

# 2018 – 2019 ANNUAL REPORT



# TABLE OF CONTENTS

INTRODUCTION .....	4
PRESIDENT'S MESSAGE .....	5
CHIEF EXECUTIVE OFFICER'S MESSAGE.....	6
ABOUT US – <i>Growing Together</i> .....	7
OUR COUNCILLORS.....	9
COMMITTEES OF COUNCIL.....	10
Audit Committee	
OUR ORGANISATIONAL STRUCTURE .....	11
PERFORMANCE AGAINST OBJECTIVES	
Program 1 Local Infrastructure .....	12
1.1 Maintenance and upgrade of parks, reserves and open space	
1.2 Maintenance and upgrade of public buildings, facilities and assets	
1.3 Local road upgrade and construction	
1.4 Local roads maintenance	
1.5 Traffic management on local roads	
1.6 Fleet, plant and equipment maintenance	
Program 2 Local Environment Health.....	15
2.1 Waste management and litter reduction	
2.2 Weed control and fire hazard reduction	
2.3 Animal welfare and control	
Program 3 Local Civic Services .....	17
3.1 Library, culture and heritage	
3.2 Civic events	
3.3 Local emergency service	
Program 4 Community Engagement in Local Government.....	19
4.1 Administration of local laws	
4.2 Customer relationship management	
4.3 Governance	
4.4 Advocacy and representation on local and regional issues	
Program 5 Commercial Services .....	21
5.1 Commercial services	
Program 6 Agency Services .....	22
6.1 Sports and recreation	
Program 7 Other Community Services.....	24
7.1 Local welfare and social services	
7.2 Visitor accommodation and tourism	

<b>Program 8 Council Administration .....</b>	<b>25</b>
8.1 Asset management	
8.2 Council planning and reporting	
8.3 Financial management	
8.4 Human resources	
8.5 Information technology and communications	
8.6 Public and corporate relations	
8.7 Records management	
8.8 Revenue growth	
8.9 Risk management	
8.10 Work health and safety	
 <b>FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 .....</b>	 <b>31</b>

## **Wagait Shire Council**

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October 2019

# INTRODUCTION

Wagait Shire Council is pleased to present its Annual Report for the 2018 – 2019 reporting period.

This report describes the Wagait Shire Council's deliverables throughout the year against the objectives and performance indicators, as contained in the Wagait Shire Council Shire Plan 2018 – 2019.

The Annual Report is Council's primary tool for reporting to its community and stakeholders on service delivery and financial performance and is a vital part of the overall governance framework and commitment to transparency and accountability.

In accordance with the Local Government Act, Part 14.1, all councils must present an annual report to the Minister by 15 November each year. The annual report must include a copy of the council's audited financial statements for the relevant financial year and it must contain an assessment of the council's performance against the objectives stated in the relevant municipal plan, including indicators of performance.

This Annual Report also includes the President's and Chief Executive Officer's reports and accounts of performance, activities and challenges faced during the reporting period, 2018 – 2019. Council's audited financial statements for the year ending 30 June 2019 form an essential element of this report.

## **PRESIDENT'S MESSAGE**

The past 12 months created some extra challenges for the elected members and the staff of the Wagait Shire Council.

On the positive side, our community events continue to attract locals and visitors alike. Australia Day, Anzac Day, MUFF (the Mandorah ukulele and folk festival) and the ever-growing Wagait Arts Group's annual exhibition and activities are a credit to all those involved.

I will take this opportunity to welcome our new Chief Executive Officer Anna Malgorzewicz. To say Anna has hit the ground running would be a gross understatement. There have been some very positive changes to the Council's administration since she took over the role with further initiatives in the pipeline. Please make Anna welcome and I thank her for her remarkable efforts since being appointed to the position.

It looks like work has started on the new marine project that hopefully will see ferry travel available to all and as safe and easy on our side of the harbour as it is at Cullen Bay.

Outbreaks of the dangerous feral gamba grass in several parts of the estate are an issue of concern. Recent large gamba fires at Dundee and the Darwin rural area caused considerable damage and forced homeowners to evacuate. If you have this grass on your property, don't ignore it; remove it or get help to ensure it does not spread. Assistance is available with spray from the Council or from one of the local handy folk. Please also report any outbreaks on unoccupied blocks to the Northern Territory Government's Weed Branch; ph. 8999 5511.

The new waste collection contractor is providing a very good pick-up service. There also are two large skip bins for hard waste and white goods located in the former green-waste area in the council yard. As a result of this initiative, the quarterly hard-waste verge collections will be discontinued except for the cyclone clean-up in September each year. Works to improve access to the new green-waste area adjacent to the sportsground are planned and – hopefully – will be completed before the Wet Season.

While the sportsground sprinkler system is in place, there were some unfortunate issues that added to the costs and possibly delayed the approval of the water extraction licence for the bore. I apologise for these problems and can assure ratepayers there are procedures in place to avoid a repeat of this unfortunate situation.

This time last year I wrote that there was a lack of cohesion within the Council. I believe it is improving but remind all elected members that the Council is only as good as their representations on behalf of their constituents. With the next council elections still almost two years away, we should all work a little harder to represent the interests and concerns of all ratepayers.

I would like to thank past and present staff members for their efforts in their various roles and look forward to a positive team effort in the year ahead. Thank you also to the Wagait Beach community. Your support, ideas, criticism and assistance are essential to the Council's activities. Please do not hesitate to contact any one or more of your five Councillors to air your views or problems.

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

## CHIEF EXECUTIVE OFFICER'S MESSAGE

The 2018/2019 financial year was a period of significant change, transition and renewal. By the first quarter in the reporting period, two of Council's elected members, Cr Patricia McIntyre and Cr Shenagh Gamble, announced their resignation from Council. A By-election was held on 22 September 2018 at which Cr Graham Drake and Cr Tom Dyer were elected.

The leadership of Council also underwent a change in personnel. Chief Executive Officer Mark Sidey resigned from Council in March 2019 after almost a two-year tenure in the role, to serve the community represented by the West Arnhem Regional Council. Whilst the recruitment process to replace the Chief Executive Officer was in progress, a familiar presence, Mr Russell Anderson, was appointed to the role to oversee the administration and provide advice and support to Council. Mr Anderson also guided Council through the necessary legislated processes of Budget, Shire Plan and Strategic Plan development.

During the year, several highly attended public events were delivered by Council including the Centenary of Armistice Day, Australia Day, ANZAC Day, Darwin Harbour Clean Up Day, Territory Day, Senior's Day and National Walk Safely to School Day. Council also delivered several opportunities to engage the community in conversations regarding issues critical to the well-being and future sustainability of the Shire or to involve the community in the planning and development of the 5-Year Strategic Plan.

During the reporting period, Council also received the following grants to enhance service and program provision from the Northern Territory and Commonwealth Governments:

Grant	Amount
Armistice Day	\$ 3,182
Australia Day	\$ 1,500
Dog Pound	\$ 30,537
Electronic Records System	\$ 34,889
Energy Efficiency and Sustainability	\$ 3,042
FAA General Purpose	\$ 14,846
FAA Roads	\$ 56,295
NT Operational Subsidy	\$ 189,860
Seniors Day	\$ 1,200
Sport and Recreation	\$ 21,000
Youth Vibe Grant	\$ 4,000
5,000ltr Water Tank	\$ 7,607

A Compliance Review by the Department of Local Government, Housing and Community Development was also undertaken in September 2018 and the recommendation report, considered by Council at the commencement of 2019, included fifteen (15) actions that Council needs to address to improve performance, mitigate risk exposure and meet legislative compliance. This important body of work underpins the necessary policy and procedural review and improvements that need to be undertaken in the future.

And most importantly, acknowledgement must be paid to the dedicated, professional and hardworking team and volunteers at Wagait Shire Council who have ensured the business of serving the community continued unaffected during this time of change.

**Anna Malgorzewicz**  
**Chief Executive Officer**  
**Wagait Shire Council**

# ABOUT US – Growing Together

## 2016 CENSUS QuickStats



Australian Bureau of Statistics

### 2016 Census QuickStats

Australia | Northern Territory | State Suburbs

#### Wagait Beach

Code SSC70276 (SSC)



##### People

**461**

Male	51.1%
Female	48.9%
Median age	48



##### Families

**130**

Average children per family	
for families with children	1.8
for all families	0.5



##### All private dwellings

**285**

Average people per household	2.2
Median weekly household income	\$1,463
Median monthly mortgage repayments	\$1,733
Median weekly rent	\$250
Average motor vehicles per dwelling	1.6

### People — demographics & education

People tables are based on a person's place of usual residence on Census night

People	Wagait Beach	%	Northern Territory	%	Australia	%
<i>Persons count based on place of usual residence on Census night</i>						
Male	237	51.1	118,570	51.8	11,546,638	49.3
Female	227	48.9	110,266	48.2	11,855,248	50.7
Aboriginal and/or Torres Strait Islander people	42	9.1	58,248	25.5	649,171	2.8

In the 2016 Census, there were 461 people in Wagait Beach (State Suburbs). Of these 51.1% were male and 48.9% were female. Aboriginal and/or Torres Strait Islander people made up 9.1% of the population.

The township or estate of Wagait Beach has its beginnings in the early 1960's with the first subdivisions along the beachfront roads of Delissa Drive and Cox Drive. Further subdivisions in the early 1980's resulted in the township layout and footprint of today.

The Council was established as the Cox Peninsula Community Government Council on 28 April 1995 and was renamed Wagait Shire Council on 1 July 2008.

The Council derived its previous name from the Cox Peninsula which 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 Council name is derived from the name of the township. 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. There are very limited local employment opportunities. Apart from the Council, supermarket, Cox Country Club and a few self-employed contractors, the majority of the labour force works in Darwin.



## OUR COUNCILLORS

Wagait Shire Council consists of five (5) elected members. Pursuant to Section 45 (1) the principal member or President, is appointed from within the elected members at the first meeting of council, as is the Vice President. At the commencement of the reporting period, members of Council were:

President	Peter Clee
Vice President	Shenagh Gamble
Councillor	Patricia McIntyre
Councillor	Michael Vaughan
Councillor	Neil White

Following two resignations, a By-election was held on 22 September 2018, at which the following members of council were elected:

Councillor	Graham Drake
Councillor	Tom Dyer

COUNCILLOR	ORDINARY MEETING
President Peter Clee	10
Cr Graham Drake <sup>*(Note #1)</sup>	8
Cr Tom Dyer <sup>*(Note #2)</sup>	7
Cr Shenagh Gamble <sup>*(Note #3)</sup>	1
Cr Patricia McIntyre <sup>*(Note #4)</sup>	0
Cr Michael Vaughan	11
Cr Neil White	11
Notes	
#1	Cr Drake elected at By-election, 22 September 2018
#2	Cr Dyer elected at By-election, 22 September 2018
#3	Cr Gamble resigned 20 August 2018
#4	Cr Patricia McIntyre resigned 3 July 2018

Pursuant to Section 71(3) of the *Local Government Act 2008*, Council resolved to budget the following Elected Member allowances:

ANNUAL ELECTED MEMBER ALLOWANCES			
ALLOWANCE	PRINCIPAL MEMBER	DEPUTY PRINCIPAL MEMBER	ORDINARY MEMBER
Base Allowance	\$3,600	\$1,200	\$600
Electoral Allowance	\$0	\$0	\$0
Professional Development Allowance	\$0	\$0	\$0
Extra Meeting Allowance	N/A	N/A	\$200
<b>TOTAL</b>	<b>\$3,600</b>	<b>\$1,200</b>	<b>\$800</b>

Some Elected Members nominated to donate their allowances back to Council, consistent with the provisions of general Instruction No. 2.

# COMMITTEES OF COUNCIL

## Audit Committee

The Audit Committee is an advisory committee to Council and is established pursuant to Part 5.2 of the *Local Government Act 2008* Part 5.2, and Section 10 (3) of the *Local Government (Accounting) Regulations*.

The Audit Committee provides independent advice and assistance regarding internal control processes on the effectiveness of the financial and corporate governance practices of Council to ensure compliance with legislative and regulatory requirements. The Audit Committee also takes an active role in reviewing and advising Council on its policies and risk management matters.

The Audit Committee comprises four members, and during the 2018-2019 financial year, its membership underwent change. The Audit Committee Chair, Mr Russell Anderson resigned from the position in March 2019 to undertake temporary responsibilities as Chief Executive Officer. Mr Anderson was replaced by Mr Barry Bamford in the role of Chair.

The Audit Committee comprises four members.

Chair	Mr Russell Anderson (until March 2019) Mr Barry Bamford (from March 2019)
Community Member	Mr Barry Bamford (until March 2019) Ms Maureen Newman (from March 2019)
Council Member	President Peter Clee Cr Neil White

During the reporting period the Audit Committee held the following meetings;

Tuesday 11<sup>th</sup> September 2018

Wednesday 6<sup>th</sup> February 2019

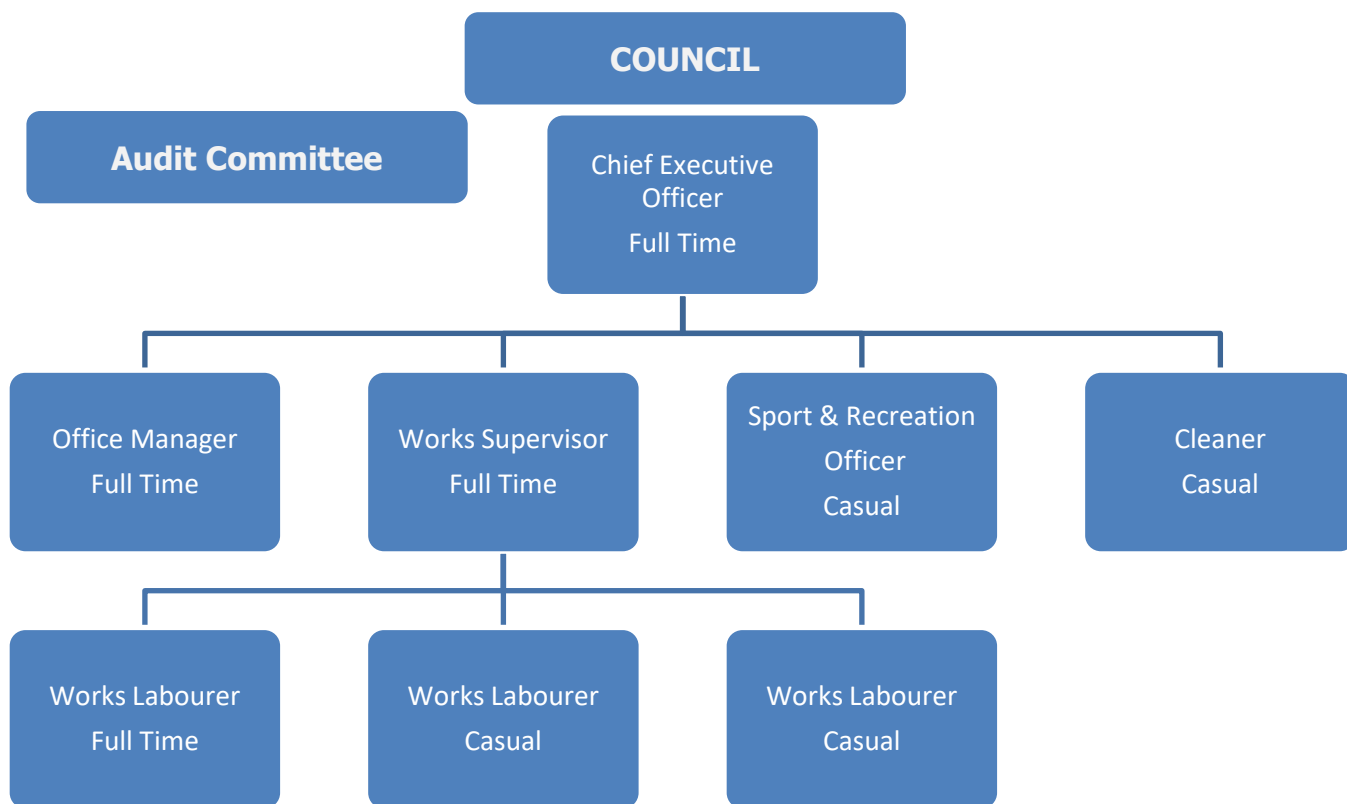
Tuesday 21<sup>st</sup> May 2019

Key activities during the reporting period included:

- Annual review of the audited financial statements;
- Review of several policies relating to governance, financial and human resource management matters;
- Review of the Draft Annual Shire Plan and Budget;
- Review of the Delegations Manual; and
- Completion of an Asset Audit with recommendations.

# OUR ORGANISATIONAL STRUCTURE

## 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

## Program 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 to provide enhanced visual amenity, community accessibility and increased community leisure options.

**Tasks and activities:**

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

Performance indicators	
Less than six complaints per year	Achieved  Council receives regular positive feedback regarding the cleanliness of its public toilets
Number of times mowing, weed control and litter collected	Achieved  Daily, weekly and seasonal actions
Operation within budget	Achieved
Inspect playground equipment twice yearly	Achieved

Ms Jill Mumme also volunteers her time to tend to the Memorial and Cenotaph Gardens.

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

**Objective:**

Manage and maintain Council's public buildings, facilities and fixed assets to ensure the effective management of physical infrastructure and essential services.

**Tasks and activities:**

- Attend to maintenance needs as required.
- Undertake regular inspections of council buildings.

Performance indicators	
Less than two complaints per month	Achieved
Compliance with budget	Achieved
All air conditioning units serviced	Achieved
All septic facilities serviced/inspected	Achieved  Specialist service undertaken for public toilets
All generators serviced	Achieved  Pre-cyclone season check undertaken

### 1.3 Local road upgrade and construction

**Objective:**

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

**Tasks and activities:**

- No roads were scheduled for construction.

Performance indicators	
None set for the period	An unsealed extension to Forsyth Road was completed to provide access to the temporary green waste area adjacent to Cloppenburg Park Sportsground

### 1.4 Local roads maintenance

**Objective:**

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

**Tasks and activities:**

- Repair potholes when evident
- Clear blocked drains where possible
- Clear weeds in drains and shoulders
- Monitor road surface conditions

Performance indicators	
Repair all potholes greater than 20mm in depth	Achieved  Reactive works were undertaken as required.  Pre-cyclone inspection also completed
Repair or replace damaged barriers	Achieved  Steel bridge constructed over drain, permanently fixed with railings in response to resident feedback on pedestrian / school bus safety.

## 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 signs and where necessary arranges 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 and equipment.

### Tasks and activities:

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

Performance indicators	
Planned servicing completed no more than one month after due date	Not Achieved  Work ute failed to be presented to authorised dealer within required timeframe
Down time for fleet, plant and equipment less than 5% of operational requirements	Achieved  New work ute acquired September 2018

## Program 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 Shire boundaries.

#### Tasks and activities:

- Manage waste in public areas
- Manage the service contract

Performance indicators	
Less than four complaints per year about wheelie bin emptying service	Achieved Contractor failure to collect bins rectified
Public spaces cleaned after community events	Achieved
Public roadsides litter free	Achieved
Quarterly hard waste collections provided	Achieved
Recycled green waste provided free to residents	Unsatisfactory Council received grant funding to construct new green waste compound at Council facility. Due to potential fire hazard, subsequently relocated to area adjacent to Cloppenburg Park.

### 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 jetty car park area weed control contract
- Community education on declared weeds and their management

Performance indicators	
Less than six complaints about weeds annually	Achieved Need to develop strategic weed management plan
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.
- Development, maintenance and promotion of a registry for dogs
- Community education.

Performance indicators	
By-law ready to be adopted during 2018-2019	Not Achieved By-laws not drafted
Dog pound constructed during 2018-2019	Not Achieved Grant received. Project placed on hold.
Dog registration scheme implemented during 2018-2019	Not Achieved Pending By-laws
Dog complaints actioned within 2 working days	Not Achieved



## Program 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. Cultural and historical significance of the Cox Peninsula understood.

#### Tasks and activities:

- Encourage more library users and ascertain future needs

Performance indicators	
Library to be open for public use >200 days	Achieved  Mr Dave Barry is a regular volunteer who keeps the library organised, including shelving, collection management and collection audit responsibilities.

### 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 annually	Achieved  Council delivered the following events during the reporting period: Australia Day Anzac Day Darwin Harbour Clean Up Day Senior's Day Territory Day National Walk Safely to School Day Centenary of Armistice Day Santa Fun Run

### 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 and facilitate community to have annual clean-up
- Endorse and support local disaster recovery plans

<b>Performance indicators</b>	
CEO and/or President to attend all local cyclone shelter meetings	Achieved
CEO to attend pre-cyclone season regional cyclone shelter briefings	Achieved  Office Manager also participated in pre-cyclone regional co-ordination group meetings and upgraded emergency supplies and equipment to compliant standard.

## Program 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	
Enact Dog Management By-Laws	Not Achieved  Parliamentary Counsel drafted Wagait Shire Council Dog Management By-Laws. By-Laws require gazettal and implementation strategy before these can be enforced.

### 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 performance.	Achieved  One complaint lodged with the President of Council regarding staff conduct and behaviour.

### 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 Chief Executive Officer 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  Statistics contained in this report.
Governance procedures are reviewed and updated in-line with current best practice	Unsatisfactory  Compliance audit identified governance failings, including non-review of essential policies.
Deliver one session of training for Elected Members annually.	Not Achieved

### 4.4 Advocacy and representation on local and regional issues

**Objective:**

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

**Tasks and activities:**

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

Performance indicators	
Report to Council on the groups/forums	Achieved  President provided regular updates on TOPROC meetings.

## Program 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 supplyfaults.

Performance indicators	
Successful completion, acquittal and renewal of contracts and feedback	Achieved
Meet all KPIs articulated by contracts	Achieved  PowerWater and Department of Infrastructure, Planning and Logistics also engaged Works team for specific ad hoc tasks, such as remedial works to the Mandorah Jetty carpark

## Program 6 Agency Services

### 6.1 Sports and recreation

#### Objective:

Provision of sport and recreation activities in 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	<p>Achieved</p> <p><u>July</u>- Art, Music, Disco, Harbour Clean Up, 11 sport/physical activities included in the School Holiday Program, Bootcamp, Seniors mobility &amp; Strength, Ink Art &amp; BBQ</p> <p><u>Aug</u> - Soccer, T-Ball, Bootcamp, Seniors Mobility &amp; Strength, Seniors Day Out</p> <p><u>Sept</u>- Cricket, T-Ball, Bootcamp, Seniors Mobility</p> <p><u>Oct</u> – Cricket, Ball Sports, Bootcamp, Seniors Mobility, Runners &amp; Walkers, Cycle Cross Country, 14 Physical activities / sport in School Holiday Program</p> <p><u>Nov</u> – Cricket, Court Sports, Bootcamp, Seniors Strength &amp; Mobility, Runners &amp; Walkers, Cycle Cross Country</p> <p><u>Dec</u> – Disco, Santa Fun Run, Court sports, Cycle Cross Country, Bootcamp, 12 Days of Fitmas, Runners &amp; Walkers, 6 Activities included in School Holiday Program</p> <p><u>Jan</u> – 22 Activities offered in School Holiday Program, Cycle Cross Country, Runners &amp; Walkers, Australia Day Fun Run, Australia Day Community Day</p> <p><u>Feb</u> – Basketball, Cycle Cross Country, Runners &amp; Walkers, Bootcamp, Seniors Mobility &amp; Strength</p> <p><u>March</u> – Basketball, Cycle Cross Country, Runners &amp; Walkers, Bootcamp, Seniors Strength &amp; Mobility</p> <p><u>April</u> – Cricket, Runners &amp; Walkers, Bootcamp, Seniors Mobility &amp; Strength, 6 Activities over Easter Break</p> <p><u>May</u> – Court Sports, Runners &amp; Walkers, National Walk Safely to School Day, Bootcamp</p> <p><u>June</u> – Runners &amp; Walkers, Bootcamp, Seniors Strength &amp; Mobility, Court Sports</p>

Performance indicators							
Maintain current attendance and participation numbers	Achieved						
		Adult		18U		Official	
	Activity	M	F	M	F	M	F
	T Ball	0	0	17	25	0	7
	Basketball	48	16	38	24	3	19
	Cricket	175	15	33	18	20	4
	Rec Arts	0	13	4	23	0	9
	Soccer	0	0	16	7	0	4
	Cycle	10	24	29	23	0	24
	Runners	18	191	15	26	0	34
	Bootcamp	37	403	0	35	0	96
	Seniors Str & Mob	48	182	0	0	0	83
	Seniors Day Out	12	28	0	0	2	2
	School Hol	30	46	125	142	6	57
	Aus Day	28	37	37	18	1	2
	Disco	15	44	37	44	1	3
	Circus	4	7	22	32	3	4
	Walk to School	4	15	28	23	3	3
	Harbour Clean Up	32 All ages 5+ through to Snr					

## Program 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 availability of a doctor
- Monitor funding opportunities for new services

Performance indicators	
Record attendance numbers at events and services	Achieved  Attendance numbers for events throughout the year were:  July 2018 – Darwin Harbour Clean Up - 32 August 2018 – Seniors Day 44 November 2018 – Centenary of Armistice Day - >100 attendees January 2019 – Australia Day - >123 attendees April 2019 – ANZAC Day - >140 attendees May 2019 – Walk to School - >76 children and parents
Record resident satisfaction/complaints with each event or service	Achieved
Inform Council of suggestions and feedback about events and services	Achieved  Events is a standing agenda item for Council Ordinary meetings.



## 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
- Participate in the Cox Peninsular Economic Development Committee

Performance indicators	
Completion of a design and feasibility plan for camping at Cloppenburg Park	Not Achieved Project placed on hold
Completion of a feasibility plan for a Tourist Information Centre	Not Achieved

## Program 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 asset management plans and policies

Performance indicators	
Maintain the asset management register that includes valuation and depreciation	Achieved
Develop an asset management policy	Achieved Asset Disposal Policy developed and approved.
Maintain the schedule of assets	Achieved In May 2019 significant number of assets were disposed through public/community expression of interest process.

## 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	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  Panel contracts have fixed value across financial years
Increase bank investment returns by >4%	Achieved  8% increase in interest revenue
Financial reports are produced in a timely manner for Council meetings	Unsatisfactory  Council did not have confidence in the accuracy of monthly financial reports for one quarter during the reporting period. Action included engaging consultant services to provide assistance.
Financial reports are submitted to Government on time	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  Performance reviews were conducted for some staff members. Improved performance management processes to be developed.
No more than one (1) industrial relations type complaint annually	None reported
One annual workplace training session delivered to all staff	Achieved  WSC Staff Development – Senior First Aid, Chemical Safety Application Course, Level 1 Sports Trainer Reaccreditation, Digital Advertising.  Employee Funded Development - 4 Day High Performance Coaching & Leadership

## 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	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  Council held several public meetings during the reporting period where participation rates exceeded KPI, these included:  True North facilitated Strategic Plan meeting - >25 Core Lithium Information Session Council Community Consultation Session to discuss Dog management By Laws, Verge Policy and the proposed Caravan Park
All statutory reports completed on time	Achieved
Community satisfaction with corporate relations	Achieved
Feedback to the monthly Council meetings	Achieved
Website and Facebook statistics	Achieved  Improved web analytics to be developed with future updated website

## 8.7 Records management

### Objective:

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

### Tasks and activities:

- Records filed on a regular basis
- Explore computer integration

Performance indicators	
Freedom of information requests completed as per statutory requirements	One  Annual statistical return completed regarding Section 18 and Section 38 provisions of the <i>Information Act</i> 2002.
Information required is readily available	Achieved  Following review of application of Section 53 (c) of the <i>Information Act</i> 2002.

## 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	Achieved
New grant funding	Achieved
Contract income increased by >5%	Not Achieved  Panel contracts have fixed value across financial years
One new contract acquired or contract variation to increase scope of works	Achieved  PowerWater and Department of Infrastructure, Planning and Logistics also engaged Works team for specific ad hoc tasks, such as remedial works to the Madorah Jetty carpark

## 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	Achieved  Chair of Audit Committee also completed an independent Audit of Assets
Fraud Protection Plan updated	Achieved
Comprehensive Risk Management Plan developed	Not Achieved

## 8.10 Work health and safety (WHS)

### Objective:

Provision of a framework to protect the health, safety and welfare of all workers and 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 Lost Time injuries	Not Achieved  Five (5) days in total lost due to workplace injury.
Conduct a minimum of 12 toolbox talks per year	Achieved

# **WAGAIT SHIRE COUNCIL**

**ABN: 65 843 778 569**

**Financial Report For The Year Ended  
30 June 2019**

# **WAGAIT SHIRE COUNCIL**

**ABN: 65 843 778 569**

## **Financial Report For The Year Ended 30 June 2019**

<b>CONTENTS</b>	<b>Page</b>
Chief Executive Officer's Certificate	1
Auditor's Independence Declaration	2
Statement of Profit or Loss and Other Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Working Capital	6
Statement of Cash Flows	7
Notes to the Financial Report	8
Independent Auditor's Report	29



**WAGAIT SHIRE COUNCIL**

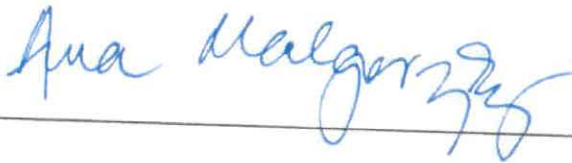
**ABN: 65 843 778 569**

**Chief Executive Officer's Certificate**

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

a. comply with 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 2019; and

b. are in accordance with the accounting and other records of the Council.



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Dated 18/10/2019

**AUDITOR'S INDEPENDENCE DECLARATION UNDER THE LOCAL GOVERNMENT ACT AND LOCAL GOVERNMENT ACCOUNTING REGULATIONS  
TO THE COUNCIL MEMBERS OF WAGAIT SHIRE COUNCIL**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

(a) the auditor independence requirements of the *Local Government Act and Local Government (Accounting) Regulations*; and

(b) any applicable code of professional conduct in relation to the audit.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

Darwin  
Northern Territory

Date: 24 October 2019



**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>Revenue and Other Income</b>			
Rates and annual charges	3A	348,092	336,248
User charges and fees	3B	120,601	162,387
Grants and contributions	3C	349,430	394,740
Interest	3D	18,467	16,975
Gain on sale of property, plant and equipment	3E	9,633	13,251
<b>Total operating revenues</b>		<u>846,223</u>	<u>923,601</u>
<b>Operating Expenses</b>			
Employee Cost	4A	393,496	321,838
Materials and Contracts	4B	272,652	374,047
Depreciation	4C	152,788	95,525
Other operating expenses	4D	11,625	11,625
<b>Total operating expenses</b>		<u>830,561</u>	<u>803,035</u>
<b>Profit for the year</b>		<u><u>15,662</u></u>	<u><u>120,566</u></u>
<b>Other comprehensive income</b>		-	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the year</b>		<u>15,662</u>	<u>120,566</u>
<b>TOTAL PROFIT AND OTHER COMPREHENSIVE INCOME</b>		<u><u>15,662</u></u>	<u><u>120,566</u></u>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 579**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand and at Bank	5	1,287,229	1,138,812
Trade and Other Receivables	6	22,700	69,775
Prepayments		7,397	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,317,326</b>	<b>1,208,587</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	7	2,913,281	2,940,423
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,913,281</b>	<b>2,940,423</b>
<b>TOTAL ASSETS</b>		<b>4,230,607</b>	<b>4,149,010</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	48,426	20,583
Grant liabilities and Deferred Income	9	112,148	93,618
Employee Provisions	10	50,191	30,949
<b>TOTAL CURRENT LIABILITIES</b>		<b>210,765</b>	<b>145,150</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	10	320	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>320</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>211,085</b>	<b>145,150</b>
<b>NET ASSETS</b>		<b>4,019,522</b>	<b>4,003,860</b>
<b>EQUITY</b>			
Retained Earnings		1,649,498	1,633,836
Reserves	11	2,370,024	2,370,024
<b>TOTAL EQUITY</b>		<b>4,019,522</b>	<b>4,003,860</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2019**

	Retained Earnings	Asset Revaluation Reserve	Asset Replacement and Maintenance Reserve	Total Equity
	\$		\$	\$
<b>Balance at 1 July 2017</b>	1,513,270	1,870,024	500,000	3,883,294
<b>Comprehensive income:</b>				
Surplus for the year	120,566	-	-	120,566
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income attributable to Members of the entity for the year</b>	<u>120,566</u>	<u>-</u>	<u>-</u>	<u>120,566</u>
<b>Balance at 30 June 2018</b>	<u><b>1,633,836</b></u>	<u><b>1,870,024</b></u>	<u><b>500,000</b></u>	<u><b>4,003,860</b></u>
<b>Balance at 1 July 2018</b>	<u>1,633,836</u>	<u>1,870,024</u>	<u>500,000</u>	<u>4,003,860</u>
<b>Comprehensive income:</b>				
Surplus for the year	15,662	-	-	15,662
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income attributable to Members of the entity for the year</b>	<u>15,662</u>	<u>-</u>	<u>-</u>	<u>15,662</u>
<b>Balance at 30 June 2019</b>	<u><b>1,649,498</b></u>	<u><b>1,870,024</b></u>	<u><b>500,000</b></u>	<u><b>4,019,522</b></u>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 579**  
**STATEMENT OF WORKING CAPITAL**  
**AS AT 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand and at Bank	5	1,287,229	1,138,812
Trade and Other Receivables	6	22,700	69,775
Prepayments		7,397	-
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,317,326</b></u>	<u><b>1,208,587</b></u>
<b>Less:</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	48,426	20,583
Grant liabilities and Deferred Income	9	112,148	93,618
Employee Provisions	10	50,191	30,949
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>210,765</b></u>	<u><b>145,150</b></u>
<b>NET ASSETS</b>		<u><b>1,106,561</b></u>	<u><b>1,063,437</b></u>
<b>CURRENT RATIO</b>		<u><b>6</b></u>	<u><b>8.33:1</b></u>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**STATEMENT OF CASH FLOWS**  
**FOR YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt of customers		511,077	479,207
Grants and contributions receipts		367,960	456,409
Interest received		18,467	16,975
Payments to suppliers and employees		(633,074)	(712,482)
Net cash provided by operating activities	13	<b>264,430</b>	<b>240,109</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposals of property, plant and equipment		13,584	16,364
Payment for property, plant and equipment		(129,597)	(129,244)
Net cash (used in) investing activities		<b>(116,013)</b>	<b>(112,880)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net cash provided by (used in) financing activities		-	-
Net increase in cash held		148,417	127,229
Cash and cash equivalents at beginning of the financial year		1,138,812	1,011,583
Cash and cash equivalents at end of the financial year	5	<b>1,287,229</b>	<b>1,138,812</b>

The accompanying notes form part of these financial statements.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65843778569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

This notes 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.

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB), the requirements of the Local Government Act, Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standard Board.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

**Accounting Policies**

**(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 profit or loss when the Council 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 are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Council 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.





**Note 1                      Summary of Significant Accounting Policies (Cont'd)**

**(b) Property, Plant and Equipment (Cont'd)**

**Plant and Equipment**

Plant and equipment 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 plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its 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 (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Council commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate Life (years)</b>
Buildings and improvements	20-40
Plant and equipment	3--10
Infrastructure	10
Office Equipment and furniture	3
Motor Vehicles	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 proceeds with the carrying amount. These gains or 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 earnings.



**Note 1                      Summary of Significant Accounting Policies (Cont'd)**

**(d) Financial Instruments (Cont'd)**

***Financial assets***

Financial assets are subsequently measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss

Measurement is on the basis of two primary criteria: the contractual cash flow characteristics of the financial asset; and the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost: the financial asset is managed solely to collect contractual cash flows; and the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income: the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Council initially designates a financial instrument as measured at fair value through profit or loss if: it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

***Derecognition***

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

***Derecognition of financial liabilities***

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

***Derecognition of financial assets***

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset: the right to receive cash flows from the asset has expired or been transferred; all risk and rewards of ownership of the asset have been substantially transferred; and the Council no longer controls the asset (ie has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the Council elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.











WAGAIT SHIRE COUNCIL  
 ABN: 65843778569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

**Note 1 Summary of Significant Accounting Policies (Cont'd)**

**(r) Adoption of New and Revised Accounting Standards**

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory for application and which were deemed to be applicable to its operations

These standards and interpretations adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to the Council's operations.

*Standards and Interpretations in issue not yet adopted*

The following new and revised Standards and Interpretations have recently been issued or amended but are not yet effective. The Council will apply these standards if there's any relevance to its financial statements for the annual reporting periods beginning on or after the effective dates.

Title	Nature of Change or Impact	Effective Date
AASB 15 Revenue from Contracts with Customers	<p>AASB 15 replaces AASB 118 Revenue and other standards related to income recognition not relevant to the Council. It:</p> <ul style="list-style-type: none"> <li>- establishes a new revenue recognition model;</li> <li>- changes the basis for deciding whether revenue is to be recognised over time or at a point in time;</li> <li>- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing); and</li> <li>- expands and improves disclosures about revenue.</li> </ul> <p>The Council has undertaken a detailed assessment of the impact of AASB 15 and based on this assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>	1 January 2019
AASB 16 Lease	<p>AASB 16:</p> <ul style="list-style-type: none"> <li>- replaces AASB 117 Leases and some lease-related Interpretations;</li> <li>- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;</li> <li>- provides new guidance on the application of the definition of lease and on sale and lease back accounting;</li> <li>- largely retains the existing lessor accounting requirements in AASB 117; and</li> <li>- requires new and different disclosures about leases.</li> </ul> <p>The Council has undertaken a detailed assessment of the impact of AASB 16 and the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>	1 January 2019

**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.

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**

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

**Local environment health**

- a) Waste management including litter reduction
- b) Weeds control and fire hazard reduction
- c) Companion animal welfare and control

**Local civic services**

- a) Library, cultural and heritage
- b) Civic events
- c) Local emergency services

**Community engagement in local government**

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

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 3

Revenue and Other Income

		2019	2018
<b>3A</b>	<b>Rates and annual charges</b>	\$	\$
	<i>Ordinary rates</i>		
	Residential, business and rural flat rate	231,992	228,998
	Waste management levy	116,100	107,250
	<b>Total rates and annual charges</b>	<b>348,092</b>	<b>336,248</b>
<b>3B</b>	<b>User charges and fees</b>	2019	2018
	Jetty and boat ramp maintenance	\$	\$
	Power and water contract income	61,394	60,457
	Weed management income	36,150	40,651
	Other fees and charges	-	-
	Other income	21,075	61,279
		1,982	-
	<b>Total rates and annual charges</b>	<b>120,601</b>	<b>162,387</b>
<b>3C</b>	<b>Grants and Contributions</b>	2019	2018
	<i>General purpose grants (untied)</i>	\$	\$
	FAA - General purpose component	11,969	8,908
	FAA - Roads to recovery component	55,755	54,235
	 <i>Northern Territory Government operating grants</i>		
	General purpose component	189,860	157,513
	Department of Sport, Recreation and Racing	21,000	19,091
	Department of Infrastructure and Regional	-	60,091
	 <i>Northern Territory Government non-recurring grants</i>		
	Specific purpose	60,964	152,886
	Other	8,382	1,000
	Less: unexpended grants	-	(60,964)
	 <i>Non Government grants and contributions</i>		
	Australia Day Council	1,500	2,000
	<b>Total grants and contributions</b>	<b>349,430</b>	<b>394,760</b>
<b>3D</b>	<b>Interest</b>	2019	2018
	Financial Institutions	\$	\$
		18,467	16,975
	<b>Total Interest</b>	<b>18,467</b>	<b>16,975</b>
<b>3E</b>	<b>Gains/ (loss) on disposal property, plant and equipment</b>	2019	2018
	Gains and Losses	\$	\$
		9,633	13,251
	<b>Total Gains/ (loss) on disposal property, plant and equipment</b>	<b>9,633</b>	<b>13,251</b>

Note 4

Expenses

		2019	2018
<b>4A</b>	<b>Employee Cost</b>	\$	\$
	Salaries and Wages	355,649	289,375
	Superannuation	29,710	25,966
	Recruitment	-	-
	Training and development	8,137	6,497
	<b>Total employee cost</b>	<b>393,496</b>	<b>321,838</b>

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 4

Expenses (Cont.)

4B Materials and contracts	2019	2018
	\$	\$
Rate Recovery cost	900	
Accounting	7,880	3,113
Community Activities	2,332	419
Donations	100	484
Sports & Rec Activities	173	105
Advertising	5,360	1,951
Cleaning	1,973	3,397
Safety Supplies & Equipment	-	-
Travel & Accommodation	2,661	161
Consultant fees	11,794	6,005
Miscellaneous	452	9,989
Valuation Costs	2,401	(4,141)
Bank Fees	307	2,391
Merchant Fees	1,185	388
Fees, Licences & Charges	1,462	1,037
Computer Support & Maint	2,147	1,813
Insurance	25,230	1,200
LGANT/Membership	1,495	23,936
Subscriptions & Publications	2,537	1,934
Postage	617	2,598
Printing & Stationery	5,314	158
Office phone/fax/internet	1,397	5,943
Mobiles	3,985	1,398
Satellite	434	2,590
Meeting expenses	2,032	628
Councillor Allowances	2,700	1,239
HR Service Fee	500	3,950
Staff Relocation	2,647	-
FAA Roads	4,140	-
Roads to Recovery Acquittal	-	70,278
Road Repair & Maintenance	-	2,775
Jetty Maintenance	248	263
Water Management/Maintenance	31	907
Animal Management	-	45
Other Contract expense	413	27,203
Cleaning Contract	2,392	31,091
Replace Bollards	428	-
Repairs & Maintenance	39,438	33,403
Cyclone Marcus March 2018	-	903
Fuel Works Ute	2,479	2,758
Fuel Plant and Machinery	2,282	2,289
Fuel CEO	9,845	8,252
Fuel Works Truck	865	567
Vehicle Registration	1,419	2,614
Rego - Plant & Machinery	1,276	692
Senior Week Function	1,418	1,179
Australia Day Expenses	1,516	2,012
Other Grant Expenses	2,636	-
Armistice Grant Project	3,121	-
Youth Vibe Holiday Grant	1,933	-
BBQ Shelter	250	-
Dog Pound Grant Expenses	1,150	-
Green Waste Compound	4,351	92,228
Regular Bin Collection	59,255	-
Qtly hard waste collection	18,300	-
Green waste chipping	4,739	-
Dwn Dutchess disposal	7,800	-
Removal of Communications Towe	3,300	-
Electricity	3,993	7,677
Gas Supplies	69	408
Pest Control	-	327
Water & Sewerage	3,550	6,339
Community Recreation Activity	-	1,087
Community Recreation Activity	-	382
Sports & Rec Equipment	-	3,787
Prior Period Adjustments	-	1,895
	-	-
<b>Total materials and contracts</b>	<b>272,652</b>	<b>374,047</b>

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

<b>4C</b>	<b>Depreciation</b>	2019		2018
		\$		\$
	Buildings	56,158		-
	Plant and equipment	37,224		24,434
	Office equipment	113		75
	Infrastructure	43,183		53,113
	Motor vehicles	16,110		17,903
	<b>Total employee cost</b>	<u>152,788</u>		<u>95,525</u>
<b>4D</b>	<b>Other operating expenses</b>	2019		2018
		\$		\$
	Audit services	6,750		6,750
	Other services	4,875		4,875
	<b>Total Other operating expenses</b>	<u>11,625</u>		<u>11,625</u>

**Note 5** **Cash on Hand and at Bank**

<b>CURRENT</b>		<b>Note</b>	2019	2018
			\$	\$
	Cash at Bank		1,287,101	1,137,499
	Cash on hand		128	1,313
	<b>Total Cash on Hand and at Bank</b>		<u>1,287,229</u>	<u>1,138,812</u>
	Restricted cash and cash equivalents summary			
	<i>Purpose</i>			
	<b>External restrictions</b>			
	Included in liabilities			
	- Unexpended grant liability		76,075	60,964
	Included in revenue			
	<b>Total external restrictions</b>		<u>76,075</u>	<u>60,964</u>
	<b>Internal restrictions</b>			
	Included in liabilities			
	Employee leave entitlements		50,509	30,949
	Included in revenue			
	<b>Total external restrictions</b>		<u>50,509</u>	<u>30,949</u>
	<b>Total unrestricted</b>		1,160,645	1,046,899
	<b>Total Cash on hand and at bank</b>	13(a), 17	<u>1,287,229</u>	<u>1,138,812</u>

**Note 6** **Trade and Other Receivables**

<b>CURRENT</b>		<b>Note</b>	2019	2018
			\$	\$
	<b>Receivables :</b>			
	Rates and annual charges		22,700	65,084
	Less :Provision for impairment of receivables		-	-
	<b>Total Unrestricted accounts receivable and other debtors</b>		<u>22,700</u>	<u>65,084</u>
	<b>Other Receivables :</b>			
	GST		-	4,691
	<b>Total Other receivables</b>		<u>-</u>	<u>4,691</u>
	<b>Total current trade and other receivables</b>	17	<u>22,700</u>	<u>69,775</u>

The Council normal credit term 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>	2019		2018
	\$		\$
Balance at beginning of the year	-		-
Reduction in allowance	-		-
<b>Balance at the end of the year</b>	<u>-</u>		<u>-</u>

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 7

Property, Plant and Equipment

	2019 \$	2018 \$
<b>Land</b>		
At cost	400,000	400,000
<b>Total Land</b>	400,000	400,000
<b>Buildings</b>		
At fair value	2,222,727	2,222,727
At cost	14,741	14,741
Less Accumulated depreciation	(56,158)	-
<b>Total Buildings</b>	2,181,310	2,237,468
<b>Total Land and Buildings</b>	2,581,310	2,637,468
18		
<b>Plant and equipment:</b>		
Plant and equipment:		
At cost	488,050	477,770
Less Accumulated depreciation	(313,490)	(356,412)
	174,560	121,358
<b>Infrastructure at cost:</b>		
At cost	864,460	864,460
Less Accumulated depreciation	(764,222)	(721,040)
	100,238	143,420
<b>Office equipment:</b>		
At Cost	175,930	175,930
Less Accumulated depreciation	(174,917)	(174,804)
	1,013	1,126
<b>Motor vehicles:</b>		
At Cost	118,733	116,087
Less Accumulated depreciation	(62,573)	(79,036)
	56,160	37,051
<b>Total Plant and Equipment</b>	331,971	302,955
<b>Total property, plant and equipment</b>	2,913,281	2,940,423

**Movements in Carrying Amounts**

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

	Land \$	Buildings \$	Plant and Equipment \$	Infrastructur e \$	Office equipment \$	Motor Vehicles \$	Total \$
<b>Carrying amount at 1 July 2018</b>	400,000	2,237,468	121,358	143,420	1,126	37,051	2,940,423
Additions at cost	-	-	94,379	-	-	35,218	129,597
Disposals Adjustments	-	-	(3,951)	-	-	-	(3,951)
Depreciation expense	-	(56,158)	(37,224)	(43,183)	(113)	(16,110)	(152,788)
<b>Carrying amount at 30 June 2019</b>	400,000	2,181,310	174,562	100,237	1,013	56,159	2,913,281

**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 \$2,281,547 as at 30 June 2019 (2018: \$2,380,888).

WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

**Note 8 Trade and Other Payables**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Sundry creditors and accrued expenses		42,216	11,214
Payroll liabilities		5,294	9,369
GST payable (net)		916	-
<b>Total Trade and Other Payables</b>		<b>48,426</b>	<b>20,583</b>
(a) Financial liabilities at amortised cost are classified as trade and other payables.			
<b>Trade and other payables:</b>			
— Total Current		48,426	20,583
— Less Deferred income		-	-
		<b>48,426</b>	<b>20,583</b>
— Total Non Current		-	-
<b>Total trade and other payables</b>		<b>48,426</b>	<b>20,583</b>
<b>Financial liabilities as trade and other payables</b>	17	<b>48,426</b>	<b>20,583</b>

**Note 9 Grant Liabilities**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Current			
Deferred Income		36,073	32,654
Unexpended grants		76,075	60,964
<b>Total Trade and Other Payables</b>		<b>112,148</b>	<b>93,618</b>

**Note 10 Employee Provisions**

	Note	2019 \$	2018 \$
<b>CURRENT</b>			
Provision for employee benefits: annual leave		23,116	23,388
Provision for employee benefits: long service leave		27,075	7,561
		<b>50,191</b>	<b>30,949</b>
<b>NON-CURRENT</b>			
Provision for employee benefits: long service leave		320	-
		<b>320</b>	<b>-</b>
<b>Total provisions for employee benefits</b>		<b>50,511</b>	<b>30,949</b>
<b>Analysis of total provisions:</b>			
<b>Opening balance at 1 July 2018</b>		<b>30,949</b>	
Net change in the provision during the year		19,562	
<b>Balance at 30 June 2019</b>		<b>50,511</b>	

**Provision For Employee Benefits**

Employee provisions represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Corporation does not expect the full amount of annual leave balance classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Corporation does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Note 11**

**Reserves**

	2019	2018
<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Asset Revaluation Reserve</b>		
Balance at end of the reporting year	1,870,024	1,870,024
The asset revaluation reserve arises on the revaluation of buildings and improvements. Where a revalued item of property, plant and equipment is sold, that portion of asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly into retained earnings.		
<b>Asset Replacement and maintenance reserve</b>		
Balance at beginning of reporting year	500,000	500,000
Transfer to reserve		-
Balance at end of the reporting year	500,000	500,000
<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

**Note 12**

**Key Management Remuneration**

	2019	2018
	<b>\$</b>	<b>\$</b>
Short- term employment benefits	95,558	86,295
Post employment benefits	9,214	8,156
<b>Total Key Management Remuneration</b>	<b>104,772</b>	<b>94,451</b>

**Other Related Party Disclosure**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel or individual or collectively with their close family members.

Transactions between related parties are on commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

There were no other related party transactions in 2019 (2018 :\$Nil).



WAGAIT SHIRE COUNCIL  
 ABN: 65 843 778 569  
 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

**Note 13** **Cash Flow Information**

	Note	2019 \$	2018 \$
<b>(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows :</b>			
Cash on hand and at bank	5	1,287,229	1,138,812
<b>Total cash as stated in the Statement of cash flows</b>		<b>1,287,229</b>	<b>1,138,812</b>
<b>(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit</b>			
Profit for the current year		15,662	120,566
<b>Non-cash flows:</b>			
Depreciation and amortisation expense		152,788	95,525
Gain/ (losses) on disposal of property, plant and equipment		(9,633)	(13,251)
<b>Changes in assets and liabilities:</b>			
(Increase)/decrease in trade and other receivables		47,075	(7,628)
(Increase)/decrease in Prepayments		(7,397)	-
Increase/(decrease) in accounts payable and other payables		27,843	(19,794)
Increase/(decrease) in Grant liabilities		18,530	61,669
Increase/(decrease) in employee provisions		19,562	3,022
<b>Net cash provided by operating activities</b>		<b>264,430</b>	<b>240,109</b>

**Note 14** **Lease and Capital Expenditure Commitments Outstanding:**

	2019	2018
<b>(a) Lease Commitments</b>		
<i>Leasehold rental commitments</i>	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,517	2,460
One to five years	-	1,517
More than 5 years	-	-
	<b>1,517</b>	<b>3,977</b>

The above payments relates to Rental of Photocopier Machine.

**(b) Capital Expenditure Commitments**

The Council has no capital expenditure commitments as at 30 June 2019 (2018:\$Nil).

**Note 15** **Contingent Liabilities and Contingent Assets**

The Council has no Contingent Liabilities and Contingent Assets as at 30 June 2019 (2018:\$Nil).

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Note 16** **Events After the Reporting Period**

The Management is not aware of any significant events since the end of the reporting period (2018: Nil)

**Note 17** **Financial Risk Management**

The Corporation's financial instruments consist mainly of deposits with banks accounts, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	<b>Note</b>	2019 \$	2018 \$
<b>Financial assets</b>			
Cash on hand	5	1,287,229	1,138,812
Trade and other receivables	6	22,700	65,084
<b>Total financial assets</b>		<b>1,309,929</b>	<b>1,203,896</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	8	48,426	20,583
<b>Total financial liabilities</b>		<b>48,426</b>	<b>20,583</b>

**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.

**Note 17**

**Financial Risk Management (Cont.)**

**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.

**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.

**(ii) Sensitivity analysis**

The following table illustrates sensitivities to the Council's exposures to changes in interest. The table indicates the impact on how profit reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	2019	2018
	\$	\$
<b>Surplus \$</b>		
(+/- 1% in interest rates)	12,123	10,743

No sensitivity analysis has been performed on foreign exchange risk as the entity has no material exposures.

Refer to Note 18 for detailed disclosures regarding the fair value measurements of the Council financial assets.

**WAGAIT SHIRE COUNCIL**  
**ABN: 65 843 778 569**  
**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019**

**Note 18** **Fair Values Measurements**

**Fair value estimation**

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position.

	Note	2019 Carrying Amount \$	Fair Value \$	2018 Carrying Amount \$	Fair Value \$
<b>Financial assets</b>					
Cash on hand and at bank	5, 17	1,287,229	1,287,229	1,138,812	1,138,812
Trade and other receivables	5, 17	22,700	22,700	65,084	65,084
<b>Total financial assets</b>		<u>1,309,929</u>	<u>1,309,929</u>	<u>1,203,896</u>	<u>1,203,896</u>
<b>Financial liabilities</b>					
Trade and other payables	8, 17	48,426	48,426	20,583	20,583
<b>Total financial liabilities</b>		<u>48,426</u>	<u>48,426</u>	<u>20,583</u>	<u>20,583</u>

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- (a) in the principal market for the asset or liability; or  
(b) in the absence of a principal market, in the most advantageous market for the asset or liability."

	Note	2019 Carrying Amount \$	Fair Value \$	2018 Carrying Amount \$	Fair Value \$
<b>Non-Financial assets</b>					
Land and Buildings	7	2,181,310	2,181,310	2,237,468	2,237,468
<b>Total non-financial assets</b>		<u>2,181,310</u>	<u>2,181,310</u>	<u>2,237,468</u>	<u>2,237,468</u>

- (i) For freehold land and buildings, the fair values are based on a directors' valuation taking into account an external independent valuation performed for buildings in year 2016, which used comparable market data for similar properties.

**Note 18** **Council Details**

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

**The Principal place of business is:**

142 Wagait Tower Road  
Wagait Beach NT 0822

## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF WAGAIT SHIRE COUNCIL

### **Opinion**

We have audited the financial report, being a general-purpose financial report, of Wagait Shire Council, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and comprehensive income, statement of changes in equity, the statement of working capital, statement of cash flows, the chief executive officer's statement and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial report of the Wagait Shire Council has been prepared in accordance with the *Northern Territory of Australia Local Government Act*; including:

- (i) give a true and fair view of the Council's financial position as at 30 June 2019 and of its performance and its cash flows for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Local Government (Accounting) Regulations*.

### **Basis for Opinion**

We conducted our audit in accordance with the 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 *Northern Territory of Australia Local Government Act* and the 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.

### **Other Matter**

The financial report of the Council for the year ended 30 June 2018 was audited by another auditor who expressed an unqualified opinion on the financial report on 12 September 2018.

### **Responsibilities of the Chief Executive Officer for the Financial Report**

The Chief Executive Officer of the Council are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Local Government Act and Local Government (Accounting) Regulations*, and is appropriate to meet the needs of the members. The Chief Executive Officer are also responsible for such internal control as the Council determine is 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.



## INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF WAGAIT SHIRE COUNCIL (CONT)

### *Responsibilities of the Chief Executive Officer for the Financial Report (Cont.)*

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 Council members either intend to liquidate the Council or to cease operations, or have no realistic alternative but to do so.

The Chief Executive Officer and Council Members are responsible for overseeing the Council's financial reporting process.

### *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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by those charged with governance.
- Conclude on the appropriateness of the Council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

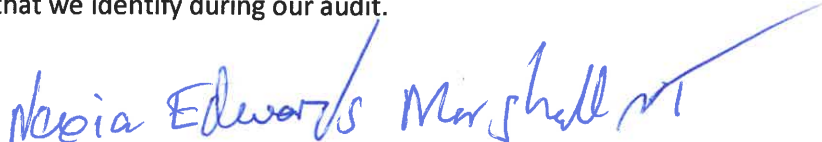


**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS OF WAGAIT SHIRE COUNCIL (CONT)**

***Auditor's Responsibilities for the Audit of the Financial Report (Cont.)***

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

Darwin  
Dated: 24 October 2019

