



# **WAGAIT SHIRE COUNCIL**



## **2017 – 2018 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 2017 to 30 June 2018. 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 2017 – 2018. 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

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## President's message

The past 12 months (2017-2018) proved to be a challenging period for the Wagait Shire Council and its residents.

On the positive side, there has been a construction resurgence with new homes and sheds pointing to better times ahead in the real estate market. Many new families have moved across the water and the apparent stream of new babies continues. Congratulations and a warm welcome to all new residents.

Community events such as MUFF (the ukulele and folk festival), Australia Day, Anzac Day and the very active Wagait Arts Group just keep on getting better and better. The amount of talent in such a small community never ceases to amaze visitors and locals alike.

Ongoing talks with the Territory Government's transport people provide hope that there could yet be some form of bus service on the peninsula in the not too dim-distant future. Yes, it has been a long gestation period but transport is an essential community service for both Wagait Beach and Belyuen – a fact acknowledged by the government.

Despite the dust and detours involved, our road shoulder program has been completed. While most of the funding comes from the federal Roads to Recovery program, it is vital we do what we can to minimise the damage to our road verges. Cutting corners, burnouts and using quads and motorbikes to create a dust cloud off the bitumen quickly degrades the gravel/clay material and the bitumen itself. Please don't.

Despite the increase in costs, our waste collection program has settled in and is now providing a very good service. The regular hard-waste collections are now working well but please ensure you stick to the guidelines when placing your surplus items near the road verge. There is a list of items that cannot be collected so please make it easy for everyone by observing the does and don'ts. Hopefully the green-waste area also will be in operation shortly.

With the council by-election for two vacancies just days away as I write, I trust some new faces in the ranks will bring fresh ideas and enthusiasm to our local government body. Shenagh Gamble and Trish McIntyre both put a lot of time and effort into the council and I sincerely thank them for their efforts. Unfortunately, the cohesion between the members recently has not been what it once was. We must all put a great deal of time and effort to again making our council a tight and respectful team, rather than a cheap reflection of the all-too-frequent circus of Canberra politics.

I would like to thank all staff members for their efforts in their various roles and look forward positive and respectful year ahead. Last but far from least, thank you to the Wagait Beach community. Your support, ideas, criticism and assistance are a vital cog in the council's activities. In whatever role, I always enjoy speaking with members of the community and listening to their issues. I am only ever a telephone call away.

**Peter Clee**  
**President**  
**Wagait Shire Council**

## Chief Executive Officer's message

The 2017 – 2018 financial year has been an exciting and productive one for Wagait Shire which saw significant improvements and additions to Council infrastructure and equipment through successful grant applications.

It is with pleasure that I provide my comments for the 2017 – 2018 Annual Report.

### Staff

This year saw no significant changes to the staffing structure of Council. We welcomed a new Sport and Recreation Officer in September 2017 who has done an exemplary job in broadening the demographics of residents that benefit from this programme. I would like to thank the Northern Territory Government for their continuing support of our Sport & Recreation programme.

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 three meetings.

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

### Finance

Council increased its rates from \$560.00 to \$571.60 or 2.03%. The waste management charge of \$300.00 per allotment remained unchanged. Income in the 2017/18 Financial year totalled \$923,601, comprising of:

Rates & Charges	\$336,248
Contracts	\$162,387
Grants & Contributions	\$394,740
Interest	\$16,975
Gain on sale of property, plant & equipment	\$13,251



The Council received total operational grants of \$299,838 and generated solely by council by way of rates, charges and contract works was \$498,635.

The Council's financial position for the Financial Year ending June 30 2018 saw an operating surplus of \$120,556. Cash available at the end of the financial year was \$1,138,812. With careful management, Council's finances continue to be satisfactory.

### **Specific Purpose Grants / Projects**

Specific purpose 1 off grants received in the 2017/18 financial year totalled \$152,886 in additional revenue. The projects identified were consistent with Council's Annual and/or Strategic Plans and have resulted in long overdue infrastructure and equipment improvements.

A summary of successful 1 off grants received in the 2017/2018 financial year is as follows:

#### **Cloppenburg Park BBQ's**

Council received a grant in the amount of \$15,000 from the Federal Government as a contribution to the cost of installing BBQ's at Cloppenburg Park. Project has been completed.

#### **Zero turn mower**

Council received a grant in the amount of \$5,590 from the Northern Territory Government as a contribution toward the purchase of a zero turn lawnmower. Project has been completed.

#### **Cloppenburg Park Irrigation Project**

Council received a grant in the amount of \$83,694 from the Northern Territory Government as a contribution toward the cost of irrigating Cloppenburg Park. Project has commenced.

#### **Green Waste Facility Project**

Council received a grant in the amount of \$10,214 from the Northern Territory Government as a contribution toward the construction of a green waste recycling facility. Project has commenced.

#### **CCTV Project**

Council received a grant in the amount of \$6,126 from the Northern Territory Government as a contribution to the cost of installing CCTV cameras to safeguard council infrastructure. Project has commenced.

#### **Backup Power to Workshop Project**

Council received a grant in the amount of \$1,318 from the Northern Territory Government as a contribution to the cost of connecting the workshop and volunteer fire shed to the community centre generator backup. Project has commenced.

### **Cloppenburg Park – Covered Picnic Area Project**

Council has recently received a grant in the amount of \$14,666 from the Northern Territory Government as a contribution to the cost of building a covered picnic area at Cloppenburg Park. Project has commenced.

### **Cloppenburg Park – Solar Electricity System Project**

Council received a grant in the amount of \$16,258 from the Northern Territory Government as a contribution to the cost of replacing the solar hot water system on the ablution block at Cloppenburg Park and also installing a solar array. Project has commenced.

### **Roads**

The culvert at the entrance to Cloppenburg Park was replaced with a higher capacity design and drainage remediation works on Forsyth Road were undertaken. This project was a great success and there were no recorded instances of the culvert or drain being overtopped. 3.5km of road shoulder remediation was also undertaken, completing Council's road shoulder remediation project which commenced in 2016. Expenditure in relation to road maintenance and repairs was approximately \$73,053 for the financial year.

### **Waste management**

The waste management charge of \$300 per allotment remained unchanged. 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.

Council began construction of a green waste disposal facility at the Wagait Road depot. The facility is scheduled for completion in September 2018.

Residents will be able to dispose of green waste at the facility (not including tree stumps, grass clippings and leaf matter) and contractors will be brought in on a quarterly basis to woodchip the waste. The woodchips will then be provided back to the community free of charge.

### **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.



Council has been integral in establishing the Cox Peninsular Economic Committee. Whilst still in its formative stages, it is envisaged this committee will play an integral role in the economic development of Wagait Shire and its surrounds.

### **Vital Assistance**

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.

I would like to extend Council's gratitude to the staff at the Northern Territory Government's Department of Housing and Community Services. 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 Snowdon for their advocacy and support.

### **Appreciation**

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 km<sup>2</sup> 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 5 elected members. Elected members are elected through local government elections, by elections or may be co-opted.

A local government election was held on 26 August 2017.

At this election, councillor numbers were reduced from 7 to 5, in line with the communities wishes as indicated in a community meeting held in August 2016.

At the beginning of the 2017/ 2018 Financial year, council consisted of : President Peter Clee, Vice President Brad Irvine, Councillor Shenagh Gamble, Councillor Alex Richmond, Councillor Kurt Noble and Councillor Tom Dyer.

Councillors elected on 26 August 2017 were Peter Clee, Trish McIntyre, Shenagh Gamble, Michael Vaughan and Neil White. Electors vote for councillors who in turn elect a President and Vice President.

At Council's first meeting post election, which occurred on 19 September 2017, Peter Clee was elected President and Trish McIntyre Vice President.

**As at 30 June 2018, members of Council were:**

**President Peter Clee**



**Vice President Trish McIntyre**



**Councillor Shenagh Gamble**



**Councillor Michael Vaughan**



**Councillor Neil White**



### **Councillor Attendance at Ordinary Meetings of Council (11 Meetings)**

<b>NAME</b>	<b>ATTENDANCE</b>
<b>President Peter Clee</b>	<b>10</b>
<b>Vice President Brad Irvine</b>	<b>2</b>
<b>Councillor Shenagh Gamble</b>	<b>9</b>
<b>Councillor Alex Richmond</b>	<b>1</b>
<b>Councillor Kurt Noble</b>	<b>1</b>
<b>Councillor Tom Dyer</b>	<b>1</b>
<b>Vice President Trish McIntyre</b>	<b>10</b>
<b>Councillor Michael Vaughan</b>	<b>9</b>
<b>Councillor Neil White</b>	<b>9</b>

**Note:** Crs Irvine, Richmond, Noble & Dyer's term ended at the August 26 2017 general election, with Crs McIntyre, Vaughan & White's term commencing thereafter.

## **Committees of Council**

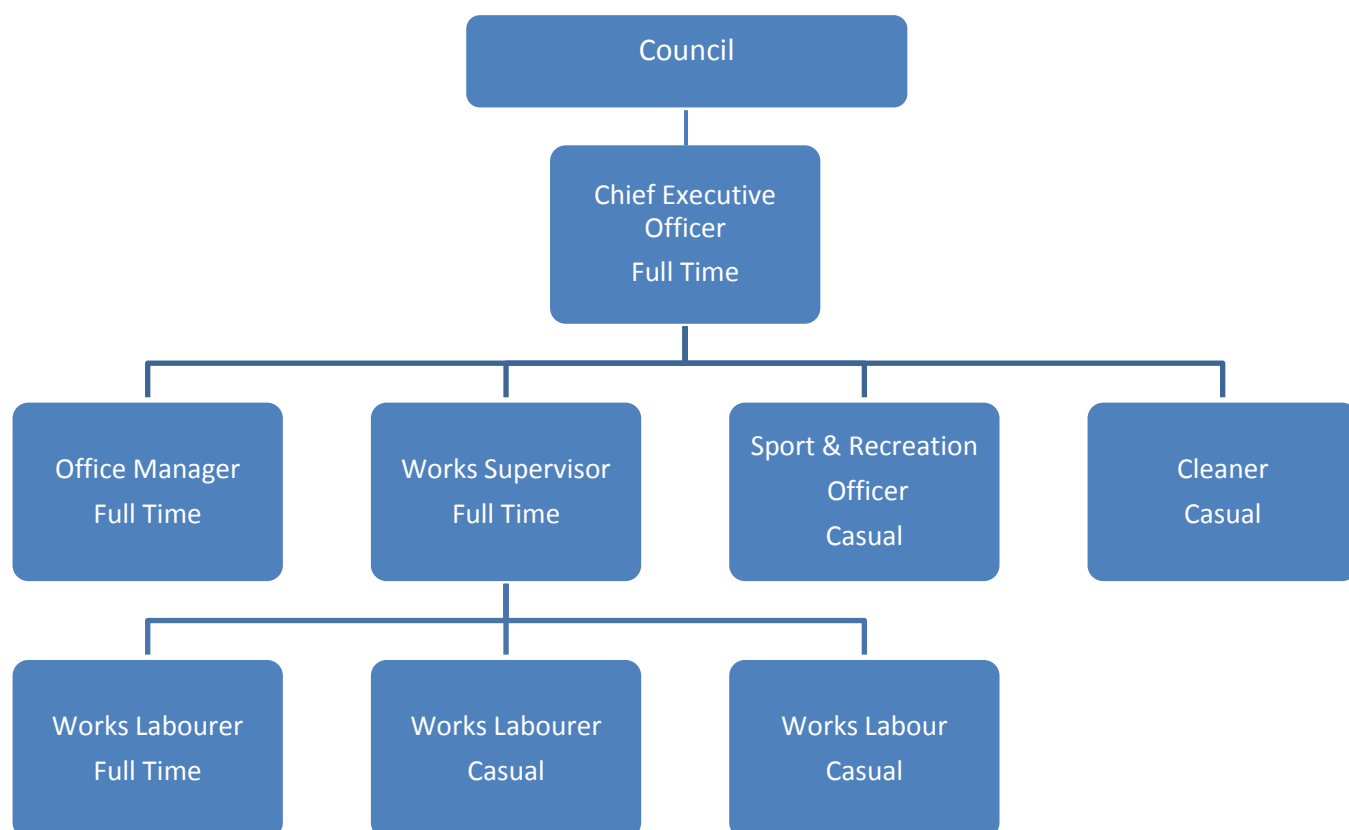
### **Audit Committee**

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. The Audit Committee takes an active role in reviewing and advising on Council Policies and Risk Management strategy.

The Audit Committee comprises of five members; the independent chair Russell Anderson, community representative Barry Bamford, President Peter Clee and Councillor Trish McIntyre.

The Audit Committee met on three occasions in the 2017 / 2018 Financial Year.

## 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 collected – 180.
- 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.
- Undertake regular inspections of council buildings.

**Performance indicators:**

- Less than 2 complaints per month – Achieved.
- Replace gutters on council house and works depot – Not required.
- Compliance with budget – Achieved.
- All air conditioning units serviced – Not achieved.
- Replace two air-conditioning units in council house – Achieved.
- Replace two air-conditioning units in council office – 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 – 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:**

- Signs displayed the same day when notification of a road hazard is received – 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
- Regular running of generators

**Performance Indicator:**

- Planned servicing completed no more than one month after due date – Not achieved.
- Down time of fleet, plant and equipment less than 5% of operational requirements – 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.
- Public road sides litter free – 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 and managed – 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 for dogs.
- Community education

### **Performance Indicators**

- By-law ready to be adopted during 2017-2018 – 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 >200 days – Achieved.
- Grant funding for Darwin Duchess obtained – Not 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 – Delegated to Office Manager.
- CEO to attend pre-cyclone season regional cyclone shelter briefings – Achieved – Delegated to Office Manager.

## **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 – 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 – August 26, 2017 – 236 of 313 enrolled – 76%
- Governance procedures are reviewed and updated in line with current best practice – Ongoing.
- Deliver one session of training for elected members – 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:**

- Report to Council and community on the groups / forums – Not Achieved.

## **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:**

- No more than four complaints annually about tourist amenities – 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:**

- Maintain asset management register that includes valuation and depreciation – Achieved.
- Develop an asset management policy – Not achieved.
- Maintain 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:**

- A draft 5-year strategic plan from 2018/2019 developed - Not Achieved.
- Annual Plan written and submitted on time - 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% - 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:**

- At least 10 community members at public meetings - Achieved.
- 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:**

- No more than 14 days to completed a freedom of information request – N/A.

- Information required is readily available – Achieved.

**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 – Achieved.
- New grant funding – Achieved.
- End of year position – Cash and Cash equivalents of \$1,138,812.
- Contract income increased by >5% - Not achieved.
- One new contract acquired or contract variation to increase scope of works – 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 – Achieved.
- Fraud protection plan updated – Not Achieved.
- Comprehensive risk management plan developed – Not achieved.

## **8.10 Work, Health and Safety**

### **Objective:**

Provision of a framework to protect the health, safety and welfare of all workers at work and also the health and safety of all other people who might be affected by the work of council.

### **Tasks and activities:**

- maintain a work environment without risks to health and safety
- maintain plant and structures to keep them in a safe state
- provide and maintain safe systems of work
- ensure the safe use, handling, storage and transport of plant, structures and substances
- provide adequate facilities for the welfare of workers at work when carrying out work for the council
- provide information, training, instruction or supervision that is necessary to protect all persons from risks to their health and safety arising from work carried out as part of the conduct of council business
- monitor the health of workers and the conditions at the workplace for the purpose of preventing illness or injury of workers arising from the conduct of council business

### **Performance Indicators:**

No workplace injuries sustained that affect an employee's ability to work – Achieved.

# Audited Financial Statements 2017/2018



WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

GENERAL PURPOSE FINANCIAL REPORT

For the Year Ended 30 June 2018

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 2018**

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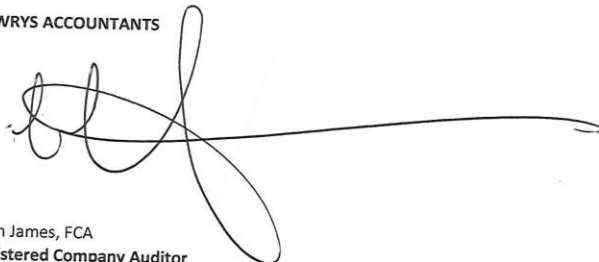
The Council Members  
Wagait Shire Council  
PMB 10  
Wagait Beach NT 0801

#### Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 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



Colin James, FCA  
Registered Company Auditor

Darwin, 12 September 2018




**Wagait Shire Council**  
ABN: 65 843 778 569

**Wagait Shire Council**  
Lot 62 Wagait Tower Rd, Wagait Beach  
Postal - PMB 10, Darwin NT 0801  
Phone: (08) 8978 5185 Fax: (08) 8978 5100 Mobile: 0429 785 185  
Email: [ceo@wagait.nt.gov.au](mailto:ceo@wagait.nt.gov.au)

#### 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 2018 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

Darwin, 12 September 2018

Wagait Shire Council

**WAGAIT SHIRE COUNCIL**  
ABN 65 843 778 569

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Revenue and Other Income</b>			
Rates and annual charges	3A	336,248	351,368
User charges and fees	3B	162,387	157,632
Grants and contributions	3C	394,740	279,276
Interest	3D	16,975	8,778
Gain on sale of property, plant and equipment	3E	13,251	-
<b>Total operating revenues</b>		<u>923,601</u>	<u>797,054</u>
<b>Operating Expenses</b>			
Employee costs	4A	321,838	341,520
Materials and contracts	4B	374,047	238,012
Depreciation	4C	95,525	96,509
Other operating expenses	4D	11,625	13,468
<b>Total operating expenses</b>		<u>803,035</u>	<u>689,509</u>
<b>Surplus for the year</b>		<u>120,566</u>	<u>107,545</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total surplus and other comprehensive income for the year</b>		<u>120,566</u>	<u>107,545</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 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,138,812	1,011,583
Accounts receivable and other debtors	6	69,775	62,147
<b>Total current assets</b>		<u>1,208,587</u>	<u>1,073,730</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	2,940,423	2,909,817
<b>Total non-current assets</b>		<u>2,940,423</u>	<u>2,909,817</u>
<b>Total Assets</b>		<u>4,149,010</u>	<u>3,983,547</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and other payables	8	20,583	40,377
Grant liabilities	9	93,618	31,949
Employee provisions	10	30,949	27,927
<b>Total current liabilities</b>		<u>145,150</u>	<u>100,253</u>
<b>Total Liabilities</b>		<u>145,150</u>	<u>100,253</u>
<b>Net Assets</b>		<u>4,003,860</u>	<u>3,883,294</u>
<b>EQUITY</b>			
Retained surplus		1,633,836	1,513,270
Reserves	11	2,370,024	2,370,024
<b>Total Equity</b>		<u>4,003,860</u>	<u>3,883,294</u>

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

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

ACCUMULATED FUNDS	Accumulated Surplus	Asset Revaluation Reserve	Roads Reserve	Motor Vehicle Reserve	Asset Replacement & Maintenance Reserve	Total Equity
	\$	\$	\$	\$		\$
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
Balance at 1 July 2017	1,513,270	1,870,024	-	-	500,000	3,883,294
Surplus for the year	120,566	-	-	-	-	120,566
Other comprehensive income	-	-	-	-	-	-
Closing Balance at 30 June 2018	1,633,836	1,870,024	-	-	500,000	4,003,860

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 2018**

		2018	2017
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	1,138,812	1,011,583
Accounts receivable and other debtors	6	69,775	62,147
<b>Total current assets</b>		<u>1,208,587</u>	<u>1,073,730</u>
<b>Less:</b>			
<b>Current liabilities</b>			
Accounts payable and other payables	8	20,583	40,377
Grant liabilities	9	93,618	31,949
Employee provisions	10	30,949	27,927
<b>Total current liabilities</b>		<u>145,150</u>	<u>100,253</u>
<b>Net current assets</b>		1,063,437	973,477
<b>Current ratio</b>		8.33 : 1	10.71 : 1

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

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**WAGAIT SHIRE COUNCIL**  
ABN 65 843 778 569

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		479,207	479,623
Grants and contribution receipts		456,409	311,225
Interest received		16,975	8,778
Payments to suppliers and employees		(712,482)	(594,991)
<b>Net cash flows from operating activities</b>	13	240,109	204,635
<b>Cash flows used in investing activities</b>			
Proceeds from disposals of property, plant and equipment		16,364	-
Acquisition of property, plant and equipment		(129,244)	(55,559)
<b>Net cash flows used in investing activities</b>		(112,880)	(55,559)
<b>Net increase in cash and cash equivalents</b>		127,229	149,076
Cash and cash equivalents at the beginning of the year		1,011,583	862,507
<b>Cash and cash equivalents at the end of the year</b>	5	<u>1,138,812</u>	<u>1,011,583</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 2018

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**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 12 September 2018.

**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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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 2018

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:

	2018 Life (years)	2017 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 2018

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 2018

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 Non Financial 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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 exempt from income tax under Sec 50-25 of the Income Tax Assessment Act 1997, being a local government body.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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 2018 (2017: \$Nil).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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 2018 amounted to \$Nil (2017: \$Nil).

*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 not adopted 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 2018

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 2018

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 3: Revenue and Other Income</b>		
<b>Note 3A Rates and annual charges</b>		
<i>Ordinary rates</i>		
Residential, business and rural flat rate	228,998	225,941
Waste management levy	107,250	125,427
<b>Total rates and annual charges</b>	<b>336,248</b>	<b>351,368</b>
<b>Note 3B User charges and fees</b>		
Jetty and boat ramp maintenance	60,457	59,390
Power and water contract income	40,651	49,946
Weed management income	-	16,512
Other fees and charges	61,279	31,784
<b>Total user charges and fees</b>	<b>162,387</b>	<b>157,632</b>
<b>Note 3C Grants and Contributions</b>		
<i>General purpose grants (untied)</i>		
FAA - General purpose component	8,908	8,688
FAA - Roads to recovery component	54,235	53,121
	63,143	61,809
<i>Northern Territory Government operating grants</i>		
General purpose component	157,513	149,582
Department of Sport, Recreation and Racing	19,091	21,000
Department of Infrastructure and Regional	60,091	11,795
	236,695	182,377
<i>Northern Territory Government non-recurring grants</i>		
Specific purpose	152,866	28,490
Other	1,000	5,100
Less: unexpended grants	(60,964)	-
	92,902	33,590
<i>Non Government grants and contributions</i>		
Australia Day Council	2,000	1,500
	2,000	1,500
<b>Total grants and contributions</b>	<b>394,740</b>	<b>279,276</b>
<b>Note 3D Interest</b>		
Financial institutions	16,975	8,778
<b>Note 3E Gain/(loss) on disposal of property, plant and equipment</b>		
<i>Motor vehicles</i>		
Proceeds on disposal	16,364	-
Disposals at carrying amount	3,113	-
<b>Total gain/(loss) on disposal of property, plant and equipment</b>	<b>13,251</b>	<b>-</b>
<b>Note 4: Expenses</b>		
<b>Note 4A Employee costs</b>		
Salaries and wages	289,375	295,938
Superannuation	25,966	27,153
Recruitment and relocation	-	7,434
Training and development	6,497	10,995
<b>Total employee costs</b>	<b>321,838</b>	<b>341,520</b>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 4: Expenses (continued)</b>		
<b>Note 4B Materials and contracts</b>		
Advertising	3,397	2,807
Bank fees	1,425	1,342
Consultants, rates valuation fees and council election fee	12,380	10,926
Contractors, maintenance and materials	61,302	2,566
Councillor and meeting expenses	5,189	6,027
Debt collection	3,113	2,400
Donations	105	160
Doubtful debts	-	(8,512)
Electricity	7,677	5,028
Information technology expenses	1,200	1,375
Insurance	23,936	23,735
Printing and stationery	7,784	3,819
Repairs and maintenance	25,776	31,878
Roads to Recovery	73,053	18,045
Subscriptions	4,532	3,009
Telephone	4,617	6,804
Travelling and accommodation	6,005	2,250
Vehicle, plant and equipment expenses	22,227	17,892
Waste management	92,228	90,176
Water and sewerage	6,339	4,189
Other	11,762	12,096
<b>Total materials and contracts</b>	<b>374,047</b>	<b>238,012</b>
<b>Note 4C Depreciation</b>		
Plant and equipment	24,434	17,066
Office equipment	75	-
Infrastructure	53,113	57,957
Motor vehicles	17,903	21,486
<b>Total depreciation</b>	<b>95,525</b>	<b>96,509</b>
<b>Note 4D Other operating expenses</b>		
Audit services	6,750	6,718
Other services	4,875	6,750
<b>Total other operating expenses</b>	<b>11,625</b>	<b>13,468</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 5: Cash and Cash Equivalents</b>		
Cash at bank	1,137,499	1,011,183
Cash on hand	1,313	400
<b>Total cash and cash equivalents</b>	<b>1,138,812</b>	<b>1,011,583</b>
<b>Restricted cash and cash equivalents summary</b>		
<i>Purpose</i>		
<b>External restrictions</b>		
Included in liabilities		
- Unexpended grant liability	60,964	-
Included in revenue	-	-
<b>Total external restrictions</b>	<b>60,964</b>	<b>-</b>
<b>Internal restrictions</b>		
Included in liabilities:		
- Employee leave entitlements	30,949	27,927
<b>Total internal restrictions</b>	<b>30,949</b>	<b>27,927</b>
Total unrestricted	1,046,899	983,656
<b>Total cash and cash equivalents available</b>	<b>1,138,812</b>	<b>1,011,583</b>
<b>Note 6: Accounts Receivable and Other Debtors</b>		
Rates and annual charges	65,084	58,799
Less: Provision for doubtful debts	-	-
	65,084	58,799
GST receivable	4,691	1,908
Other	-	1,440
<b>Total unrestricted accounts receivable and other debtors</b>	<b>69,775</b>	<b>62,147</b>
<b>Total receivables are aged as follows:</b>		
Current	24,797	28,839
30 to 60 days	704	-
60 to 90 days	443	-
More than 90 days	39,140	29,960
<b>Total receivables</b>	<b>65,084</b>	<b>58,799</b>
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.		
<b>Movement/(recoveries) in allowance for impairment of receivables</b>		
Balance at the beginning of the year	-	8,512
Reduction in allowance	-	(8,512)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>a. Financial assets at amortised cost classified as accounts receivable and other debtors</b>		
Accounts receivable and other debtors:		
- total current	69,775	62,147
- total non current	-	-
	69,775	62,147
Less GST receivable	(4,691)	(1,908)
<b>Financial assets as accounts receivable and other debtors</b>	<b>65,084</b>	<b>60,239</b>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 7: Property, Plant and Equipment</b>		
<b>Land and buildings</b>		
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
Buildings and improvements, at cost	14,741	-
	<u>2,237,468</u>	<u>2,222,727</u>
Total land and buildings	<u>2,637,468</u>	<u>2,622,727</u>
<b>Plant and equipment</b>		
Plant and equipment, at cost	477,770	409,801
Accumulated depreciation	(356,412)	(331,977)
	<u>121,358</u>	<u>77,824</u>
Infrastructure, at cost	864,460	864,460
Accumulated depreciation	(721,040)	(667,927)
	<u>143,420</u>	<u>196,533</u>
Office equipment and furniture, at cost	175,930	174,729
Accumulated depreciation	(174,804)	(174,729)
	<u>1,126</u>	<u>-</u>
Motor vehicles, at cost	116,087	107,432
Accumulated depreciation	(79,036)	(94,699)
	<u>37,051</u>	<u>12,733</u>
Total plant and equipment	<u>302,955</u>	<u>287,090</u>
<b>Total property, plant and equipment</b>	<u>2,940,423</u>	<u>2,909,817</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**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 \$
<b>As at 1 July 2016</b>							
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)
<b>Net book value 1 July 2016</b>	<b>400,000</b>	<b>2,222,727</b>	<b>39,331</b>	<b>254,490</b>	<b>-</b>	<b>34,219</b>	<b>2,950,767</b>
Additions	-	-	55,559	-	-	-	55,559
Depreciation	-	-	(17,066)	(57,957)	-	(21,486)	(96,509)
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>Net book value 30 June 2017</b>	<b>400,000</b>	<b>2,222,727</b>	<b>77,824</b>	<b>196,533</b>	<b>-</b>	<b>12,733</b>	<b>2,909,817</b>
<b>Net book value as of 30 June 2017 represented by:</b>							
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)
<b>Net book value 30 June 2017</b>	<b>400,000</b>	<b>2,222,727</b>	<b>77,824</b>	<b>196,533</b>	<b>-</b>	<b>12,733</b>	<b>2,909,817</b>
<b>As at 1 July 2017</b>							
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)
<b>Net book value 1 July 2017</b>	<b>400,000</b>	<b>2,222,727</b>	<b>77,824</b>	<b>196,533</b>	<b>-</b>	<b>12,733</b>	<b>2,909,817</b>
Additions	-	14,741	67,968	-	1,201	45,334	129,244
Depreciation	-	-	(24,434)	(53,113)	(75)	(17,903)	(95,525)
Revaluation	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(3,113)	(3,113)
<b>Net book value 30 June 2018</b>	<b>400,000</b>	<b>2,237,468</b>	<b>121,358</b>	<b>143,420</b>	<b>1,126</b>	<b>37,051</b>	<b>2,940,423</b>
<b>Net book value as of 30 June 2018 represented by:</b>							
Gross book value	400,000	2,237,468	477,770	864,460	175,930	116,087	4,271,715
Accumulated depreciation	-	-	(356,412)	(721,040)	(174,804)	(79,036)	(1,331,292)
<b>Net book value 30 June 2018</b>	<b>400,000</b>	<b>2,237,468</b>	<b>121,358</b>	<b>143,420</b>	<b>1,126</b>	<b>37,051</b>	<b>2,940,423</b>

**Valuation of Building and Improvements**

An independent valuation of buildings, improvements and infrastructure 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, improvements and infrastructure is \$2,380,888 as at 30 June 2018 (2017: \$2,419,260).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 8: Accounts Payable and Other Payables</b>		
Current		
Sundry creditors and accrued expenses	11,214	14,634
Payroll liabilities	9,369	13,943
Deferred income	-	11,800
<b>Total accounts payable and other payables</b>	<b>20,583</b>	<b>40,377</b>
Settlement of sundry creditors is generally net 30 days.		
<b>a. Financial liabilities at amortised cost classified as accounts payable and other payables</b>		
Accounts payable and other payables:		
- total current	20,583	40,377
- total non current	-	-
Financial liabilities as accounts payable and other payables	<b>20,583</b>	<b>40,377</b>
No interest is payable on outstanding payables.		
<b>Note 9: Grant Liabilities</b>		
Current		
Deferred income	32,654	31,949
Unexpended grant liability	60,964	-
<b>Total grant liabilities</b>	<b>93,618</b>	<b>31,949</b>
<b>Note 10: Employee Provisions</b>		
Current		
Annual leave	23,388	16,594
Long service leave	7,561	11,333
<b>Total current employee provisions</b>	<b>30,949</b>	<b>27,927</b>
<b>Note 11: Reserves</b>		
<b>Movement in reserves</b>		
<i>Asset revaluation reserve</i>		
Balance at end of the reporting year	<b>1,870,024</b>	<b>1,870,024</b>
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>Asset replacement and maintenance reserve</i>		
Balance at beginning of reporting year	500,000	190,000
Transfer to reserve	-	310,000
Balance at end of the reporting year	<b>500,000</b>	<b>500,000</b>
<b>Total reserves</b>	<b>2,370,024</b>	<b>2,370,024</b>
The asset replacement and maintenance reserve is maintained to replace roads and motor vehicles as the need arises.		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
<b>Note 12: Related Party Transactions</b>		
From 1 July 2016 AASB 124 <i>Related Party Disclosures</i> will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties.		
<b>a. Key Management Personnel</b>		
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	86,295	98,602
- post-employment benefits	8,156	9,155
	<u>94,451</u>	<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	120,566	107,545
Non cash transactions		
Depreciation	95,525	96,509
Gain on disposal of property, plant and equipment	(13,251)	-
<i>Changes in net assets and liabilities:</i>		
<i>(Increase) / Decrease in assets:</i>		
Accounts receivable and other debtors	(7,628)	(41,177)
<i>Increase/(decrease) in liabilities:</i>		
Accounts payable and other payables	(19,794)	14,417
Grant liabilities	61,669	31,949
Employee provisions	3,022	(4,608)
<b>Net cash flows from operating activities</b>	<u>240,109</u>	<u>204,635</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 2018 financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

**Note 15: Commitments for Expenditure**

**a. Capital commitments**

There were no capital commitments at 30 June 2018 or 2017.

**b. Finance lease commitments**

There were no finance lease commitments at 30 June 2018 or 2017.

**c. Operating leases**

There were no commitments under non-cancellable operating leases at 30 June 2018 or 2017.

**d. Other expenditure commitments**

There were no other expenditure commitments at 30 June 2018 or 2017.

**Note 16: Performance Indicators**

	Actual 2018		Actual 2017	
	Amounts \$	Indicators	Amounts \$	Indicators
<b>1. Current ratio</b>				
<u>Current assets- external restricted assets</u>	<u>1,208,587</u>	Ratio	<u>1,073,730</u>	Ratio
Current liabilities	145,150	8.33 : 1	100,253	10.71 : 1
<b>2. Rate coverage ratio</b>				
<u>Rate revenue</u>	<u>336,248</u>		<u>351,368</u>	
Total revenue	923,601	36%	797,054	44%
<b>3. Rates and annual charges outstanding percentages</b>				
<u>Rates and annual charges outstanding</u>	<u>65,084</u>		<u>58,799</u>	
Rates and annual charges collectible	336,248	19%	225,941	26%

**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:

	Note	2018 \$	2017 \$
<b>Financial assets</b>			
Cash and cash equivalents	5	1,138,812	1,011,583
Accounts receivable and other debtors	6	65,084	60,239
<b>Total financial assets</b>		<u>1,203,896</u>	<u>1,071,822</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>Note 18: Financial Risk Management (continued)</b>			
<b>Financial liabilities</b>			
Accounts payable and other payables	8	20,583	40,377
<b>Total financial liabilities</b>		<u>20,583</u>	<u>40,377</u>

**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 2018

**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 2018 (2017: \$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 ELECTED COUNCIL 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

**Opinion**

We have audited the financial report of Wagait Shire Council (the Council), which comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2018, the statement of financial position as at 30 June 2018, the statement of changes in equity, the statement of working capital, the statement of cash flows, the chief executive officer's certificate and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report has been prepared 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 2018 and of its financial performance for the year then ended;
- (ii) complying with Australian Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Restriction on use**

The financial report has been prepared to assist the elected Council Members in complying with the financial reporting requirements of the Local Government Act, referred to above.

As result, the financial report and this Independent Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the elected Council Members and should not be used by parties other than the elected Council Members. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the elected Council Members or for any other purpose than that for which it was prepared.

**Chief Executive Officer's Responsibility for the Financial Report**

The Chief Executive Officer of Council is responsible for the preparation of the financial report that gives a true and fair view 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 the Chief Executive Officer determine are necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chief Executive Officer either intend to cease operation, or have no realistic alternative but to do so.

The elected Council Members are responsible for overseeing the Council's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT**

**TO THE ELECTED COUNCIL MEMBERS OF WAGAIT SHIRE COUNCIL**

***Auditor's Responsibilities for the Audit of the Financial Report***

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

**LOWRYS ACCOUNTANTS**



Colin James, FCA  
**Registered Company Auditor**

Darwin, 12 September 2018