,970)	(174,729)	(73,213)	(1,172,824)
Net book value 1 July 2016	400,000	2,222,727	39,331	254,490	-	34,219	2,950,767
Additions	-	-	55,559	-	-	-	55,559
Depreciation	-	-	(17,066)	(57,957)	-	(21,486)	(96,509)
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Net book value 30 June 2017	400,000	2,222,727	77,824	196,533	-	12,733	2,909,817
Net book value as of 30 June 2017 represented by:							
Gross book value	400,000	2,222,727	409,801	864,460	174,729	107,432	4,179,149
Accumulated depreciation	-	-	(331,977)	(667,927)	(174,729)	(94,699)	(1,269,332)
Net book value 30 June 2017	400,000	2,222,727	77,824	196,533	-	12,733	2,909,817

Valuation of Building and Improvements

An independent valuation of buildings and improvements was undertaken by Integrated Valuation Services as at 6 July 2015. These assets have been valued at "Fair Value" and adopted in the 2015-16 financial statements.

The Council members believe that the fair value of buildings and improvements remains at \$2,222,727 as at 30 June 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$	2016 \$
Note 8: Accounts Payable and Other Payables		
Current		
Sundry creditors and accrued expenses	14,634	20,228
Payroll liabilities	13,943	5,732
Deferred income	11,800	-
Total accounts payable and other payables	40,377	25,960
Settlement of sundry creditors is generally net 30 days.		
a. Financial liabilities at amortised cost classified as accounts payable and other payable:		
Accounts payable and other payables:		
- total current	40,377	25,960
- total non current	-	-
Financial liabilities as accounts payable and other payables	40,377	25,960
No interest is payable on outstanding payables.		
Note 9: Grant Liabilities		
Deferred income	31,949	-
Note 10: Employee Provisions		
Current		
Annual leave	16,594	19,752
Long service leave	11,333	11,426
Total current employee provisions	27,927	31,178
Non-Current		
Long service leave	-	1,357
Total non-current employee provisions	-	1,357
Total employee provisions	27,927	32,535
Note 11: Reserves		
Movement in reserves		
<i>Asset revaluation reserve</i>		
Balance at beginning of reporting year	1,870,024	343,223
Revaluation increment for buildings and improvements	-	1,526,801
Balance at end of the reporting year	1,870,024	1,870,024
The asset revaluation reserve arises on the revaluation of buildings and improvements. Where a revalued item of property, plant and equipment is sold, that portion of asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly into retained earnings.		
<i>Other reserves</i>		
Balance at beginning of reporting year	190,000	190,000
Transfer to reserve	310,000	-
Balance at end of the reporting year	500,000	190,000

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$

Note 11: Reserves (continued)

Other reserves consisted of a roads reserve and a motor vehicle reserve. The Council have decided to amalgamate the existing reserves into the asset replacement and maintenance reserve.

Note 12: Related Party Transactions

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties.

a. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Council directly or indirectly, including any director (whether executive or otherwise) is considered key management personnel.

Key management personnel compensation:

- short-term employee benefits	98,602
- post-employment benefits	9,155
	<u>107,757</u>

b. Other Related Parties

Other related parties include close family members of key management personnel.

Transactions between related parties, and or their close family members, are on normal commercial terms and conditions no more favourable than those available to other persons.

Note 13: Cash Flow Information

Reconciliation of Cash Flow from Operating Activities with Current Year Surplus

Surplus for the year	107,545	(90,326)
Non cash transactions		
Depreciation	96,509	154,915
<i>Changes in net assets and liabilities:</i>		
<i>(Increase) / Decrease in assets:</i>		
Accounts receivable and other debtors	(41,177)	12,160
<i>Increase/(decrease) in liabilities:</i>		
Accounts payable and other payables	14,417	(8,379)
Grant liabilities	31,949	-
Employee provisions	(4,608)	4,553
Net cash flows from operating activities	<u>204,635</u>	<u>72,923</u>

Note 14: Events After the Reporting Period

There are no events that have occurred after balance date that have been or should have been brought to account in the 2017 financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 15: Commitments for Expenditure

a. Capital commitments

There were no capital commitments at 30 June 2017 or 2016.

b. Finance lease commitments

There were no finance lease commitments at 30 June 2017 or 2016.

c. Operating leases

There were no commitments under non-cancellable operating leases at 30 June 2017 or 2016.

d. Other expenditure commitments

There were no other expenditure commitments at 30 June 2017 or 2016.

Note 16: Performance Indicators

	Actual 2017		Actual 2016	
	Amounts \$	Indicators	Amounts \$	Indicators
1. Current ratio				
<u>Current assets- external restricted assets</u>	<u>1,073,730</u>	Ratio	<u>883,477</u>	Ratio
Current liabilities	100,253	10.71 : 1	57,138	15.46 : 1
2. Rate coverage ratio				
<u>Rate revenue</u>	<u>351,368</u>		<u>205,474</u>	
Total revenue	797,054	44%	753,758	27%
3. Rates and annual charges outstanding percentages				
<u>Rates and annual charges outstanding</u>	<u>58,799</u>		<u>18,464</u>	
Rates and annual charges collectible	351,368	17%	205,474	9%

Note 17: Capital Management

The Council manages its capital to ensure that it will be able to continue as a going concern. The Council's overall strategy remained unchanged throughout the year.

The capital structure of the Council consists of equity comprised of retained earnings and a revaluation reserve.

Note 18: Financial Risk Management

The Council's financial instruments consist mainly of cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139: *financial instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	2017 \$	2016 \$
Financial assets		
Cash and cash equivalents	1,011,583	862,507
Accounts receivable and other debtors	60,239	11,392
Total financial assets	<u>1,071,822</u>	<u>873,899</u>

WAGAIT SHIRE COUNCIL

ABN 65 843 778 569

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017	2016
	\$	\$
Note 18: Financial Risk Management (continued)		
Financial liabilities		
Accounts payable and other payables	40,377	25,960
Total financial liabilities	40,377	25,960

Financial Risk Management Policies

Management is responsible for mentoring and managing the Council's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Council in meeting its financial targets whilst minimising potential adverse effects on financial performance. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Council is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk. There has been no substantive change in the types of risk the Council is exposed to, how these risks arise, management's objectives, policies and procedures for managing or measuring risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Council.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Legislative restrictions on Council's investment powers effectively limit investments to financial instruments issued or guaranteed by Australian Governments, banks and authorised deposit taking institutions. Rates and other receivables are monitored on an ongoing basis with the result that the Council's exposure to bad debts is not significant.

The Council has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 6.

b. Liquidity risk

Liquidity risk arises from the possibility that the Council might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Council manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets; and
- only investing surplus cash with major financial institutions.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

Note 18: Financial Risk Management (continued)

c. Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Council is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Council to interest rate risk are limited to cash and cash equivalents.

The Council also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

Fair value sensitivity analysis for fixed rate instruments

The Council does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair value

The fair value of the Council's financial assets and liabilities approximates their carrying amounts.

Note 19: Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets at 30 June 2017 (2016: \$Nil).

Note 20: Additional Council Information

Wagait Shire Council is a local government body formerly called Cox Peninsular Government Council.

Principal place of business

142 Wagait Tower Road
Wagait Beach NT 0822



INDEPENDENT AUDITOR'S REPORT

To the members of Wagait Shire Council

SWJR Nominees Pty Ltd
ABN 49 078 887 171
Cnr Coonawarra & Hook Roads
PO Box 36394, Winnellie NT 0821
Tel: 08 8947 2200
Fax: 08 8947 1146
lowrys.accountants@lowrys.com.au

We have audited the accompanying financial report, being a general purpose financial report, of Wagait Shire Council (the Council) which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Working Capital, the Statement of Cash Flows, a summary of significant accounting policies along with other explanatory notes and

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and relevant provisions of the Local Government Act and Local Government (Accounting) Regulations, and for such internal controls as management determine are necessary to enable the preparation and fair presentation of the financial report to be free from material misstatement, whether due to

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 controls relevant to the Council's preparation and fair presentation of the 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 management as well as evaluation of the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act, the Local Government (Accounting) Regulations and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Council's financial

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and Local Government regulations.

Auditor's Opinion

In our opinion the financial report of the Wagait Shire Council is in accordance with the Local Government Act and the Local Government (Accounting) Regulations, including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards.

LOWRYS ACCOUNTANTS

Colin James, FCA
Registered Company Auditor

Darwin, 17 October 2017

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