



Wagait Shire Council

ANNUAL REPORT

2019-2020

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Introduction

Wagait Shire Council is pleased to present its Annual Report for the 2019-2020 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 2019-2020.

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, 2019-2020. Council's audited financial statements for the year ending 30 June 2019 form an essential element of this report.

Our Mission

Delivering improved social, economic, environmental and cultural life of residents in the Wagait Shire Council area through emphasis on an involved community, in alternate energy, maintaining and developing our infrastructure, providing core services, promoting investment, ensuring accessibility and capitalising on our natural advantages with an emphasis on long term stability and sustainability.

Our Vision

The vision of the Wagait Shire Council is to sustain and nurture the lifestyle of residents and visitors. This will be achieved through improvements to economic, cultural and ecological opportunities and will work on creating an involved and supportive community, promoting investment, ensuring accessibility and capitalising on our natural advantages with an emphasis on sustainability.

President's Message

2019-2020 proved to be a very positive and productive 12 months for the Wagait Shire Council.

I am delighted to report that our latest Chief Executive Officer, Renita Glencross, has brought a new cohesion to the Shire's operations. Her inclusive approach to include community members in matter that could impact on them appears to have significantly improved the trust in our Council and its operations.

Several community meetings were held during the year which gave residents the opportunity to have input to a range of issues that may affect them and to better understand the workings of the council and its staff.

The first steps have been taken to implement the long-awaited dog bylaws. While there are a number of issues still to be resolved, we expect to see this program in place in the near future.

The year saw a new modern computer system brought on-line which has significantly improved our financial records and the day-to-day Shire administration. The value of this equipment is obvious in the Council's financial reporting and we can confidently look forward to vastly improved records and filing systems in future.

This will be my final President's report.

After serving on the Cox Peninsula Community Government Council in 1997/8 and subsequently on the Wagait Shire Council since 2008, I would like to thank all those with whom I have worked in those 23 years. We may not have always agreed and there may have been a terse word or two – or even – three, but I trust we always put the interests and welfare of the Wagait Beach community first.

I am certainly not leaving town and will be around for a long time to come.

A particular thank you to our first CEO Graham Watson, who worked tirelessly to get the Council on its feet, and to Renita who is working hard to put it back on its feet.

Neil White has taken on the President's position and I trust the community gives him the same level of support I have enjoyed over many years. Thank you all.

Peter Clee
President, June 2020
Wagait Shire Council

Chief Executive Officer's Message

The 2019-20 financial year has been one of many challenges and changes for Wagait Shire Council including another change of leadership in February 2020 when CEO Renita Glencross replaced Anna Malgorzewicz, who accepted the CEO position to serve Coomalie Community Council.

In March 2020, COVID-19 completely altered all Council intentions for the final quarter of 2019-20 and in all likelihood, our lifestyle and capacity for the foreseeable future. As has occurred in past disaster response and recovery situations, the Wagait Beach community rallied and in observing all new restrictions and protocols remained safe and without incident. Interestingly, COVID-19 has also provided a welcome hiatus from expectations, unexpected stimulus support from Government and an opportunity to get our house in order.

Council Governance

In 2019, the new NT Local Government Act was legislated and as a result of COVID-19 interventions, planned implementation was rescheduled for 2020-21. Council has met all Local Government Act, regulatory and guideline statutory requirements for the year and has commenced working towards a review of all policies to be aligned with the new Act by June 2021.

A Compliance Review by the Department of Local Government, Housing and Community Development commenced 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 continued through 2019-20 and has strengthened the policies and procedures needed to take Wagait Shire Council into the future.

Council Staff Team

This year saw no changes to the staffing structure of Council however the approach to daily business and the integrity with which business is done has improved significantly. This is partly due to the work carried out to implement new HR and WHS policies, strengthening our workplace environment and ethics. The Council staff team have shown commitment and dedication to both Council and community and look forward to further improved efficiencies and service delivery going forward.

Council Finance

In 2019-20 the overall income totalled \$860,359. Council increased rates from \$571.60 to \$596.90 per annum and the waste management charge of \$300 per allotment remained static, bringing revenue of \$352,817. Council received operational grants of \$301,115 and generated contract income of \$144,222. The Council's financial position for the Financial Year ending 30 June 2020 saw an operating surplus of \$150,945 (including depreciation expense of \$150,806). Cash available at the end of the financial year was \$1,536,103.

Funds for new projects consistent with Council's Shire Plan and long-term Strategic Plan were received in 2019-20, totalling \$46,205 in additional revenue. Project funds of \$297,966 were carried forward including grants for stimulus funds and road upgrades received in June 2020, and grants from previous projects with timeline variation approvals.

Project	Value	Current Status
Australia Day	2,000	Completed and acquitted
Water tank (2018-19)	7,607	Partially completed and c/f to 2020-21
Dog Pound (2018-19)	30,537	Partially completed and c/f to 2020-21
Electronic Records System (2018-19)	34,889	Partially completed and c/f to 2020-21
Local Government Stimulus Funds	100,000	Received June 2020 and c/f to 2020-21
Local Community Roads and Infrastructure	25,116	Received June 2020 and c/f to 2020-21
Roads 2 Recovery	125,000	Received June 2020 and c/f to 2020-21
Seniors Month Grant	2,000	Completed and acquitted
Youth Vibe Holiday Program, QRS Grants	4,000	Completed and acquitted

Roads

Expenditure in relation to road maintenance and repairs was approximately \$26,973 for the 2019-20 financial year. In January 2020 a 1/100 year rainstorm tested the estate culverts and drains with extensive flooding experienced throughout; notably at Wagait Tower Road, Forsyth Rd and Cox Drive floodway. This identified the need for further drainage remediation and culvert protection as well as property driveways and an audit is being undertaken by Council for works in 2020-21. Funding for Cox Drive floodway resurfacing was received in June 2020 and this will be undertaken with other priority works, in 2020-21.

Waste Management

Household waste continues to be collected locally and transported to the Shoal Bay Waste Management Facility for disposal. In April 2020, use of the Hard Waste compound was reviewed and new terms and conditions were established. As much as possible, hard waste is now upcycled or recycled and then sorted for transport to Shoal Bay. The Green Waste facility on the eastern side of the sportsground at Cloppenburg Park is being well used and while the access track has been maintained but is deteriorating and plans for a new all-weather road are underway for construction in 2020-21. Residents are able to dispose of green waste at the facility and contractors will be brought in seasonally to woodchip the waste. Woodchips are provided back to the community free of charge.

Acknowledgement








I would like to thank all Councillors for their support and guidance through my first year in the position, as well as the 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.

And most importantly, I am so very grateful for the dedicated, professional, and hardworking residents and volunteers who have ensured that the community is safe, the gardens are watered, the kids enjoy regular movie-nights, and the business of serving the community continues unaffected during this time of great change.

Renita Glencross
Chief Executive Officer

Our Community – Growing Together

Wagait (S) () (74560)

		Year	Wagait (S)	Australia
 Population & People	Estimated Resident Population - persons (no.)	2018	508	24,992,860
	Working Age Population (aged 15-64 years) (%)	2018	65.4	65.5
 Aboriginal & Torres Strait Islander Peoples	Estimated Resident Aboriginal and Torres Strait Islander Population - persons (no.)		No Data Available	798,365
	Speaks an Aboriginal or Torres Strait Islander language at home (%)		No Data Available	10.3
 Economy & Industry	Total number of businesses (no.)	2019	35	2,375,753
	Main employing industry:			
 Income	Median equivalised total household income (weekly) (\$)	2016	1,010	877
	Median total income (excl. Government pensions and allowance) (\$)	2017	61,366	48,360
 Education & Employment	Proportion completed Year 12 or equivalent - total population aged 15 years and over (%)	2016	46.7	51.9
	Unemployment rate (%)	2016	7.7	6.9
 Health & Disability	Persons who have need for assistance with core activities (%)	2016	4.5	5.1
 Family & Community	Average household size (no. of persons)	2016	2.2	2.6
	Average monthly household rental payment (\$)	2016	1,010	1,524
	Average monthly household mortgage payment (\$)	2016	1,883	1,958
 Persons Born Overseas	Total Population (no.)	2016	82	6,149,388
	Proficient in English (%)	2016	92.7	88.7
 Land & Environment	Land area (ha)	2018	563.8	768,812,631.9
	Small-scale solar panel system installations (no.)	2018	9	2,039,894

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.

At the beginning of the 2019-20 Financial year, Council consisted of : President Peter Clee, Vice President Tom Dyer, Councillor Graham Drake, Councillor Michael Vaughan and Councillor Neil White. In May 2020, President Clee resigned as President effective 30 June 2020 and Cr Neil White was nominated to the position from 1 July 2020. Cr Tom Dyer remains as Vice-President.

As at 30 June 2020, members of Council were:

[Photo to come]

President Peter Clee

[Photo to come]

Vice President Tom Dyer

[Photo to come]

Cr Graham Drake

[Photo to come]

Cr Michael Vaughan

[Photo to come]

Cr Neil White

Councillor Attendance at Ordinary Meetings of Council in 2019-20 (from total of 11 Meetings held)

- President Peter Clee - 9
- Vice President Tom Dyer - 11
- Councillor Graham Drake - 9
- Councillor Michael Vaughan - 10
- Councillor Neil White – 10

Pursuant to Section 71(3) of the *Local Government Act 2008*, Council resolved an Elected Member allowances total of \$2000 for 2019-20. Some Elected Members nominated to donate their allowances back to Council, consistent with the provisions of General Instruction No. 2.

Our Council Committees

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. Key activities during the reporting period included:

- Review of policies relating to governance, financial and human resource management matters
- Review of the Draft Annual Shire Plan and Budget
- Annual review of the audited financial statements

In 2019-20 the Audit Committee comprised five members: Chair Claire Milikins, community representatives Barry Bamford and Maureen Newman, and Councillors Neil White and Graham Drake. In September Barry Bamford resigned from the Committee and Council are seeking a replacement.

The Audit Committee met on four occasions in the 2019-20 Financial Year.

- 10 November 2019
- 22 January 2020
- 18 May 2020
- 8 September 2020

Emergency Management Committee

The Emergency Management Committee was reconvened in March 2020 when a National Emergency was declared by the Chief Medical Officer due to the global pandemic of COVID-19 virus.

The Terms of Reference were reviewed and COVID-19 Emergency Management Arrangements and a Community Action Plan were prepared.

In 2019-20 the Audit Committee initially comprised six members: Chair (CEO); NTES representative Jason Murphy; community representatives Chris Tyzack, Kim Dye and Chris Chaplin; and Councillor Peter Clee. Additional members specifically included for COVID-19 included Cathy Winsley (CEO Belyuen), Belyuen Health Services Manager Nick Barclay and Kelly Murphy (Belyuen Aged Care).

The Emergency Management Committee met weekly during the early stages of the COVID pandemic, a total of 6 meetings between 27 March to 13 May 2020.

- 27 March 2020
- 6 April 2020
- 14 April 2020
- 20 April 2020
- 27 April 2020
- 13 May 2020

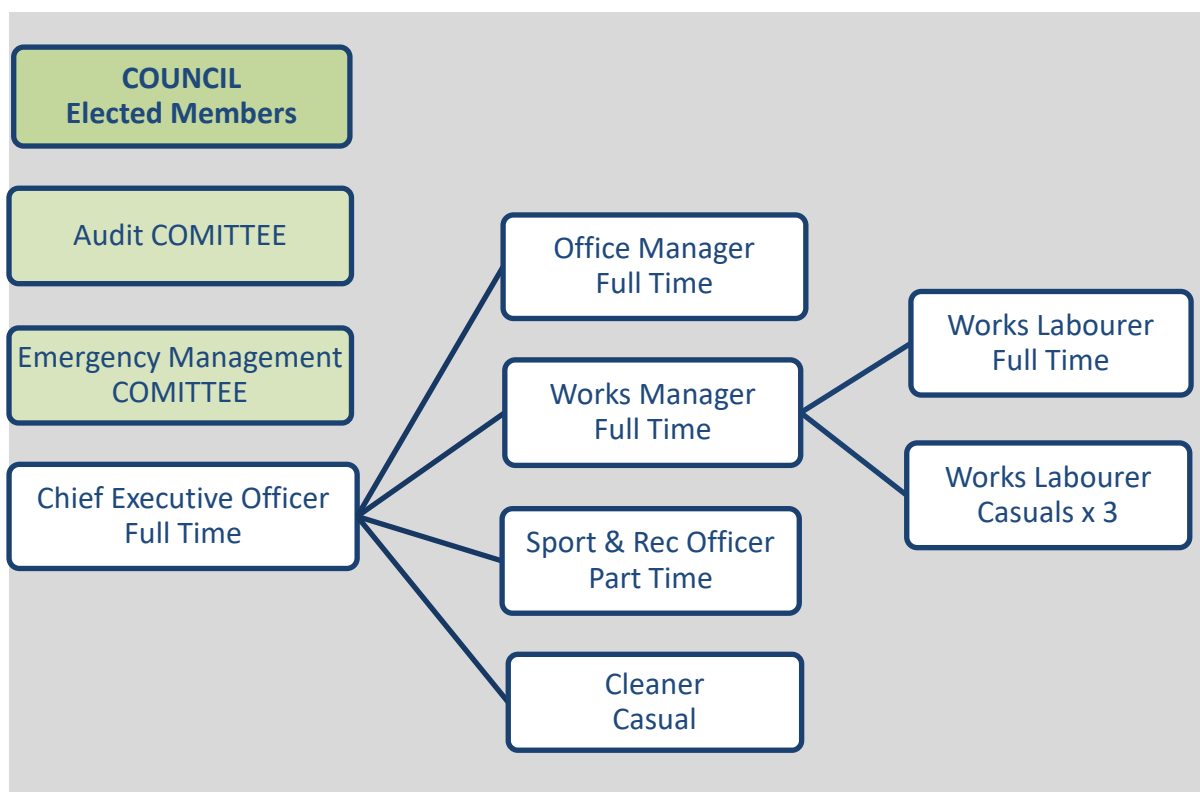
Our Organisational Structure

The staff structure established in 2019-20 supports ongoing flexible workplace arrangements under the Local Government Industry Award. The Award was reviewed and consolidated in 2020 by the Fair Work Commission to include additional measures for COVID-19 arrangements. Council elect employs a CEO fulltime to manage the business of Council and four permanent staff support the CEO in the daily operations.

The employment of additional casual staff has been critical to providing extra ordinary services such as Covid-19 maintenance and cleaning, waste management and other commercial contracts maintained by Council during 2019-20.

Current funding for the part-time Sports and Recreation Officer supports 14 hours/week contact-time, with an additional 6 hours for the Sports and Recreation program planning and coordination funded by Council rates. Resources for special activities and school holiday programs are also delivered by the Council Sports and Recreation Program, with additional funds provided by one-off project grants for each activity.

An additional 10 administrative support hours were made available in 2019-20 to provide assistance to the CEO in Work Health Safety (WHS) and HR matters. This will be reviewed in 2020-21 as the requirements for administration in Council business have increased significantly with implementation of the new Local Government Act 2019 and Regulations in 2020.



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 <ul style="list-style-type: none"> • Regular mowing • Spraying of weeds • Collection of litter • Provision of new facilities 	Performance Indicators <ul style="list-style-type: none"> ✓ Less than six complaints per year ✓ Number of times mowing, weed control and litter collected; daily, weekly and seasonal actions ✓ Operational costs met within budget ✓ Masterplan for Cloppenburg Park facilities considered
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 <ul style="list-style-type: none"> • Attend to maintenance needs as required • Undertake regular inspections of Council buildings 	Performance Indicators <ul style="list-style-type: none"> ✓ Less than 2 complaints per month ✓ Compliance with budget ✓ All air conditioning units serviced ✓ All generators tested monthly and serviced annually ✓ All septic facilities inspected and serviced annually
1.3 Local Roads Upgrade and Construction	
Objective: Construction of new and upgrading of existing sealed and unsealed roads.	
Tasks and Activities <ul style="list-style-type: none"> • Consider roads requiring major upgrades or construction 	Performance Indicators <ul style="list-style-type: none"> ✓ Funds secured for major repairs to Cox Drive floodway and other priority works in 2020/21 ✓ Green waste track maintained and options for upgrade considered, pending funding
1.4 Local Roads Maintenance	
Objective: Maintenance of sealed and unsealed roads including drainage footpaths and curbing.	
Tasks and Activities <ul style="list-style-type: none"> • Repair potholes when evident • Repair or replace damaged barriers • Clear silt and weeds from drains and road shoulders • Monitor road surface conditions 	Performance Indicators <ul style="list-style-type: none"> ✓ Repair all potholes greater than 20mm in depth ✓ Repair/replaced all damaged barriers ✓ Road and drain audit commenced following 1/100 year flood from storms in January 2020

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 <ul style="list-style-type: none"> Regular inspection of condition of street name plates and where necessary arrange replacement. Ensure that traffic control devices are operated effectively 	Performance Indicators <ul style="list-style-type: none"> ✓ Signs displayed the same day when notification of a road hazard is received ✓ Directional signage monitored and replaced as required ✓ Request for reduction of speed limit on WTR
1.6 Fleet, Plant and Equipment Maintenance	
Objective: Provision of routine maintenance on Council's plant fleet.	
Tasks and Activities <ul style="list-style-type: none"> Regular inspection of plant and equipment Regular routine maintenance undertaken Log books updated each time plant is used Major maintenance to be undertaken by authorised dealer Regular running of generators 	Performance Indicators <ul style="list-style-type: none"> ✓ Planned servicing completed no more than one month after due date ✓ Down time of fleet, plant and equipment less than 5% of operational requirements ✓ Planned procurement for changeover of CEO vehicle undertaken and operational lease investigated

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 <ul style="list-style-type: none"> Manage waste in public areas Manage putrescible waste contract Manage Hard waste compound Manage Green waste compound Community education 	Performance Indicators <ul style="list-style-type: none"> ✓ Less than four complaints per year about wheelie bin emptying service ✓ Public spaces cleaned after community events ✓ Public roadsides litter free ✓ Quarterly Hard waste collections provided to Nov19 then new arrangements and conditions established in Mar20 for recycling/upcycling in compound and sorting prior to transfer to Shoal Bay ✓ Green waste facility burned regularly as permitted and woodchips made available free to residents seasonally

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 <ul style="list-style-type: none"> • Spray weeds on a regular basis • Slash grassed areas that may become a fire hazard • Fulfil jetty carpark weed control contract • Community education 	Performance Indicators <ul style="list-style-type: none"> ✓ Less than six complaints about weeds annually ✓ Weed outbreaks identified and managed including provision of glyphosate to residents for Gamba control ✓ Jetty contract fulfilled ✓ Community planning meeting with NT Weeds Branch
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; and promotes responsible ownership of animals.	
Tasks and activities <ul style="list-style-type: none"> • Annual renewal of firearms license • Maintenance and promotion of dog management policy and register • Community education campaign 	Performance Indicators <ul style="list-style-type: none"> ✓ By-law gazette and adopted Nov19 ✓ Community education campaign implemented Mar20 ✓ Policies prepared for adoption May20 ✓ Preparation for construction of dog enclosure ✓ Dog complaints actioned within 24 hrs

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	
Tasks and Activities <ul style="list-style-type: none"> • Encourage more users and ascertain future needs. 	Performance Indicators <ul style="list-style-type: none"> ✓ Library to be open for public use >200 days ✓ Campaign for volunteers undertaken successfully
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 <ul style="list-style-type: none"> • Conduct Australia Day activities and celebrations • Conduct ANZAC Day celebrations • Conduct Seniors' Month activities • Conduct Territory Day celebrations 	Performance Indicators <ul style="list-style-type: none"> ✓ Deliver at least four community events in FY; ANZAC Day and Territory Day celebrations were cancelled due to COVID-19 restrictions, however Seniors' month activities/excursions expanded to 4+ activities

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ✓ CEO and Office Manager attended all local and regional cyclone shelter meetings and briefings ✓ Wagait Shire Emergency Management Committee reconvened in Mar20 to consider community response and recovery for COVID-19 pandemic ✓ Disaster management arrangements for fire, flood and cyclone reviewed and action plans considered

4 Community Engagement in Local Government

4.1 Administration of Local Laws	
Objective: Monitoring and enforcement of Council local laws.	
Tasks and Activities <ul style="list-style-type: none"> • Continue to monitor community expectations and behavior • Enact Dog Management By-laws 	Performance Indicators <ul style="list-style-type: none"> ✓ Dog Management By-laws enacted with policies and campaign for dog registration implemented ✓ Present all requests from the community at Council meetings, that reflect changes in attitude or expectations
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 <ul style="list-style-type: none"> • Continue to utilise notice boards • Maintain and upgrade the Council web site • Conduct community meetings to seek community feedback on major issues 	Performance Indicators <ul style="list-style-type: none"> ✓ No more than four complaints annually regarding Council staff performance; two complaints regarding staff conduct lodged with CEO, and one to President ✓ Mailchimp template established and Council newsletter delivered monthly ✓ Two general community meetings held and two other community forums and info-sessions held

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 <ul style="list-style-type: none"> • Conduct monthly Council meetings • Produce and publish agendas and minutes • Provide ongoing Councilor training • Induction training given to all new Councilors 	Performance Indicators <ul style="list-style-type: none"> ✓ Report number of elected members attendance at meetings (statistics provided p9) ✓ Governance procedures are reviewed and continue to be updated in line with new Local Government Act 2020 ✓ No new Councilors were inducted in 2019-20 however President Clee resigned effective 30 June 2020 and Cr Neil white was nominated for President commencing July 2020.
4.4 Advocacy and Representation on Local and Regional Issues	
Objective: Participate on regional boards or committees to represent the Council's views on relevant local and regional issues.	
Tasks and Activities <ul style="list-style-type: none"> • Continue participation at all functions that may be regionally significant to the Cox Peninsula 	Performance Indicators <ul style="list-style-type: none"> ✓ CEO and President attended LGANT, TOPROC and NTG Agency meetings ✓ Reports and updates on work under-taken with LGANT, NTG agencies and other stakeholders provided to Council and community via monthly Council meeting minutes ✓ Climate Change Plan (LGANT 2010) acknowledged by Council and adaptation strategies considered

5 Commercial Services

5.1 Commercial Contracts	
Objective: Undertake ongoing maintenance of assets as per contractual arrangements.	
Tasks and Activities <ul style="list-style-type: none"> • Wash and clean jetty • Remove waste from jetty • Maintain jetty parking area • Undertake maintenance to jetty as required • Undertake water sampling at predetermined intervals • Monitor bores at predetermine intervals • Attend water supply faults 	Performance Indicators <ul style="list-style-type: none"> ✓ Successful completion, acquittal, and renewal of contracts with all KPI's met ✓ Additional contract undertaken for COVID-19 safety cleaning of the jetty handrails

6 Agency Services

6.1 Sports and Recreation	
Objective: Provision of sport and recreation activities to the community.	
Tasks and Activities <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ✓ Deliver at least four different types of activities every month across Seniors, Youth, children, and adults ✓ Maintain current attendance and participation numbers; all ages Walkers and Runners participation increased significantly in 2019-20 and included multiple fun-run events; 5 in the 5th / 10 in the 10th. ✓ New user-pay programs run by local professionals were introduced (Pilates) ✓ Assistance given to coordinate Australia Day activities ✓ Additional \$8000 in activity funds secured for School Holiday Programs, Seniors Month and Youth Week ✓ Walk/Ride to School and Darwin Harbour Clean-up postponed due to COVID-19 restrictions ✓ Support given to community-initiated activities such as Big Bash Cricket ✓ Community consultation under-taken to identify and forward planning objectives ✓ Maintain Safe NT registration

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 <ul style="list-style-type: none"> • Continue to support Wagait Beach Medical Clinic • Continue to support Seniors' program • Encourage expansion of medical clinic and a locum doctor • Monitor funding opportunities for new services 	Performance Indicators <ul style="list-style-type: none"> ✓ Attendance numbers at events and services <ul style="list-style-type: none"> - Australia Day - 220 - Seniors Week excursion - 36 ✓ Walk/Ride to School and Darwin Harbor Clean-up postponed due to COVID-19 restrictions ✓ Regular outreach medical services from Belyuen Health were disrupted due to COVID-19 and restricted shared arrangements were introduced; residents were not allowed into Belyuen and Council worked with Top end Health to provide adequate community health service ✓ MoU with NAAJA for outreach legal services support commenced in May 2020 ✓ Agreements with Ironbark CDP for work activities and programs at Council considered for 2020-21 ✓ Council is informed with suggestions and feedback about events and services at monthly 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 <ul style="list-style-type: none"> • 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 Develop Committee 	Performance Indicators <ul style="list-style-type: none"> ✓ Cost benefit analysis and business case for Caravan Park not undertaken at Council's request ✓ Wagait Arts Group Festival/Exhibition and MUFF both cancelled due to COVID-19 restrictions ✓ Wagait Shire Placemaking concept introduced to Council, requiring ToR and Action Plan ✓ 'Welcome to Wagait Beach' signage competition with design and development of entrance statement to community underway ✓ Directional signage project underway

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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ✓ Review and maintain asset management register that includes valuation and depreciation ✓ Valuation of Capital Assets (infrastructure) undertaken for insurance purposes ✓ Development of an Asset Management policy underway in line with new LGA 2020 requirements ✓ Funding sought for major roads project (resheeting of all estate roads)
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 <ul style="list-style-type: none"> • Continue to meet legislated deadline for the completion of planning documentation 	Performance Indicators <ul style="list-style-type: none"> ✓ Annual Report for 2018-19 prepared, adopted and submitted on time. ✓ A draft 5-year strategic plan from 2020-2025 developed, adopted and submitted on time

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 <ul style="list-style-type: none"> • Ensure financial data is up to date to produce accurate reporting • Regular reports to Council meetings • Maintain accurate property and rate records 	Performance Indicators <ul style="list-style-type: none"> ✓ Increase contract income by >5% - achieved through additional COVID-19 contracts with DIPL ✓ Increase bank investment returns by >4% - not achieved due to reduced interest rates ✓ Council Wise were contracted to implement new cloud-based accounting system 'Xero' ✓ Monthly financial reports continue to be produced by outsourced bookkeeper ✓ Financial Reports were submitted to acquit grants in a timely manner ✓ Rates Assessment Record was reviewed, and new software introduced to manage property and rates records (PropertyWise)
8.4 Human Resources	
Objective: Services and support for human resources administration including recruitment, induction, training and development.	
Tasks and Activities <ul style="list-style-type: none"> • Conduct annual performance reviews • Prepare annual training plan for all employees • Develop HR policy • Maintain 	Performance Indicators <ul style="list-style-type: none"> ✓ Employsure were contracted to provide HR services including a review of all HR processes ✓ WALGA services were secured under license with LGANT and Employsure contract rescinded ✓ HR policies developed with support from Employsure and WALGA ✓ Staff performance reviews were undertaken with support from WALGA ✓ One industrial relations complaint requiring mediation and conflict management, professional services EASA contracted to assist ✓ WHS workplace training session delivered to all staff ✓ Cert IV HR training provided to Sports and Rec Officer ✓ Professional development opportunities for staff included: Australia Day conference in Alice Springs; Sports Medicine workshops x2; Authorised Officer training x2.
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 <ul style="list-style-type: none"> • Develop IT policy & procedure • Implement best practice IT Infrastructure Library and digital record-keeping systems 	Performance Indicators <ul style="list-style-type: none"> ✓ Major hardware and software upgrades were undertaken including installation of cloud-based server and migration of Council records to digital record keeping systems ✓ Record-keeping Policy and Procedure in development

8.6 Public and Corporate Relations	
Objective: Communication with the general public through personal contact, public meetings and media information.	
Tasks and Activities <ul style="list-style-type: none"> • Council meetings are open to the public • Identify issues for public meetings • Regular maintenance and updating of the Council website 	Performance Indicators <ul style="list-style-type: none"> ✓ At least 10 community members at public meetings ✓ All statutory reports completed on time ✓ Community satisfaction with corporate relations ✓ Feedback to the monthly Council meetings ✓ Web page maintain and funding sought for redesign ✓ Website and Face Book statistics and analysis undertaken and considered in development of new 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 <ul style="list-style-type: none"> • Records filed on a regular basis • Explore computer integration 	Performance Indicators <ul style="list-style-type: none"> ✓ No more than 14 days to complete a freedom of information request – none received and reported in Annual Statistical return ref <i>Sections 18 and 38 of the Information Act 2002</i> ✓ Information required is readily available, Following review of application of Section 53 (c) of the <i>Information Act 2002</i>.
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 <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ✓ Budget balanced without shortfall ✓ New grant funding for community programs and activities secured ✓ End of year position \$1,536,103 cash equivalents ✓ Contract income increased by >5% was not achieved ✓ New contract acquired and contract variation to increase scope of works for COVID-19 secured
8.9 Risk Management	
Objective: Provision of internal risk management systems	
Tasks and Activities <ul style="list-style-type: none"> • Conduct annual audit • Maintain asset register • Ensure assets have sufficient insurance coverage • Update fraud protection plan 	Performance Indicators <ul style="list-style-type: none"> ✓ Satisfactory audit of the asset register completed by Audit Committee Chair ✓ Fraud protection plan updated ✓ Comprehensive risk management plan underway

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 operating 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 affected an employee's ability to work
- ✓ WHS training presented by professional contractor and undertaken by all staff
- ✓ Conduct more than 40 weekly Toolbox Meetings
- ✓ All workplace incidents documented
- ✓ All staff provided with appropriate PPE
- ✓ All staff attended info-session on COVID-safe operations of Council facilities and workplace environments

WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Financial Report For The Year Ended

30 June 2020

WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Financial Report For The Year Ended 30 June 2020

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WAGAIT SHIRE COUNCIL

ABN: 65 843 778 569

Council Certificate

We have been authorised by the Council to certify the financial statements in their final form. In our opinion:

(a) the accompanying financial statements comply with the Local Government Act 2008 , Local Government Accounting Regulations and Australian Accounting Standards.

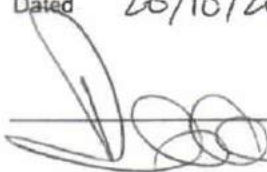
(b) the financial statements present a true and fair view of the Council's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.

(c) internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the year.

(d) the financial statements accurately reflect the Council's accounting and other records



Dated 20/10/2020



Dated

2/10/20.

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

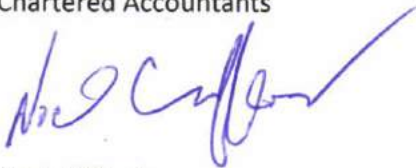
I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of:

(a) the auditor independence requirements of the *Northern Territory of Australia Local Government Act 2008* and *Northern Territory of Australia Local Government (Accounting) Regulations 2008*; 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: 23 October 2020

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
INCOME			
Rates and annual charges	3A	352,817	348,092
User charges and fees	3B	144,222	120,601
Grants and contributions	3C	347,320	349,430
Interest	3D	16,000	18,467
Gain on sale of property, plant and equipment	3E	-	9,633
TOTAL INCOME		860,359	846,223
EXPENSES			
Employee Cost	4A	436,059	393,496
Materials and Contracts	4B	204,408	208,255
Depreciation	4C	150,806	152,788
Other operating expenses	4D	68,947	76,022
TOTAL EXPENSES		860,220	830,561
NET SURPLUS		139	15,662
OTHER COMPREHENSIVE INCOME			
Gains on revaluation of buildings and other structures for the year		-	-
TOTAL OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		139	15,662

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash on Hand and at Bank	5	1,536,103	1,287,229
Trade and Other Receivables	6	39,553	22,700
Prepayments		7,397	7,397
TOTAL CURRENT ASSETS		<u>1,583,053</u>	<u>1,317,326</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	2,835,928	2,913,281
TOTAL NON-CURRENT ASSETS		<u>2,835,928</u>	<u>2,913,281</u>
TOTAL ASSETS		<u>4,418,981</u>	<u>4,230,607</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	26,944	48,426
Contract liabilities	9	297,966	112,148
Employee Provisions	10	69,769	50,191
TOTAL CURRENT LIABILITIES		<u>394,679</u>	<u>210,765</u>
NON-CURRENT LIABILITIES			
Employee Provisions	10	4,641	320
TOTAL NON-CURRENT LIABILITIES		<u>4,641</u>	<u>320</u>
TOTAL LIABILITIES		<u>399,320</u>	<u>211,085</u>
NET ASSETS		<u>4,019,661</u>	<u>4,019,522</u>
EQUITY			
Retained Earnings		1,649,637	1,649,498
Reserves	11	2,370,024	2,370,024
TOTAL EQUITY		<u>4,019,661</u>	<u>4,019,522</u>

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 2020

	Retained Earnings	Asset Revaluation Reserve	Asset Replacement and Maintenance Reserve	Total Equity
	\$		\$	\$
Balance at 1 July 2018	1,633,836	1,870,024	500,000	4,003,860
Comprehensive income:				
Surplus for the year	15,662	-	-	15,662
Other comprehensive income for the year	-	-	-	-
Total comprehensive income attributable to Members of the entity for the year	15,662	-	-	15,662
Balance at 30 June 2019	1,649,498	1,870,024	500,000	4,019,522
Balance at 1 July 2019	1,649,498	1,870,024	500,000	4,019,522
Comprehensive income:				
Surplus for the year	139	-	-	139
Other comprehensive income for the year	-	-	-	-
Total comprehensive income attributable to Members of the entity for the year	139	-	-	139
Balance at 30 June 2020	1,649,637	1,870,024	500,000	4,019,661

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash on Hand and at Bank	5	1,536,103	1,287,229
Trade and Other Receivables	6	39,553	22,700
Prepayments		7,397	7,397
TOTAL CURRENT ASSETS		<u>1,583,053</u>	<u>1,317,326</u>
Less:			
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	8	26,944	48,426
Contract liabilities	9	297,966	112,148
Employee Provisions	10	69,769	50,191
TOTAL CURRENT LIABILITIES		<u>394,679</u>	<u>210,765</u>
NET CURRENT ASSETS		<u>1,188,374</u>	<u>1,106,561</u>
CURRENT RATIO		<u>4</u>	<u>6</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 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		476,909	511,077
Grants and contributions receipts		533,138	367,960
Interest received		16,000	18,467
Payments to suppliers and employees		(703,720)	(633,074)
Net cash provided by operating activities	13	322,327	264,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of property, plant and equipment		-	13,584
Payment for property, plant and equipment		(73,453)	(129,597)
Net cash (used in) investing activities		(73,453)	(116,013)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash provided by (used in) financing activities		-	-
Net increase in cash held		248,874	148,417
Cash and cash equivalents at beginning of the financial year		1,287,229	1,138,812
Cash and cash equivalents at end of the financial year	13	1,536,103	1,287,229

The accompanying notes form part of these financial statements.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

The financial statements cover Wagait Shire Council as an individual entity, incorporated and domiciled in Australia. Wagait Shire Council is operating pursuant to the *NT Local Government Act 2008* and *NT Local Government (Accounting) Regulations*.

The financial statements were authorised for issue on *20 October* by the Councillors of the Council.

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 2008, 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

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.

The Council has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058) using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058. The impact of changes is disclosed in Note 1(u).

In the Current Year

The Council receives assets from the government and other parties for Nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 16, AASB 116 and AASB 138).

On initial recognition of an asset, the Council recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Council recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amounts.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(a) Revenue and Other Income (Cont.)

Operating Grants, Donations and Bequests

When the Council receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Council :

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Council:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB 9, AASB 116 and AASB138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Council recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital Grant

When the Council receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The Council recognises income in profit or loss when or as the Council satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Donation Income

Donations and bequests are recognised as revenue when received.

Income from Sale of Goods

Revenue from the sales of goods and the rendering of a service is recognised upon the delivery of the goods and services to the customers.

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

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(a) Revenue and Other Income (Cont.)

In the Comparative Period

Non-reciprocal grant revenue is recognised in 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 entity 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 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.

Wagait Shire Council receives non-reciprocal contributions of assets from the government and other parties for a zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

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

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

(b) 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, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the Freehold Land and Buildings are not subject to an independent valuation, the Councillors conduct Councillors' valuations to ensure the carrying amount for the Land and Buildings is not materially different to the fair value.

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.

Freehold Land and Buildings that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(d) Financial Instruments (Cont.)

Financial assets

Financial assets are subsequently measured at:

- amortised cost; or
- fair value through 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 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.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Council made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Council's accounting policy.

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.

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 **Summary of Significant Accounting Policies (Cont.)**

(d) Financial Instruments (Cont.)

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.

Impairment

The Council recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amount due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Council uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Council assesses whether the financial instruments are credit-impaired, and:

- if the credit risk of the financial instrument has increased significantly since initial recognition, the Council measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- if there is no significant increase in credit risk since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

WAGAIT SHIRE COUNCIL
ABN: 65 843 778 569
NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Summary of Significant Accounting Policies (Cont.)

(t) Adoption of New and Revised Accounting Standards (Cont.)

The Council has adopted AASB 16: Leases with a date of initial application of 1 July 2019. As a result, the Council has changed its accounting policy leases recognition as detailed in this note.

The Councillors assessed that there is no material difference in the result of the Council between applying AASB 117 and AASB 16 as the Council only has photocopier rental lease expenses related to low value and or short term leases.

The Northern Territory Government allows the Council to use their Sports Ground for free. As a result the Council has a Crown lease and expiring date in Perpetuity with the NT Government for its Sports Ground Property Section 110 (50) plans S98/294 Wagait Tower Road. As previously noted the Council has adopted the temporary relief under AASB 2018-8.

Initial Application of AASB 15 and AASB 1058

The Council has applied AASB 15 : Revenue from Contracts with Customers and AASB 1058: Income of Not-for-Profit Entities using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions.

The Council has elected to apply AASB 1058 retrospectively only to contracts that are not completed contracts at the date of initial application.

The Councillors have assessed that the application of AASB 15 and AASB 1058 has had minimal effect on the accounting and reporting practices of the Council and a corresponding insignificant impact on the Council's operating results for the year ended 30 June 2020. There is no material difference in the results of the Council between applying AASB 15 and AASB 1058 and AASB 118. No adjustments were deemed necessary to the opening balance of equity at 1 July 2019.

A classification change occurred which resulted in Grants Received in Advance now being classified as Contract Liability in line with wording used in AASB 15.

The table below provides details of the significant changes and quantitative impact of these changes on initial date of application 1 July 2019:

Statement of Financial Position	As presented on 30 June 2019	Application Impact of AASB 15 & AASB 1058	As at 1 July 2019
CURRENT LIABILITIES			
Unexpended Grants & Deferred Income	112,148	(112,148)	-
Contract Liabilities	-	112,148	112,148
EQUITY			
Retained Earnings	-	-	-

(u) New Accounting Standards and Interpretations Not Yet Mandatory Or Early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Council for the annual reporting period ended 30 June 2020. The Council has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

WAGAIT SHIRE COUNCIL
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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 3	Revenue and Other Income	2020	2019
		\$	\$
3A	Rates and annual charges		
	<i>Ordinary rates</i>		
	Residential, business and rural flat rate	236,417	231,992
	Waste management levy	116,400	116,100
	Total rates and annual charges	<u>352,817</u>	<u>348,092</u>
3B	User charges and fees	2020	2019
		\$	\$
	Jetty and boat ramp maintenance	83,492	61,394
	Power and water contract income	37,205	36,150
	Weed management income	1,993	-
	Other fees and charges	20,072	21,075
	Other income	1,460	1,982
	Total User charges and fees	<u>144,222</u>	<u>120,601</u>
3C	Grants and Contributions	2020	2019
		\$	\$
	<i>General purpose grants (untied)</i>		
	FAA - General purpose component	11,282	11,969
	FAA - Roads to recovery component	56,010	55,755
	<i>Northern Territory Government operating grants</i>		
	General purpose component	208,021	189,860
	Department of Tourism, Sport and Culture	25,802	21,000
	Department of Infrastructure and Regional	-	-
	<i>Northern Territory Government non- recurring grants</i>		
	Specific purpose	42,205	60,964
	Other	2,000	8,382
	<i>Non Government grants and contributions</i>		
	Australia Day Council	2,000	1,500
	Total grants and contributions	<u>347,320</u>	<u>349,430</u>
3D	Interest	2020	2019
		\$	\$
	Financial Institutions	16,000	18,467
	Total Interest	<u>16,000</u>	<u>18,467</u>
3E	Gains/ (loss) on disposal property, plant and equipment	2020	2019
		\$	\$
	Gains and Losses	-	9,633
	Total Gains/ (loss) on disposal property, plant and equipment	<u>-</u>	<u>9,633</u>

WAGAIT SHIRE COUNCIL
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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 4	Expenses	2020	2019
		\$	\$
4A	Employee Cost		
	Salaries and Wages	370,157	332,195
	Superannuation	33,988	29,710
	Leave Expense	23,901	23,454
	Recruitment	2,727	-
	Training and development	5,286	8,137
	Total employee cost	<u>436,059</u>	<u>393,496</u>
4B	Materials and contracts	2020	2019
		\$	\$
	Regular Bin and Waste Collection	83,744	77,555
	Insurance	33,175	25,230
	Repairs & Maintenance	37,137	43,578
	Accounting	10,904	7,880
	Motor Vehicle Expenses	11,284	18,166
	Other Grant Expenses	6,308	13,191
	Consultant fees	6,633	11,794
	Travel & Accommodation	5,375	2,661
	Community Activities and Functions	5,101	5,539
	Safety Supplies & Equipment	4,747	2,661
	Total materials and contracts	<u>204,408</u>	<u>208,255</u>
4C	Depreciation	2020	2019
		\$	\$
	Buildings	55,569	56,158
	Sports Ground	37,996	-
	Plant and equipment	36,728	37,224
	Office equipment	120	113
	Infrastructure	4,283	43,183
	Motor vehicles	16,110	16,110
	Total Depreciation	<u>150,806</u>	<u>152,788</u>
4D	Other operating expenses	2020	2019
		\$	\$
	Audit services	15,050	6,750
	Other services	-	4,875
	Admin expenses	22,781	22,625
	Power Water & Gas	6,265	7,612
	Other Expenses	24,851	34,160
	Total Other operating expenses	<u>68,947</u>	<u>76,022</u>

Note 5

Cash on Hand and at Bank

CURRENT	Note	2020 \$	2019 \$
Cash at Bank		1,536,103	1,287,101
Cash on hand		-	128
Total Cash on Hand and at Bank		1,536,103	1,287,229
Restricted cash and cash equivalents summary			
<i>Purpose</i>			
External restrictions			
Included in liabilities			
Contract liability	9	297,966	112,148
Included in revenue			
Total external restrictions		297,966	112,148
Internal restrictions			
Included in liabilities			
Employee leave entitlements	10	69,769	50,191
Included in revenue			
Total external restrictions		69,769	50,191
Total unrestricted		1,168,368	1,124,890
Total Cash on hand and at bank	13(a), 17	1,536,103	1,287,229

Note 6

Trade and Other Receivables

CURRENT	Note	2020 \$	2019 \$
Receivables :			
Rates and annual charges		42,830	22,700
Less :Provision for impairment of receivables		(4,237)	-
Total Unrestricted accounts receivable and other debtors		38,593	22,700
Other Receivables :			
GST		960	-
Total Other receivables		960	-
Total current trade and other receivables	17	39,553	22,700

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.

Movement (recoveries) in allowance for impairment of receivables	2020 \$	2019 \$
Balance at beginning of the year	-	-
Increment/ (Reduction) in allowance	4,237	-
Balance at the end of the year	4,237	-

WAGAIT SHIRE COUNCIL
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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 7

Property, Plant and Equipment

	2020 \$	2019 \$
Land		
At cost	400,000	400,000
Total Land	400,000	400,000
Buildings		
At independent valuation 6 July 2015	2,222,727	2,222,727
At cost	14,741	14,741
Less Accumulated depreciation	(111,727)	(56,158)
	2,125,741	2,181,310
Sports Ground		
At cost	379,958	-
Less Accumulated depreciation	(339,980)	-
	39,978	-
Total Buildings	2,165,719	2,181,310
Total Land and Buildings	18 2,565,719	2,581,310
Infrastructure at cost:		
At cost	484,500	864,460
Less Accumulated depreciation	(466,519)	(764,222)
	17,981	100,238
Plant and equipment:		
Plant and equipment:		
At cost	561,504	488,050
Less Accumulated depreciation	(350,219)	(313,490)
	211,285	174,560
Office equipment:		
At Cost	175,930	175,930
Less Accumulated depreciation	(175,037)	(174,917)
	893	1,013
Motor vehicles:		
At Cost	118,733	118,733
Less Accumulated depreciation	(78,683)	(62,573)
	40,050	56,160
Total Plant and Equipment	270,209	331,971
Total property, plant and equipment	2,835,928	2,913,281

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 \$	Sports Ground \$	Plant and Equipment \$	Infrastructure \$	Office equipment \$	Motor Vehicles \$	Total \$
Carrying amount at 1 July 2019	400,000	2,181,310	-	174,560	100,238	1,013	56,160	2,913,281
Transfer	-	-	77,974	-	(77,974)	-	-	-
Additions at cost	-	-	-	73,453	-	-	-	73,453
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	-	(55,569)	(37,996)	(36,728)	(4,283)	(120)	(16,110)	(150,806)
Carrying amount at 30 June 2020	400,000	2,125,741	39,978	211,285	17,981	893	40,050	2,835,928

Valuation of Building and Improvements

The buildings were independently valued at year 2015/ 2016 by Integrated Valuation Services NT. At 30 June 2020, the Councillors have performed a Councillors' valuation on the buildings. The Councillors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2020. The Councillors therefore believe, that based on the expected utility of the assets, the carrying amount of the buildings reflects the fair value at 30 June 2020.

WAGAIT SHIRE COUNCIL
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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 8	Trade and Other Payables	Note	2020 \$	2019 \$
	CURRENT			
	Sundry creditors and accrued expenses		18,104	42,216
	Payroll and Super liabilities		8,840	5,294
	GST payable (net)		-	916
	Total Trade and Other Payables		26,944	48,426
	(a) Financial liabilities at amortised cost are classified as trade and other payables.			
	Trade and other payables:			
	— Total Current		26,944	48,426
	— Total Non Current		-	-
	Total trade and other payables		26,944	48,426
	Financial liabilities as trade and other payables	17	26,944	48,426
Note 9	Contract Liabilities	Note	2020 \$	2019 \$
	CURRENT			
	Deferred Income		-	36,073
	Unexpended grant funding		-	76,075
	Contract Liabilities - grant funded programmes		297,966	-
	Total Contract Liabilities and Deferred Income		297,966	112,148
	(b) Contract liabilities - movement in amounts :		2020	
	Balance at the beginning of the year		-	
	Reclassified from Deferred income / Unexpended grants on initial application of AASB 15		112,148	
	Additions: Grants for which performance obligations will only be satisfied in subsequent years		222,523	
	Expended : Grants acquitted or utilised during the year		(36,705)	
	Closing balance		297,966	
Note 10	Employee Provisions		2020 \$	2019 \$
	CURRENT			
	Provision for employee benefits: annual leave		39,517	23,116
	Provision for employee benefits: long service leave		30,252	27,075
			69,769	50,191
	NON-CURRENT			
	Provision for employee benefits: long service leave		4,641	320
			4,641	320
	Total provisions for employee benefits		74,410	50,511
	Analysis of total provisions:		Total	
			\$	
	Opening balance at 1 July 2019		50,511	
	Net change in the provision during the year		23,899	
	Balance at 30 June 2020		74,410	
	Provision For Employee Benefits			
	Employee provisions represents amounts accrued for annual leave and long service leave.			
	The current portion for this provision includes the total amount accrued for annual leave entitlements and the amount accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Council does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Council does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.			
	The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.			
	In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been discussed in Note 1(f).			

WAGAIT SHIRE COUNCIL
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 NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 11

Reserves

	Note	2020 \$	2019 \$
Asset Revaluation Reserve			
Balance at beginning of reporting year		1,870,024	1,870,024
Revaluation/ Increment		-	-
Balance at end of the reporting year		<u>1,870,024</u>	<u>1,870,024</u>
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.			
Asset Replacement and maintenance reserve			
Balance at beginning of reporting year		500,000	500,000
Transfer to reserve		-	-
Balance at end of the reporting year		<u>500,000</u>	<u>500,000</u>
Total reserves		<u>2,370,024</u>	<u>2,370,024</u>

The asset replacement and maintenance reserve is maintained to replace roads and motor vehicles as the need arises.

Note 12

Key Management Remuneration

	2020 \$	2019 \$
Short- term employment benefits	122,592	95,558
Post employment benefits	11,170	9,214
Total Key Management Remuneration	<u>133,762</u>	<u>104,772</u>

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 2020 (2019 :\$Nil).

Note 13

Cash Flow Information

	Note	2020 \$	2019 \$
(a) Reconciliation of cash and cash equivalents to Statement of Cash Flows :			
Cash on hand and at bank	5	1,536,103	1,287,229
Total cash as stated in the Statement of cash flows		<u>1,536,103</u>	<u>1,287,229</u>
(b) Reconciliation of Cash Flow from Operating Activities with Current Year Profit			
Profit for the current year		139	15,662
Non-cash flows:			
Depreciation and amortisation expense		150,806	152,788
Gain/ (losses) on disposal of property, plant and equipment		-	(9,633)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(16,853)	47,075
(Increase)/decrease in Prepayments		-	(7,397)
Increase/(decrease) in accounts payable and other payables		(21,482)	27,843
Increase/(decrease) in Unexpended Grant, Contract liabilities and Deferred Income		185,818	18,530
Increase/(decrease) in employee provisions		23,899	19,562
Net cash provided by operating activities		<u>322,327</u>	<u>264,430</u>

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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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

(a) Lease Commitments	2020	2019
<i>Leasehold rental commitments</i>	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,929	1,517
One to five years	2,986	-
More than 5 years	-	-
	4,915	1,517

The non-cancellable operating leasing commitments in 2019 and in 2020 is for a low valued asset photocopier. The Northern Territory Government allows the Council to use their Sports Ground for free. As a result the Council has a Crown lease and expiring date in Perpetuity with the NT Government for its Sports Ground Property Section 110 (50) plans S98/294 Wagait Tower Road. As previously noted the Council has adopted the temporary relief under AASB 2018-8 in relation to Peppercorn Lease.

(b) Capital Expenditure Commitments

The Council has no capital expenditure commitments as at 30 June 2020 (2019:\$Nil).

Note 15 **Contingent Liabilities and Contingent Assets**

The Council has no Contingent Liabilities and Contingent Assets as at 30 June 2020 (2019:\$Nil).

Note 16 **Events After the Reporting Period**

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had little financial impact on the Council up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Council's operations, the results of those operations, or the Council's state of affairs in future financial years.

Note 17 **Financial Risk Management**

The Council'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:

	Note	2020 \$	2019 \$
Financial assets			
Cash on hand	5	1,536,103	1,287,229
Trade and other receivables	6	39,553	22,700
Total financial assets		1,575,656	1,309,929
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8	26,944	48,426
Total financial liabilities		26,944	48,426

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.

Note 17

Financial Risk Management (Cont.)

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 short term investments to cater for unexpected volatility in cash flows.
- > monitoring the ageing of receivables and payables.
- > maintaining a reputable credit profile.
- > managing credit risk related to financial assets.
- > 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.

	2020	2019
	\$	\$
Surplus \$		
(+/- 1% in interest rates)	14,116	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
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

Note 18 **Fair Values Measurements**

Fair value estimation

The Council measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- freehold land and buildings.

The Council does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities on a non-recurring basis.

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	2020		2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand and at bank	5, 17	1,536,103	1,536,103	1,287,229	1,287,229
Trade and other receivables	6, 17	39,553	39,553	22,700	22,700
Total financial assets		1,575,656	1,575,656	1,309,929	1,309,929
Financial liabilities					
Trade and other payables	8, 17	26,944	26,944	48,426	48,426
Total financial liabilities		26,944	26,944	48,426	48,426

- (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	2020		2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Non-Financial assets					
Land and Buildings	7	2,165,719	2,165,719	2,181,310	2,181,310
Total non- financial assets		2,165,719	2,165,719	2,181,310	2,181,310

- (i) The buildings were independently valued at year 2015/ 2016 by Integrated Valuation Services NT. At 30 June 2020, the Councillors have performed a Councillors' valuation on the buildings. The Councillors have reviewed the key assumptions adopted by the valuers and do not believe there has been a significant change in the assumptions at 30 June 2020. The Councillors therefore believe, that based on the expected utility of the assets, the carrying amount of the buildings reflects the fair value at 30 June 2020.

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 2020, 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 2008*; including:

- (i) give a true and fair view of the Council's financial position as at 30 June 2020 and of its performance and its cash flows for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Northern Territory of Australia Local Government (Accounting) Regulations 2008*.

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 2008* and the Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Responsibilities of the Chief Executive Officer and Councillors for the Financial Report

The Chief Executive Officer of the Council is 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 *Northern Territory of Australia Local Government Act 2008* and *Northern Territory of Australia Local Government (Accounting) Regulations 2008*, and is appropriate to meet the needs of the members. The Chief Executive Officer is 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 and Councillors 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 Councillors 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Darwin
Dated: 23 October 2020