

# ANNUAL REPORT

2019-2020



**WEST DALY**  
Regional Council



Welcome to  
**NGANMARRIYANGA**

Nganmarriyanga Ward

**THE  
TERRITORY**  
BOUNDLESS POSSIBLE

Welcome to  
**PEPPIMENARTI**

Tyemirri Ward

**THE  
TERRITORY**  
BOUNDLESS POSSIBLE

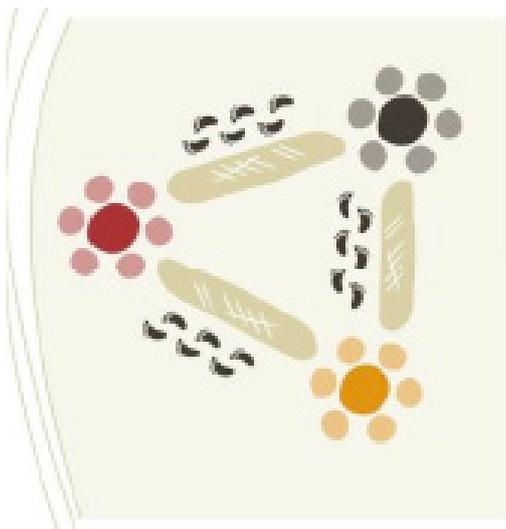




## THE WEST DALY REGIONAL COUNCIL

The West Daly Regional Council has prepared this Annual Report in accordance with the requirements and guidelines of the Local Government Act. This report provides a report on Council's performance in 2019-2020 financial year against the Regional Plan (the framework in which we deliver the everyday services for our communities) and Budget.

*The West Daly Regional Council acknowledges the Traditional Owners of our region, past and present.*



The West Daly Regional Council's logo was developed from a concept design created by Annunciata Wilson of Peppimenarti. The communities within the West Daly region are represented by the colours of their dance group. Peppimenarti is red (Wangga), Nganmariyanga is yellow (Lirrga) and Wadeye is black (Thanta). Communication between communities was sent via message sticks to advise of the passing of a loved one or ceremonies. People would walk to where they needed to be and they would count the number of days it would take by marking the message stick.

Front Cover: Wadeye Sign  
Inside Cover:

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# COVID-19 PANDEMIC

Council developed a COVID-19 safety plan that was approved to enable trades and contractors' access to the communities once the restrictions were lifted. The pandemic presented severe challenges to Council to meet the demands of the Regional Plan and the health of the residents of West Daly.

Restriction to non-essential travel meant no access to trades to fulfil the proposed projects for the year. Service delivery was also challenged with some residents relocating to Homelands to feel safer from the declared health impacts on Indigenous Australians. Council continued to deliver essential services such as waste collection, road maintenance and when able community access to bus services, swimming pools and libraries. This was managed through guidance and advice from the Australian and NT Governments, health experts and the local government sector. Councillors and staff played a vital role to relay the safety messages to the community to ensure health and social distancing are at the forefront.

Works have now commenced on several projects that were delayed due to the travel restrictions. Additionally, timelines are being proposed for other deferred projects with the confidence that all works will be complete in 2020 and 2021.

Works that faced challenged included:

- Waterpark at Wadeye
- Public Toilet upgrade
- Pool Fencing
- Upgrade the waste management facilities in Peppimenarti and Wadeye



# MESSAGE FROM THE ACTING CEO

In line with s199 of the Local Government Act, I am pleased to present the West Daly Regional Council Annual Report for 2019-20. The report includes the Council's work during the reporting year, financial statements, Council's performance assessment and Local Authorities (LA) projects.

2019-20 saw Council's planning processes mature including budget, roads and homelands workshops. Our efforts in governance and management systems resulted in significant progress around our general compliance and decision making processes as measured in 2020. Delivering core municipal services throughout our region is our number one priority and this year has seen significant improvement in service delivery with a renewed emphasis on getting jobs done and giving our staff the tools they need to work effectively.

This past year has delivered several major projects including road upgrades to Council's priority roads at Emu Point, Merrepen, and Peppimenarti. Council has been successful in obtaining funding through grant applications that will reinforce road projects already undertaken and the planning of further improvements in 2021.

Council collaborated in areas such as regional waste management, regional roads management, regional animal management, financial management and processing, and encouraged local jobs as much as possible through Council and contracted works.

Staff recruitment and retention continues to be a priority; while the number of key staff leaving the Council has reduced, we need to continue to work to make Council an employer of choice. The organisation has further reduced operational expenses without compromising the quality of operations, service delivery or projects on the ground. The organisation has gone through significant changes at the Senior Management level providing the opportunity to restructure and ensure the Council has the most efficient

structure in place to manage the organisation into the future.

Our Community Service area transitioned away from the delivery of Aged Care Services, which was taken over and now run by the local Thamarrurr Development Corporation and is providing many opportunities for local employment. Night Patrol received additional funding to support their operations, including new vehicles, staff and equipment. CNP has been active in spreading the word on the dangers of COVID and regularly checking community and homelands residents.

We are most grateful to our funding partners in the Australian and NT Government departments for approving and supplying funding to our communities and homelands. This has impacted and improved the lives of all residents, and with the additional funding recently received, this will go a long way to improve job opportunities and enhance the lives of so many even further.

We are pleased to report on the Council's progress during 2019-20 and as a leader in the Region, employing more than 80 staff. Council is proud that our staff base comprises 73% local Aboriginal people, and continue to pursue more work to close the gap in outcomes for Aboriginal people.

My special thanks go to Mayor John Wilson and Councillors for their support and passion for the Council and striving for better outcomes for our region. Finally, I thank our excellent team of Council staff who regularly go beyond the roles they are paid to do, to make a real difference to others.

**Steve Horton**  
**Acting Chief Executive Officer**

# MESSAGE FROM THE MAYOR

This year was a busy period for Council across a range of programs. As the Mayor of West Daly Regional Council, I am pleased to present the Annual Report for 2019-20. Your elected members, myself (Mayor), Terry Sams (Deputy Mayor) and Councillors Ralph Narburup, Wally Minjin, Mark Martin and Mark Tunmuck-Smith, have worked hard to represent the local voice and support sound decision making.

Council remains strong in our goals: Develop our Region; Service our Residents; Engage our Communities; Strengthen our Organisation, and create opportunities for Local Employment.

2019-20 was a challenging year, and we all felt the impact that the COVID crisis had on us all, however, we worked together. We partnered alongside stakeholders to progress programs and projects in our Region.

This year saw works in Homelands exceed expectations resulting in nearly all funding utilised. Program budgets and processes are now better understood and needs better planned. With improved road access, living conditions and planned upgrades through solar installations it is envisaged that more locals will relocate to their homelands.

During 2019-20, Council continued to maintain its commitment to growing a robust Indigenous workforce, providing employees ongoing support, development, internal transfer opportunities and work placements that allow our Indigenous employees the opportunity to strengthen communities by delivering Council Services.

Council continued to hold monthly meetings throughout 2019-20 to ensure important Council business was not delayed. Our Local Authorities (LA) perform a check and balance role between Council and our people, to ensure that Council properly understands local issues.

During 2019-20, Council approved some great projects recommended by our three Local Authorities such as playgrounds, shaded seats, foot paths, swimming pool fencing and upgrades, sports grounds upgrades, BMX tracks speed humps, bollards and solar lights, the evidence of these are now for all to see.

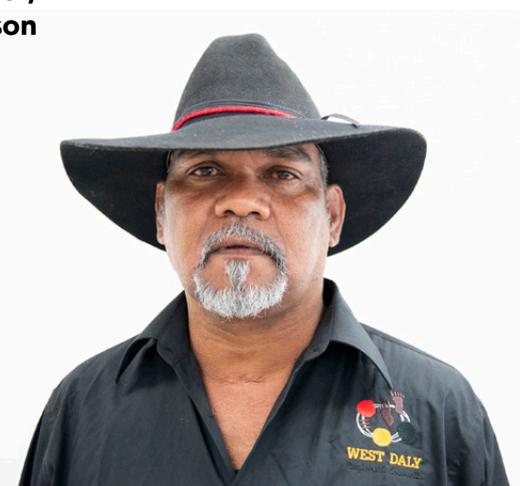
In reviewing our activities over the 2019-20 Financial Year, it is heartening to see how strongly Council has contributed to developing the economic and social potential of the West Daly Region. Funding and facilitating infrastructure investment has been a critical component of this progress, with several significant advances made over the past twelve months.

Our Council is committed to delivering honest, open and accountable governance. It places a high value on the importance of service delivery to the Council's residents in its communities and homelands.

Again, I encourage people across our Region to talk to Councillors, speak to your LA members and speak to Council staff about ways to grow our Region, and work together.

I look forward to another successful year during 2020-21 and the growth opportunities it brings in serving our communities.

**Your Mayor,  
John Wilson**



# OUR VISION, GOALS & VALUES

## Council Vision

The vision of the West Daly Regional Council is to:

- ⊙ Deliver quality services to communities;
  - ⊙ Support development opportunities for the West Daly Region, including local jobs for local people;
  - ⊙ Implement a range of strategies that will help shape a prosperous future for the region.
- 

## Council Goals

The Council's long term goals are to:

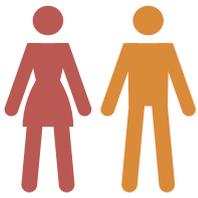
- ⊙ Provide good governance, leadership and advocacy;
  - ⊙ Promote local employment and strong regional economy;
  - ⊙ Provide high quality services within financial resources;
  - ⊙ Maintain and develop Council's assets, natural resources and country;
  - ⊙ Ensure strong, safe and healthy communities that respect culture, heritage and change; and
  - ⊙ Encourage internal and external Departments and stakeholders to work collaboratively with the Council and Community.
- 

## Council Values

The key values of the West Daly Regional Council are:

- ⊙ Respect
- ⊙ Integrity
- ⊙ Honesty
- ⊙ Openness
- ⊙ Equality

# HIGHLIGHTS



**48**

Employee of the Month Awards

**13**

Council Meetings

**11**

Local Authority Meetings



**58%**  
PATROLS assisted women and girls

**14,887**

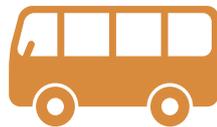
community members assisted by PATROLS

**746**

performed PATROLS over the year

**73%**

of the Council Staff are Indigenous



**1500**

people per week use the Community Bus

**280**

cars in the Recycle Project



## \$8,834,480 GRANT MONIES RECEIVED SUCCESSFUL GRANT FUNDING



### COMMUNITY

- Screen Printing workshop
- Tree planting in Peppimenarti & Nganmariyanga



### WASTE & RECYCLING

- Clean Up Day
- Bin Recycling stickers
- Bin stands



### ASSETS

- New Loader across communities



### SAFETY

- Road Safety Video

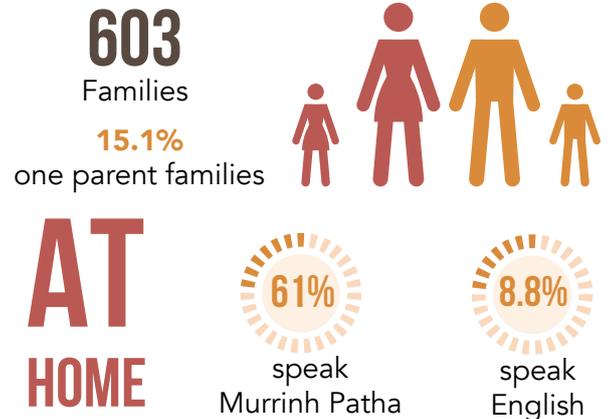
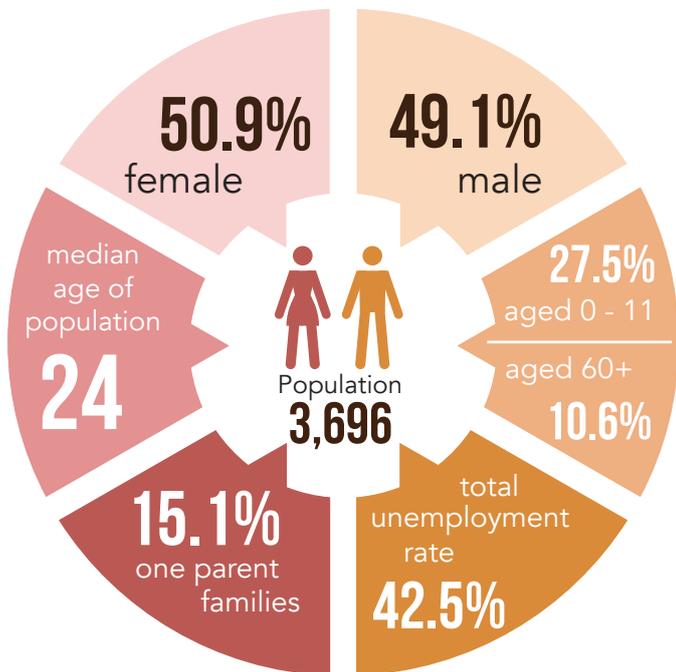


### EVENTS

- Australia Day
- NAIDOC
- Father and Son program



# ABOUT WEST DALY



**63.3%** Are not employed or studying



5.64 people per household



**634**

Dwellings (+95 houses)

**\$1,094**

Median weekly income per household



**35.7%**

of homes have Internet connection

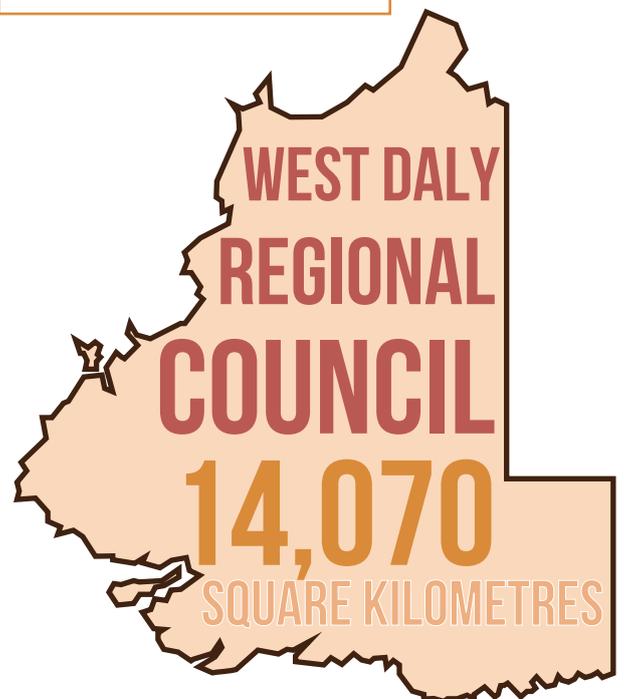
**SEIFA INDEX 441.0**

**MOST DISADVANTAGED** region in the Northern Territory

Second most disadvantaged region **IN AUSTRALIA**

Since the previous year, the population has grown by

**1.29%**



Source: ID population and ABS Census LGA74680  
2019 ABS ERP

# FINANCIAL SNAPSHOT

## COUNCIL'S NET SURPLUS

is **\$930,585** (before depreciation) which is mainly due to unspent grants in 2019-2020 with commencement delays for projects.

## COUNCIL SPENT

**\$300K**

Road Projects and budgeted **\$1M** for FY 2021

**\$1.3M**

Contractors

**\$1.1M**

Repair & Maintenance

## CASH AND CASH EQUIVALENTS

Council has a total of **\$7.1 million**, an increase of **\$900,000 (14.9%)** from last year cash equivalents.

## EXPENSES

Employee Cost decreased by **19%**

Other expenses decreased by **24%**



# TOTAL INCOME

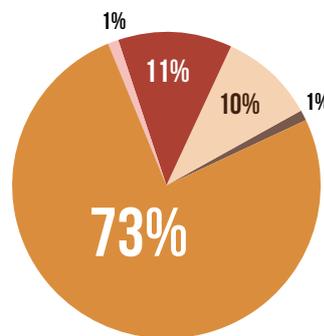
# \$11,608,953



(decrease of 18% from the previous year)

## 2019 - 2020

## OPERATING REVENUES BREAKDOWN



- Grants & Contributions
- Rates & Annual Charges
- User Charges
- Investment Income
- Other Revenues

## GRANTS AND CONTRIBUTIONS



**Grants and contribution** decreased by **23%** which was mainly due to the Aged Care Program that was handed over in January 2020.

**Investment income** decreased by **36%**



**Rates** has increased by **1%** overall which is 12.3% of Council's total revenue for the year.

**User Charges and Fees** increased by **2%**

**653.85km**  
Unsealed Roads



**31.78km**  
Sealed Roads



**80**  
Speed Humps



**116**  
Road Signs



**8**  
Playgrounds



**5**  
Cemeteries



# OUR COUNCIL



**John Wilson - Mayor**  
Tyemirri Ward  
Elected: August 2017



**Terry Sams - Deputy Mayor**  
Thamarrurr/Pindi Pindi Ward  
Elected: August 2017



**Ralph Narburup - Councillor**  
Nganmariyanga Ward  
Elected: August 2017



**Wally Minjin - Councillor**  
Thamarrurr/Pindi Pindi Ward  
Elected: August 2017



**Mark Martin - Councillor**  
Thamarrurr/Pindi Pindi Ward  
Elected: November 2017 By Election



**Mark Tunmuck-Smith - Councillor**  
Thamarrurr/Pindi Pindi Ward  
Elected: August 2017

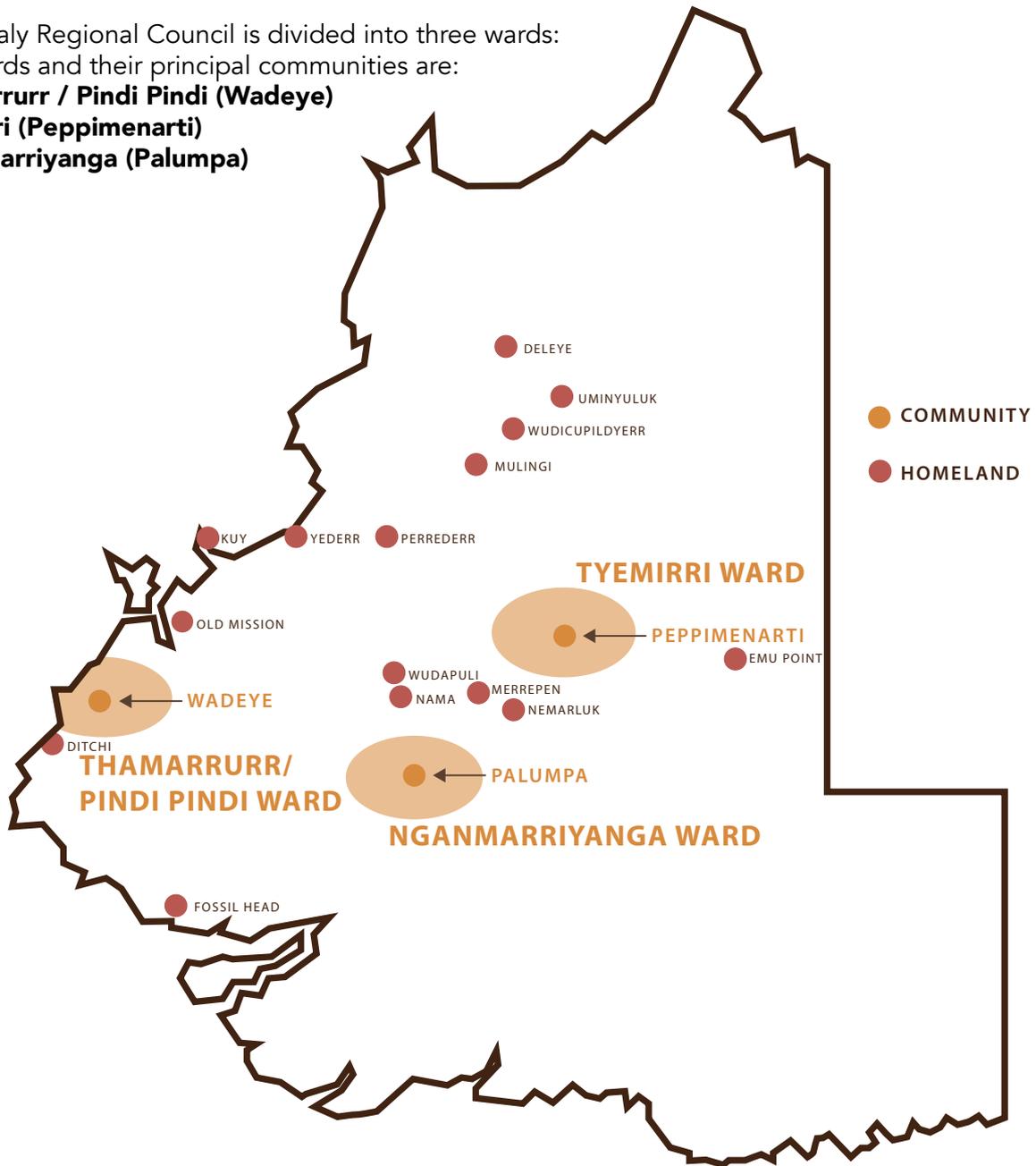
# COUNCIL AREAS

West Daly Regional Council is divided into three wards:  
The wards and their principal communities are:

**Thamarrurr / Pindi Pindi (Wadeye)**

**Tyemirri (Peppimenarti)**

**Nganmarriyanga (Palumpa)**



## Settlement history

Traditionally, Indigenous people lived in the area, and continue to do so, mainly in small communities. European settlement dates from the 1870s, with land used mainly for cattle grazing. A mission was established at Port Keats (Wadeye) in 1935. The community of Peppimenarti (Peppi) was established in 1974. The community of Nganmarriyanga (Palumpa) was established in the 1980s when a cattle station began operations, originally as an offshoot of the Port Keats Mission, later becoming a private company. The population of the Council area fluctuated slightly during the 1990s, and then increased from 2001, rising from around 2,200 to around 3,000 in 2011 and 3,668 today (ERP).



## COUNCIL MEETINGS

As per chapter 6 Part 6.1 of the Local Government Act, Council must hold Council Meetings.

During July 2019 to June 2020, West Daly Regional Council held:

- 13 - Ordinary Council Meeting
- 0 - Special Meeting
- 2 - Audit and Risk Meeting

The Audit and Risk Management Committee is an advisory committee to Council in accordance with the Local Government Act and the Local Government (Accounting) Regulations.

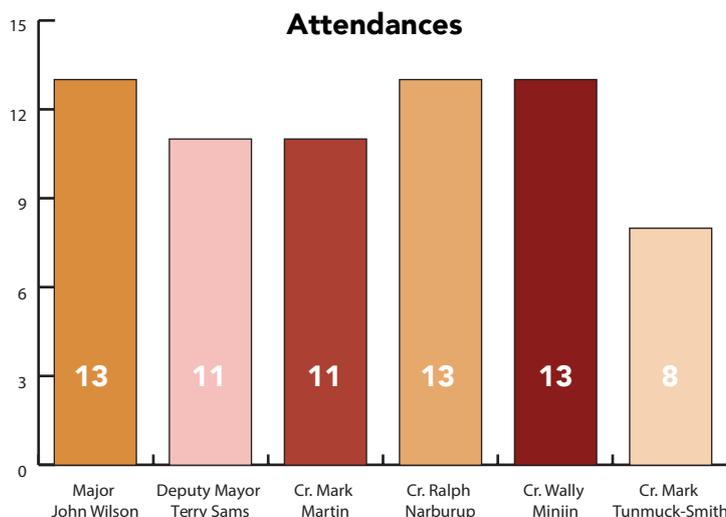
The Committee provides independent assurance to Council and the Chief Executive Officer on:

- Risk, control and compliance frameworks; and
- External accountability responsibilities.

The Committee's Independent Chairperson for October 2019 meeting was Mr Allan McGill. Council appointed Cathryn Hutton as Independent Chairperson and Brendan Dowd as independent member on 25 March 2020. Other members of the ARMC are Deputy Mayor Sams and Cr. Tunmuck-Smith.

The Committee met twice in 2019-20 and outputs included:

- Compliance Report 2018-19
- Regional Plan 2019-20
- Financial Statement 2018-19
- WH&S and Risk Management Update
- Audit Plan 2019-20



## COUNCILLOR ALLOWANCES

In accordance with the Local Government Act, Councillors are entitled to receive allowances for office holders and Councillor duties.

Elected Member	Electoral Allowance	Base Allowance	Total
<b>Mayor John Wilson</b>	\$19,672.90	\$74,742.98	\$94,415.88
<b>Deputy Mayor Terry Sams</b>	\$4,919.20	\$27,638.00	\$32,557.20
<b>Cr. Mark Martin</b>	\$4,919.20	\$13,442.78	\$18,361.98
<b>Cr. Wally Minjin</b>	\$4,919.20	\$13,442.78	\$18,361.98
<b>Cr. Mark- Tunmuck-Smith</b>	\$4,919.20	\$13,442.78	\$18,361.98
<b>Cr. Ralph Narburup</b>	\$4,919.20	\$13,442.78	\$18,361.98

# LOCAL AUTHORITIES

Local Authorities play a pivotal role in ensuring that their community is represented at Council. Each community has an elected Local Authority comprised of community members who are familiar with community issues and concerns, and are best placed to inform Council of any actions. They have direct input into a range of Council business, including budgets, community priorities, community development activities and Local Authority project funded.

Local Authorities meet a minimum of four times a year to discuss a range of matters that impact on communities.

In the 2019-2020 period, Local Authorities have many notable achievements including the following approved and completed projects:

## Wadeye 4 Meetings

Local Authority Members Attendance			
	Present	Apologies	Absent
<b>Leon Melpi (Chairperson)</b>	3	1	
<b>Cyril Ninal</b>	2	1	1
<b>The Late A. Kungul</b>	2	1	
<b>Damien Tunmuck</b>	2	2	
<b>Ken James</b>	2	2	
<b>Wilfred Harris</b>	4		
<b>Mark Ninal</b>		4	
<b>Timothy Dumoo</b>	3		

## Projects

- Wood fire pits installed \$5,000
- Playgrounds x 3 and solar lights \$19,500
- Water Park \$300,000
- Public Toilet upgrade \$50,000
- Pool Fencing replacement \$140,000
- Kubota front deck mower purchase \$33,500
- Solar lights around aged care and Library \$7,000
- Bollards and speed humps \$10,000
- Welcome sign \$1,622.85
- Street signs for Homelands \$6,000



## Nganmarriyanga

### 3 Meetings

Local Authority Members Attendance			
	Present	Apologies	Absent
<b>Amy Narburup (Rotating Chairperson)</b>	3		
<b>Andrea Cameron (Rotating Chairperson)</b>	2	1	
<b>Moses Wodidj</b>	3		
<b>Warren Wodidj</b>	3		
<b>John Paul Wodidj</b>	2	1	
<b>Jeff Wodidj</b>	1	2	
<b>Jill Wodidj</b>	3		
<b>Sandra Jacky</b>	3		
<b>Alec Jacky</b>	3		
<b>Roger Wodidj</b>	3		

Three meetings were held, May 2020 meeting was cancelled due to Covid-19 and no quorum was met at the June 2020 rescheduled meeting.

#### Projects

- Wheelie Bin Holders \$5,000
- Removal of bollards with replacement of rocks at oval \$10,000
- Welcome Sign \$1,622.85

## Peppimenarti

4 meetings

### Local Authority Members Attendance

	Present	Apologies	Absent
<b>Karl Lukanovic (Chairperson)</b>	4		
<b>Annunciata Wilson</b>	4		
<b>Henry Wilson</b>	2	2	
<b>Anthony Thomas</b>	1	1	2
<b>Leanne Black</b>	3	1	
<b>Nathan Wilson</b>	2	1	1
<b>Leaya Smith</b>	3	1	
<b>Chelsea Collins</b>	3	1	
<b>Anastasia Wilson</b>	1	1	
<b>Joanne Kerr</b>	1		

### Projects

- Welcome Sign \$1,622.85
- BMX Finish Lane Banner \$506.00
- Waster Bubblers for basketball sporting hub \$4,741



# LEGISLATIVE INFORMATION

The *Local Government Act* requires Council to produce an Annual Report and various provisions for its contents and reporting obligations.

## Part 14.1 Annual reports

### 199 Annual reports

- (1) A council must, on or before 15 November in each year, report to the Minister on its work during the financial year ending on the preceding 30 June.
- (2) The report must include a copy of the council's audited financial statement for the relevant financial year.
- (3) The report must also contain an assessment of the council's performance against the objectives stated in the relevant municipal, regional or shire plan (applying indicators of performance set in the plan), and, in the case of a regional council, of the activities of any local authority within the council's area.
- (4) As soon as practicable after the report has been delivered to the Minister, the council must:
  - (a) publish the report on the council's website; and
  - (b) publish a notice in a newspaper circulating generally in the area informing the public that copies of the report may be downloaded from the council's website or obtained from the council's public office.

## Legislation

West Daly Regional Council's 2019-2020 Annual Report has been produced in accordance with the Northern Territory's *Local Government Act*.

## Information Requests

As of 30th June 2020 no public requests for information were received by Council.

## Delegations, Authorisations and Legislative Changes

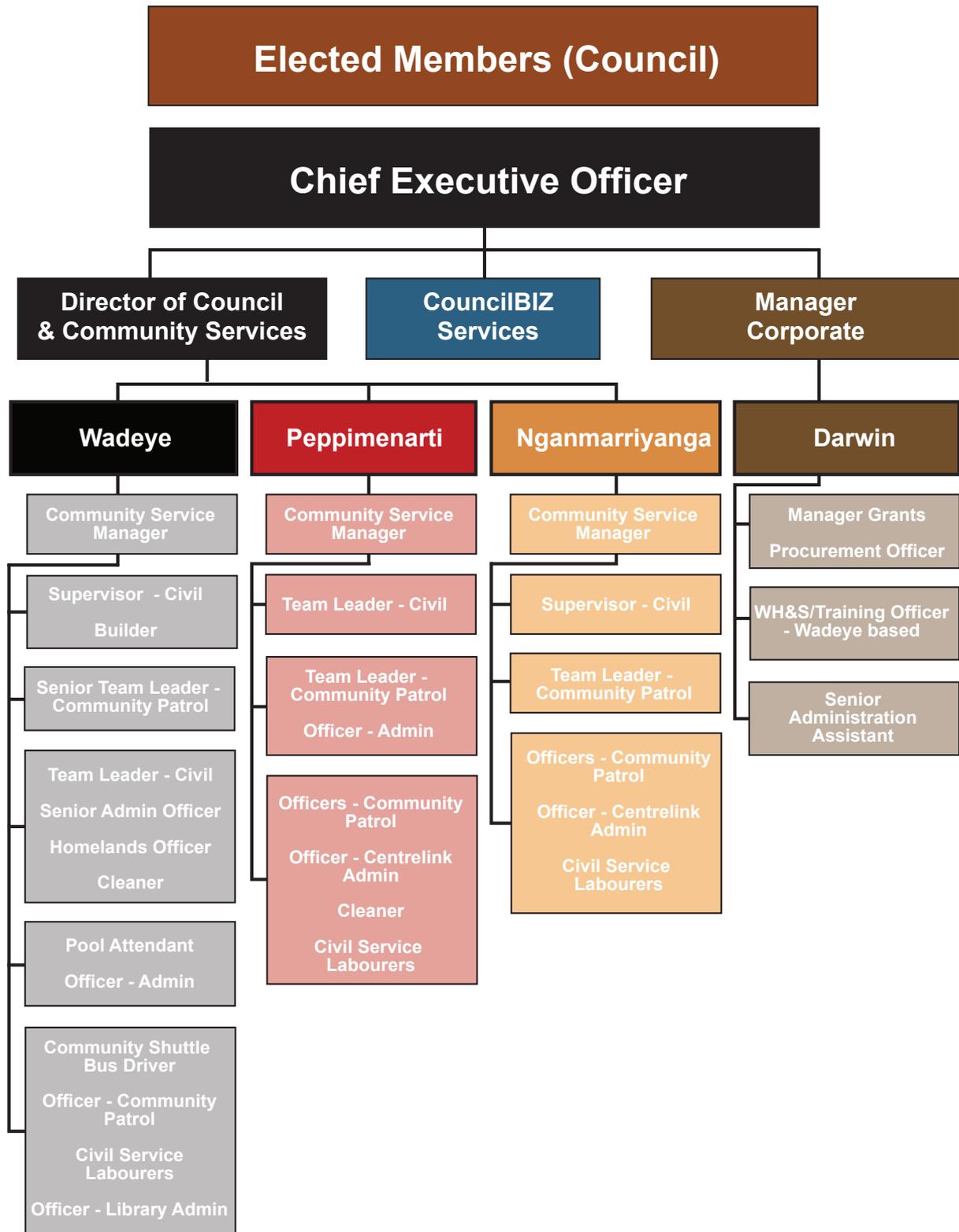
No delegations, authorisations or legislative changes were made during the reporting period.

## Freedom of Information

The *Right to Information Act 2009* and *Information Privacy Act 2009* provide processes for responding to requests for information that ensure a balance between public interest and privacy.

As of 30th June 2020 no applications were made to Council.

# ORGANISATIONAL STRUCTURE



# WADEYE

## Thamarrurr / Pindi Pindi Ward

Wadeye (also known as Port Keats) is situated on the western edge of the Daly River Region approximately 139kms by air and 404kms by road south-west of Darwin. It lies close to the Hyland Bay and the Moyle River flood-plain. It is one of Australia's largest remote Indigenous communities, and the fifth largest community in the Northern Territory.

During the Wet Season road access is often cut by flooding. The community relies on aircraft and coastal barges for transport and the provision of supplies.

The population of Wadeye is predominately Indigenous (91% 2016 Census). Several different languages are spoken, the predominate languages being Murrinh Patha and English. From the 2016 Census, the West Daly Region, including Wadeye, is the most disadvantaged local government region in the Northern Territory, and second most disadvantaged region in Australia.

Wadeye is a well-serviced, modern community with traditional values. Services include an airstrip, medical centre, police station, school, supermarket, cafe, bakery and other local businesses.

The community of Wadeye has a thriving cultural industry based around contemporary art, textiles and food. Palngun Wurnangat Aboriginal Corporation is an independently owned Indigenous women's organisation that assists local female artists to create traditional designs for textiles and manchester. Thamarrurr Development Corporation provides a range of economic development programs including housing and Thamarrurr Youth provides youth, sport and recreation programs.

Approximately 404kms south-west of Darwin, Wadeye (also known as Port Keats) is one of Australia's largest remote Indigenous communities, situated on the western edge of the Daly River Reserve. A mission station was founded by Roman Catholic Father Richard Docherty in 1935 at Werntek Nganayi (Old Mission), and subsequently moved to the current location.



# PALUMPA

## Nganmarriyanga Ward

Nganmarriyanga (Palumpa) is an Indigenous community in the Daly River Region. It is located 149kms west of the Daly River crossing along the Port Keats road and 47kms east of Wadeye.

The main language spoken in the community is Murrinth Kura, with English considered the second language.

Nganmarriyanga is located 353kms south west of Darwin on the Port Keats Road between the communities of Peppimenarti and Wadeye. The Nganmarriyanga access road is unsealed and approximately 140kms from the Daly River bridge.

Roads to Nganmarriyanga can be impassable during the wet season because of flooding. This can extend up to seven months in extreme years. Nganmarriyanga is accessible by air throughout most of the year. The road to the airstrip is not sealed and in severe weather and flooding this road and airstrip is not able to be used.

The Nganmarriyanga community was established when Traditional Owners and missionaries from Port Keats developed a cattle station. The station was established to breed cattle to feed the local communities. It continues to operate in a limited capacity today.



# PEPPIMENARTI

## Tyemirri Ward

Peppimenarti is situated approximately 320kms west of Darwin, on Tom Turner Creek. The smallest of Council's three communities, with a population of 190, it is 110kms west of the Daly River crossing.

In 2001 a group of local artists formed Durrmu Arts. Durrmu Arts is renowned for its contemporary acrylic painting and fibre weaving work. Peppimenarti art has been shown both nationally and internationally, with Regina Wilson being awarded the General Painting Prize at the 2003 Telstra Aboriginal and Torres Strait Islander Art Award.

Peppimenarti is surrounded by pristine flood-plains and is popular with bird-watchers from around Australia. Slim Dusty wrote a popular song called 'The Plains of Peppimenarti' after visiting the area and declaring it one of his favourite places to visit.

The local Aboriginal association is Deewin Kirim and the community of Peppimenarti enjoys the convenience of a modern supermarket, club and all-weather airstrip.

The Peppimenarti Store Indigenous Corporation runs the local supermarket. The commercial kitchen provides nutritious meals and healthy food options for community members. The store is one of the areas major employers, with meaningful jobs being created for local residents, and is an example of the ability of local community members to plan, run and make a profit from a community-based business.

Peppimenarti, affectionally known as 'Peppi', is located at Tom Turner Creek and was established in 1974



# HOMELANDS

Homelands play a significant role in Aboriginal life, serving to enable clan groups to maintain and develop their connections to country and their spiritual past as well as providing the opportunity to pass on cultural practices and bush knowledge to younger generations.

There are over 30 homelands in the West Daly region, twelve (12) of which Council is funded to deliver housing maintenance services and municipal and essential services:

- Deleye
- Fossil Head
- Kuy
- Merrepen
- Mulingi
- Nama
- Namarluk
- Old Mission
- Perreder
- Uminyuluk
- Wudaduk
- Wudapuli

In addition, the large homelands of Emu Point and Woodygupildiya are located within the Council's local government area but are serviced by a separate service provider.

Council receives Municipal and Essential Services (MES) funding as a contribution to provide repairs and maintenance for homelands. The MES program provides services such as:

- Airstrip maintenance
- Waste disposal
- Power systems
- Water systems
- Sewage systems

Council's Housing Maintenance Services (HMS) program contributes to various planned and emergency maintenance to all funded homelands dwellings.

The Homelands Extra Allowance (HEA) program is application-based and provides additional funding contributions that, where applications are successful, are paid for any repairs and maintenance work that is agreed between Council and residents for their funded homeland.

The occupation of homelands and outstations varies due to a number of factors, especially seasonal weather conditions. Over 2,000 community members occupy homelands houses at some point during the year, with a majority of those in the Wadeye area.



# DARWIN

The Darwin office is located in Darwin CBD and co-ordinates a range of services to ensure that communities have the infrastructure, programs and staffing required to provide Council and community services.

The Chief Executive Officer position operates out of both the Wadeye office and Darwin office. Several key staff are permanently based in Darwin office. Darwin office staff provide the 'back-office' governance, human resources and finance services that support Council's day-to-day activities.

Functions	Activities
<b>Human Resources</b>	Human resources advice Training Workers compensation Recruitment Industrial relations Personnel records
<b>Financial Services (CouncilBIZ)</b>	Budgets Rates management Accounts payable and receivable Payroll Financial reporting
<b>Governance</b>	Audit and risk Planning and reporting Policies and procedures Meeting compliance
<b>Grants</b>	Monitors grants to ensure compliance with funding agreements Prepares and lodges grant funding applications Prepares reports for funded programs and projects
<b>Procurement</b>	Purchasing, coordinating and processing Asset management



# SERVICE DELIVERY 2019-20

	Darwin	Wadeye	Nganmarriyanga	Peppimenarti	Homelands
<b>Municipal Services</b>					
Cemetery		•	•	•	
Road Maintenance		•	•	•	•
Sporting Facilities		•	•	•	
Parks and Gardens		•	•	•	
Waste Management		•	•	•	
Council Infrastructure		•	•	•	
<b>Council Engagement</b>					
Local Authorities		•	•	•	
Aged Care Residential Care *		•			
Aged Care (CHSP)*		•	•	•	
Night Patrol		•	•	•	
Swimming Pool		•		•	
<b>Administration Support Services</b>					
Asset Procurement	•				
Governance and Compliance	•				
Financial Services	•				
Human Resources	•				
Work Health & Safety	•	•	•	•	
Information Technology	•				
Records Management	•				
Grant Management	•				
<b>Other Services</b>					
Airstrip Maintenance		•	•	•	•
Centrelink			•	•	
Post office Agency			•	•	
Street Lights		•	•	•	
<b>Homelands Services</b>					
Municipal & Essential Service					•
Housing Maintenance Services					•
Homeland Jobs					•
Homeland Extra Allowance					•

\*July 2019 - Jan 2020



# FOCUS AREAS



# WEST DALY REGIONAL COUNCIL PLANNING FRAMEWORK

Legislation Requirements / Funding Agreements

## Strategic Plan 4 Year

Organisation values, visions  
and objectives

## Financial Plan 4 Year

Costs, financial forecasting,  
accountability and sustainability

## ANNUAL REGIONAL PLAN & BUDGET

Objectives, Community, Priorities and Actions

WORK  
PLANS

POLICIES

PROCESSES

## Annual Report

Performance measures



# GOAL 1. DEVELOPING OUR REGION

## Goal 1. Developing Our Region

- 1.1 Promote local Aboriginal employment
- 1.2 Partner with local stakeholder organisations
- 1.3 Support economic development



Council employs a high percentage, 73% of local Aboriginal staff with most employed in Wadeye. There is a continued challenge of disengagement with job seekers looking for fulltime work and the region offering limited employment opportunities to fulfil that demand. Retention of staff also remains a challenge despite training and skills support being available. Council will continue to seek feedback from managers about how best to engage and retain workforce regularly and seek ways and funding on implementation.

Council is part of the Big Rivers Program for waste management with support ways of sharing the cost. Big Rivers is a collective of regional councils which bring their knowledge and resources together to ensure cost effective projects such as removing car bodies is financially possible. Additionally, Big Rivers employs an environmental waste management person who assists the Council in addressing the questions of managing waste and recycling. The program provides a platform between councils for sharing resources and knowledge.

A whole of community approach has been developed to address waste management led by the Local Authorities and service providers. The program has been very successful engaging with schools for the annual clean up days which have been received enthusiastically across all three communities.

Council continues to hold a range of successful partnerships, for example, the transfer of Aged Care Services to local organisation Thamarrurr Development Corporation (TDC) in January 2020. This hand over has enabled the service to be kept local with TDC providing training and employment programs to support the team.

### Highlights

- 73% of Council staff are Indigenous
- Collaborative working relationship
- Cross community clean up days with stakeholders
- Coles supply of groceries to the community and Homelands

Objectives	Strategies	Progress
<p><b>1.1 Promote local Aboriginal employment</b></p>	<p>Maintain a high percentage of local Aboriginal staff</p> <p>Engage with stakeholder organisations to identify entry level candidates</p> <p>Support local Aboriginal employment through Council's policies and practices</p>	<p>Council continues to employ a high percentage of local Aboriginal staff of 73%. A 7% reduction from the previous year is due to staff relocating to Country due to Covid-19 and a reduction of service with aged care from January 2020 moving to TDC.</p> <p>Waste Management and Night Patrol programs, Civil Crews and Centrelink are 100% Indigenous staffed.</p> <p>Council continues to recruit through local CDP offices.</p> <p>Council's Equal Employment Opportunity policy ensures that there no one is discriminated.</p>
<p><b>1.2 Partner with local stakeholder organisations</b></p>	<p>Engage with local stakeholder organisations to identify regional development opportunities</p> <p>Sub-contract local stakeholder organisations for service delivery if in Council's best interests</p> <p>Improve relationships with community and homelands residents through local stakeholder organisations</p>	<p>Council is part of the Big Rivers Program for waste management with support ways of sharing the cost.</p> <p>Working collaboratively with Thamarrurr Rangers to develop land management strategies within the Homelands.</p> <p>Council handed over the Aged Care Service to TDC for Community best interest and outcomes for local employment and training initiatives.</p> <p>Council continues to work with TDC in other areas with rangers. A local company was engaged in providing electrical upgrades.</p> <p>Civil works partner with Deewin Kirim.</p>



## Objectives

## Strategies

## Progress

### 1.3 Support local economic development

Coordinate and deliver services and infrastructure that support economic development

Engage with government and private sector organisations to identify economic development opportunities

Increase awareness of West Daly region as the most disadvantaged in the NT and second most disadvantaged in Australia

Council continues to collaborate on regional waste, car recycling and local job support.

Council is an active member of the Big Rivers Waste Management program. \$1.1m funding has been received to develop new waste facilities in Wadeye and Peppimenarti.

CouncilBiz partnerships continue.

Study Tours to Jabiru to build relationships and seek innovative ideas.

Due to our people being more vulnerable than others, our region's borders were closed because of COVID-19. This led to a donation from Coles of food.

Continue to include the SEIFA rating in Council publications.



# GOAL 2. SERVICING OUR RESIDENTS

## Goal 2. Servicing Our Residents

- 2.1 Improve service delivery standards
- 2.2 Develop community infrastructure
- 2.3 Lead community and cultural events



Service delivery is frequently challenged through vandalism of infrastructure and assets, community unrest and seasonal weather. With the added challenge of Covid-19, the year has been incredibly challenging to improve service delivery. The successful measure has been achieved on Homelands with a focus to provide proactive delivery. Since the initiative of Councillors accompanying council staff on Homelands visits, the infrastructure, including roads, have received vast improvements. The approach ensures that asset maintenance can be structured to provide efficient repairs and maintenance, thus supporting the life of Council assets.

Other areas of improvement include waste management with recycling bins and stickers to support Councils aim to reduced landfill. The new waste facilities in Wadeye and Peppimenarti will be welcomed to help this.

Aged care continued to provide excursions to perform and attend ceremonies, links with nature and community meetings. Additionally, excursions included art and craft activities and watch live sports within the community. There were 170 specialised health visits during the six-month service delivery of aged care; these included mental health workers, dentists and podiatrists.

Road safety continues with additional speed bumps and bollards. The transition to solar lighting has commenced and will continue across the region. Regular clean ups are done throughout the year.

## Highlights

- Active community engagement and growth of the annual clean-up day
- Healthy Homes- Prizes awarded for cleanest home, waste collected by Council
- Aged Care cultural events took place until the end of service delivery (January 2020)
- 24 hours response time to Homeland requests
- Cyclone readiness – undertake community clean-up before wet season and cyclone season
- New Night Patrol vehicle



Objectives	Strategies	Progress
<b>2.1 Improve service delivery standards</b>	Services and infrastructure delivered are in line with community and homelands residents' priorities	Residents are encouraged to report issues quickly, with Homeland residents provided direct staff contact. This method has enabled Council to develop a robust asset management system that is followed by regular onsite visits by departmental staff and stakeholders.
	Develop a framework for Council service standard levels	Council is working with the Risk and Safety Audit committee to establish safety framework. Policies and procedures are up to date.
	Engage with other Councils around service delivery methods, plant and equipment and innovative approaches	Councillors attended a study tour to Jabiru to investigate innovative approaches to service delivery.
<b>2.2 Develop community infrastructure</b>	Engage with community and homelands residents around infrastructure priorities	Regular visits by council staff and council members have delivered priorities.
	Engage with stakeholder organisations to collaborate on co-funding and co-delivery of community infrastructure projects	Co-Contribution was sought from stakeholder communities for the construction of a water park in Wadeye.
	Investigate energy efficient technologies for infrastructure projects	Solar lights installed in streets and playgrounds.

Objectives	Strategies	Progress
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**2.3 Lead community and cultural events**

Engage across communities to identify and coordinate community and cultural events

Clean-Up Day – very successful with all communities participating. This is proposed as an annual event. Council provides prizes to support this event.

Council supports providing direct and in-direct assistance for community and cultural events

Aged Care events – Weekly BBQ’s and Cultural days (ceased January 2020)  
Australia Day celebrations occur across all three communities and incorporate a Colour Fun Run.

Several events are managed by council staff and funded through grants and/or co-contributions.

Local Authorities support providing direct and in-direct assistance for community and cultural events

Community events are discussed and supported at Local Authority or Council meetings held within all three communities.

Monthly interagency meetings in Wadeye. Meetings with each community clinic and other stakeholders within all three communities. (Covid-19 pending)

Develop a central information and coordination resources for funerals

Delegation and planning are discussed at Local Authority meetings. Administration assistance and coordination is provided by Wadeye staff for all WDRC Region.



# NIGHT PATROL

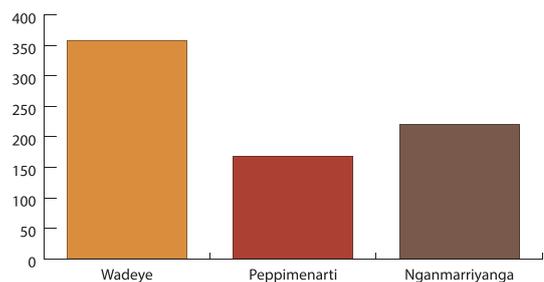
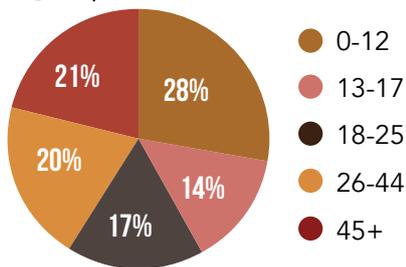
Community Night Patrol's objective is to keep vulnerable people such as women and children safe from harm and to help minimise unrest. Along with the support of other service providers, the night patrol team acts to prevent the community from harm and discourage or intervene in disorderly behaviour.

There were several challenges during the year with December experiencing unrest in Wadeye and the support from The Tactical Response Team (TRT) dispatched to the region.

There have been discussions with other service providers to develop a men's safe house and a youth drop-in centre to help combat anti-social behaviours. Due to Covid-19, several workers returned to country to be less exposed which, along with staff leaving due to unrest meant several programs were reduced at times. To manage distancing measure less use of larger Hiace vehicles were implemented, which reduced the number of assistances from last year by 21%. Patrollers took measures to increase awareness amongst themselves and the community for safer distancing and washing of hands.

West Daly Regional Council Night Patrol team is 100% Indigenous staff and carried out 746 patrols in Wadeye, Nganmariyanga and Peppimenarti. The team conducted some workshops, 4WD training, Care flight workshop and Certificate 1 Basic Computer training.

Age groups assisted across all communities



The 746 night patrol broken down into regions.



# GOAL 3. ENGAGING OUR COMMUNITIES

## Goal 3. Engaging Our Communities

- 3.1 Involve Local Authorities in decision making
- 3.2 Consult with communities and homelands
- 3.3 Engage with local and external stakeholders



During 2019-20, Local Authorities members fulfilled their required meetings in Wadeye and Peppimenarti. Nganmariyanga achieved three meetings with one cancelled due to Covid-19 and no quorum in June 2020. However, the LA continues to be successful in its objectives across all three communities and the Homelands. Despite the access challenges for contractors, eighteen projects were activated. Larger projects such as the water park at Wadeye have been delayed, but conversations continue to enable the project to be completed at the earliest opportunity.

The service delivery to Homelands has increased with \$1.4m on works complete. Projects include several road maintenances, solar, general repairs and water treatments. The residents of both communities and homelands are confident in the approach to working with Councillors and Local Authorities.

Stakeholder meetings continue across the West Daly region. It is the second most disadvantaged region in Australia, and anti-social behaviour is evident. Councillors and Local Authorities work together with agencies to best place delivery of programs and community needs. In 2019 massive unrest restricted several programs and Covid-19 challenged this further. However, the relationships with stakeholders continue to build, and meetings remained in the community, the focus was shifted to health around the pandemic and how to best place the community should an outbreak occur.

The Mayor and Elected Members held a study tour to Jabiru in September 2019. It was an opportunity to seek out commonalities within the Councils and to network and build working relationships. The tour also provides understanding and feasibility for innovative projects outside the West Daly region that could enhance it.

### Highlights

- Working agreements with CDP and Rangers for Homelands
- Streamlined reporting systems for Homeland asset management
- Local Authority continued to meet with Covid-19 challenges and deliver projects
- Maintained local network with services even during times of difficulties
- Study tour to Jabiru



Objectives	Strategies	Progress
<b>3.1 Involve Local Authorities in decision making</b>	<p>Facilitate Local Authorities input into local service delivery decisions</p> <p>Facilitate Local Authorities local priority projects</p>	<p>Meeting held at each community despite challenges with Covid-19</p> <p>Projects created and delivered across all three communities and Homelands</p> <p>Regular stakeholder meetings</p>
<b>3.2 Consult communities and homelands</b>	<p>Develop community beautification plans in consultation with residents</p> <p>Develop local infrastructure plans in consultation with communities and homelands residents</p> <p>Action a program for regular joint visits by Councillors and staff to communities and homelands</p>	<p>Wadeye beautification is in process with mowing, watering and installing of seating around the community, flower beds and planters in public spaces.</p> <p>LA continues to recommend projects as the community have embraced the system and provide local feedback</p> <p>1-2 visits per month are scheduled to Homelands</p> <p>Councillors travel to Homelands regularly with staff to deliver service</p>
<b>3.3 Engage local and external stakeholders</b>	<p>Facilitate regional stakeholders meetings to discuss collaboration on community development and economic development</p> <p>Further develop collaborative relationships with government and non-government organisations</p>	<p>Council works across service departments with scheduled monthly planning meetings across communities. Work continues with CDP participants and Rangers to deliver Covid-19 safety messages.</p> <p>Councillors attended a study tour to develop relationships with West Arnhem Council. Other tours were restricted with travel limited.</p> <p>Weekly Covid-19 meetings.</p> <p>Council continues to encourage input and feedback from Homeland residents, service providers and government departments.</p>

# HOMELANDS

Through direct reporting from Homelands, the system has enabled Council a robust asset management plan that is followed by regular onsite visits by departmental staff and stakeholders.

Councillors continue to visit with staff, who attend once or twice per month. In this Financial Year Council has spent approximately \$1.4m on works in the Homelands. Several works have included the installation of ablution blocks in four Homelands, major road upgrades, installation of water treatment plants, new generators, water tanks, sewer systems, together with the standard road maintenance, housing repairs and maintenance and housing upgrades. This approach supports Council to manage and reduces the expenditure of assets.

Stakeholders include various local organisations and companies to support the works using local CDP staff. A large number of contractors were engaged with positive feedback from residents on the works to date. Most of the works were carried out late in the year due to Covid-19 restrictions; however, more works have been carried out than previous years.

## **Homelands Extra Allowance (HEA)**

Upgrades to houses such as:

- New kitchens
- Hot water systems
- New robes
- Fly screens
- Window awnings

## **Housing Maintenance Program (HMS)**

- Repairs and maintenance and safety checks to electrical systems
- General repairs and maintenance - door handles, leaking taps, blocked drains

## **Municipal and Essential Services (MES)**

- Road maintenance
- Upgrades to several roads
- Maintenance and minor works on all outstations
- Preparing new dumps
- Supplying new equipment - slashers, mowers, whipper snippers
- Proposed plans to upgrade some outstations to solar energy
- Installing new water bores and treatment plants
- Installation of mobile phone boosters

## **Highlights**

- Play shelter, speed humps and solar lights at Nama
- New tractor slasher for Wudapuli
- New equipment of mowers, chainsaws, whipper snippers
- Various house repairs and earthworks completed
- Dwelling constructed at Papangala
- Regularly scheduled visits to homelands included Council members and Departmental staff
- Working collaboratively with Thamarrurr Rangers to develop land management strategies within the Homelands



## WADEYE SERVICE CENTRE

Homeland	Location	No. of Houses	Municipal Essential Services	Housing Maintenance Services	Access Roads	Airstrips	Funded Housing
<b>Fossil Head</b>	53kms S	4	Yes	Yes	Graded	Yes not in use	4
<b>Kuy</b>	50kms NNE	4	Yes	Yes	Graded	No	1
<b>Old Mission</b>	22kms N	4	Yes	Yes	Graded	No	2

## NGANMARRIYANGA SERVICE CENTRE

Homeland	Location	No. of Houses	Municipal Essential Services	Housing Maintenance Services	Access Roads	Airstrips	Funded Housing
<b>Wudapuli</b>	25kms NNW	13	Yes	No	Graded	Yes not in use	11
<b>Nama</b>	25kms NNW	13	Yes	No	Graded	Yes	13
<b>Merrepen</b>	38kms W	6	Yes	Yes	Graded	Yes	6
<b>Nemarluk</b>	33Kms SW	6	Yes	Yes	Graded	Yes not in use	6

## PEPPIMENARTI SERVICE CENTRE

Homeland	Location	No. of Houses	Municipal Essential Services	Housing Maintenance Services	Access Roads	Airstrips	Funded Housing
<b>Deleye</b>	64kms NNW	4	Yes	Yes	Graded	Yes	4
<b>Uminyuluk</b>	100Kms N	3	Yes	Yes	Graded	No	3
<b>Mulingi</b>	110Kms NW	2	Yes	Yes	Graded	Yes	2
<b>Perrederr</b>	160Kms N	4	Yes	Yes	Yes	Not in Use	4
<b>Wudaduk</b>	36km N	2	Yes	Yes	Graded	No	2

# GOAL 4. STRENGTHENING OUR ORGANISATION

## Goal 4. Strengthening Our Organisation

- 4.1 Develop Council's staff, assets and equipment
- 4.2 Support good governance and compliance
- 4.3 Encourage innovation, shared servicing and collaboration



Wadeye is transforming to benefit the community and the stakeholders, installing speed humps, streetlights and repairs to roads to make the streets safe continues. Shaded seating, footpaths and upgrades to public toilets have also increased the beautification. The purchase of a new \$253,565 loader can be used across the communities and Homelands to improve service delivery. Areas of focus will include waste management, roads, civil and municipal services.

Council streamlined all policies and procedures in 2019; therefore, the current focus was to review the safety and risk management. The initial assessment identified that a framework was required across Council, and future work in this area will be initiated. The sustained struggle of employment and retention continues. With a young population of a median aged of 24 and 63.3% disengagement levels in the region major shift for desire, with less social conflict is needed.

Council aims to understand disengagement amongst all community members and identify challenges and openings for re-engagement in the communities. Through Councillors and Local Authorities, projects could be introduced with socioemotional outcomes; where residents are more likely to engage where results have more meaning to them. Therefore, engagement with projects before commencement have broader community support and self-worth to be involved with the hope to fulfil and retain employment positions.

The focus of barriers will continue as a discussion amongst community members and stakeholders; what can be achieved to fulfil the gaps and create opportunities. Again, this is not a simple solution or a quick fix.

### Highlights

- New loader for all communities
- Civil team doing regular visits to homelands
- Assets and equipment are well maintained
- Audit and Risk Management meeting was held



## Training

- Night Patrol Community Services
- Civil operations – loader, grader and roller operations
- Chainsaw courses
- First Aid
- Aerodrome Reporting Officers courses
- Basic computer training
- Toolbox and WHS for Civil Staff

Objectives	Strategies	Progress
<b>4.1 Develop Council's staff, assets and equipment</b>	Develop staff capacity and capabilities through targeted internal and external training and development programs	Training delivered in several programs
	Review assets and equipment, update registers and action preventative maintenance schedule	Assets and equipment are being maintained regularly and are being kept to a high standard. Regular Homelands visits ensure assets are maintained.
	Replace ageing assets and equipment on a rolling basis and standardise fleet	Toolbox and WHS training conducted with Civil staff.  New Loader to be used across the communities to improve service delivery – waste, roads, civil and municipal services.  Fleet standardised across all communities
<b>4.2 Support good governance and compliance</b>	Commence review of Council Constitutional arrangements (electoral representation review)	
	Maintain effective compliance monitoring and be proactive in seeking advice  Review risk management framework	Health and Safety review commenced ongoing risk management framework review.

## Objectives

### 4.3 Encourage innovation, shared servicing and collaboration

## Strategies

Develop a staff incentive program for innovative service delivery proposals

Explore further options for shared servicing and collaboration initiatives

## Progress

Employee of the month awards are successful delivering 48 awards

Homelands Jobs Program encourage on country participation.

Through shared partnerships under the car recycling program, approximately 280 cars are involved - 150 cars awaiting removal, 60 removed, and 70 waiting for the project to recommence.



## **WEST DALY REGIONAL COUNCIL DISCLAIMER**

No responsibility is implied or accepted by the West Daly Regional Council for any act, omission or statement or intimation contained in the document.

The West Daly Regional Council disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the West Daly Regional Council during the course of any meeting is not intended to be and is not taken as notice of approval from the West Daly Regional Council.

The West Daly Regional Council advises that anyone who has any application lodged with the West Daly Regional Council shall obtain and should only rely on **WRITTEN CONFIRMATION** of the outcome of the application, and any conditions attaching to the decision made by the West Daly Regional Council in respect of the application.

**Steve Horton**  
**Acting Chief Executive Officer**



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**West Daly Regional Council**

**ABN: 25 966 579 574**

**Annual Report**

**30 June 2020**

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## West Daly Regional Council

### Annual Report for the year ended 30 June 2020

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## West Daly Regional Council

Annual Report for the year ended 30 June 2020

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### Acting Chief Executive Officer Certificate

I, Steve Horton, the Acting Chief Executive Officer of West Daly Regional Council, certify that to the best of my knowledge, information and belief:

- (a) the financial statements have been properly drawn up in accordance with Australian Accounting Standards, the Local Government Act, and the Local Government (Accounting) Regulations so as to present fairly the financial position and performance of the Council as at 30 June 2020 and the results for the year then ended; and
  
- (b) the financial statements are in accordance with the accounting and other records of the Council.



Steve Horton  
Acting Chief Executive Officer  
Darwin

Date: 30 OCT 2020



## Independent Auditor's Report to the members of West Daly Regional Council

### *Opinion*

We have audited the financial report of West Daly Regional Council ("the Council"), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows and for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Acting Chief Executive Officer's certificate.

In our opinion, the accompanying financial report of West Daly Regional Council presents fairly, in all material respects, the Council's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act* and the *Local Government (Accounting) Regulations*.

### *Basis for Opinion*

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

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Council's Annual Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Financial Report*

Management of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act* and the *Local Government (Accounting) Regulations*, and for such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the ability of the Council to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance 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 management.
- Conclude on the appropriateness of management's 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.
- 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 management 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.

DELOITTE TOUCHE TOHMATSU



Cheryl Crase  
Partner  
Chartered Accountants  
Darwin, 30 October 2020



## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Statement of profit or loss and other comprehensive income

	Note	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Rates and annual charges	4	1,430,549	1,416,856
User charges and fees	4	1,166,858	1,143,922
Investment income	4	81,025	127,548
Grants and contributions	4	8,834,480	11,537,607
Other gains and losses	4	96,041	(42,951)
Employee benefits expenses	5	(4,493,341)	(5,514,911)
Material and contracts expenses	5	(1,479,777)	(1,826,425)
Other expenses	5	(4,506,675)	(5,927,188)
Finance costs	5	(198,575)	-
<b>Surplus for the year (before depreciation expense)</b>		<b>930,585</b>	<b>914,458</b>
Depreciation expense	5	(725,409)	(1,828,933)
<b>Surplus/(Deficit) for the year</b>		<b>205,176</b>	<b>(914,475)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>205,176</b>	<b>(914,475)</b>

The accompanying notes form part of these financial statements

## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Statement of financial position

		Year ended 30 June 2020	Year ended 30 June 2019
	Note	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	6	7,179,966	6,285,298
Trade and other receivables	7,8	265,766	261,165
Inventories	9	183,761	114,313
Other assets		3,840	6,225
<b>Total current assets</b>		<b>7,633,333</b>	<b>6,667,002</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	3,196,227	14,039,355
Right-of-use assets	11	3,866,920	-
<b>Total non-current assets</b>		<b>7,063,147</b>	<b>14,039,355</b>
<b>Total assets</b>		<b>14,696,480</b>	<b>20,706,357</b>
<b>Current liabilities</b>			
Trade and other payables	12	967,047	803,595
Grant liabilities	13	108,358	183,788
Provisions	14	266,492	344,398
Deferred revenue		638,789	-
Lease liabilities	15	73,582	-
<b>Total current liabilities</b>		<b>2,054,268</b>	<b>1,331,781</b>
<b>Non-current liabilities</b>			
Provisions	14	47,496	53,020
Lease liabilities	15	4,011,104	-
<b>Total non-current liabilities</b>		<b>4,058,600</b>	<b>53,020</b>
<b>Total liabilities</b>		<b>6,112,868</b>	<b>1,384,801</b>
<b>Net assets</b>		<b>8,583,612</b>	<b>19,321,556</b>
<b>Equity</b>			
Retained earnings	16	8,583,612	19,321,556
<b>Total equity</b>		<b>8,583,612</b>	<b>19,321,556</b>

The accompanying notes form part of these financial statements



## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Statement of working capital

		Year ended 30 June 2020	Year ended 30 June 2019
	Note	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	6	7,179,966	6,285,298
Trade and other receivables	7,8	265,766	261,165
Inventories	9	183,761	114,313
Other assets		3,840	6,225
<b>Total current assets</b>		<b>7,633,333</b>	<b>6,667,002</b>
<b>Current liabilities</b>			
Trade and other payables	12	967,047	803,595
Grant liabilities	13	108,358	183,788
Provisions	14	266,492	344,398
Deferred revenue		638,789	-
Lease liabilities	15	73,582	-
<b>Total current liabilities</b>		<b>2,054,268</b>	<b>1,331,781</b>
<b>Net current assets</b>		<b>5,579,065</b>	<b>5,335,221</b>
<b>Current ratio</b>		3.72	5.01
<b>Acid test ratio</b>		3.62	4.92

The accompanying notes form part of these financial statements

## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Statement of changes in equity

	Retained Earnings	Total Equity
Note	\$	\$
<b>Balance as at 1 July 2018</b>	<b>20,236,031</b>	<b>20,236,031</b>
Deficit for the year	(914,475)	(914,475)
Total comprehensive expense for the year	(914,475)	(914,475)
<b>Balance as at 30 June 2019</b>	<b>19,321,556</b>	<b>19,321,556</b>
<b>Balance as at 1 July 2019</b>	<b>19,321,556</b>	<b>19,321,556</b>
Effect of change in accounting policy for initial application of AASB 15 and AASB 16	(10,943,120)	(10,943,120)
<b>Balance as at 1 July 2019 - as restated</b>	<b>8,378,436</b>	<b>8,378,436</b>
Deficit for the year	205,176	205,176
Total comprehensive expense for the year	205,176	205,176
<b>Balance as at 30 June 2020</b>	<b>8,583,612</b>	<b>8,583,612</b>

The accompanying notes form part of these financial statements



## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Statement of cash flows

	Year ended 30 June 2020	Year ended 30 June 2019
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,595,192	2,569,207
Payments to suppliers and employees	(10,469,218)	(16,013,111)
Grants received	9,166,441	11,721,395
Grants repaid	(75,431)	-
<b>Net cash flows generated by/(used in) operating activities</b>	17(b) 1,216,984	(1,722,509)
<b>Cash flows from investing activities</b>		
Interest received	81,025	127,548
Payments for property, plant and equipment	(357,621)	(1,292,884)
Proceeds from sale of property, plant and equipment	254,170	195,307
<b>Net cash flows (used in) investing activities</b>	(22,426)	(970,029)
<b>Cash flows from financing activities</b>		
Lease liability repayment	(299,890)	-
<b>Net cash flows generated by financing activities</b>	(299,890)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	894,668	(2,692,538)
Cash and cash equivalents at beginning of year	6,285,298	8,977,836
<b>Cash and cash equivalents at end of year</b>	17(a) 7,179,966	6,285,298

The accompanying notes form part of these financial statements

## Notes to the financial statements

### 1 General information

West Daly Regional Council ("the Council"/"WDRC") is a body corporate domiciled in Australia. The Council was in prospective operation from 23 April 2014 to 30 June 2014. On 1 July 2014, the Northern Territory Government mandated the creation of the Council to take effect by de-amalgamating the Victoria Daly Regional Council ("VDRC").

The Council was formed following a meeting of clan groups in the Wadeye, Peppimenarti and Nganmariyanga region, who wanted a stronger voice and greater control over the delivery of services in the Wadeye, Peppimenarti and Nganmariyanga region.

#### Registered office:

Lot 463, Perdjert Street  
Wadeye NT 0822

#### Liaison office

3/4 Albatross Street  
Winnellie NT 0820

The Council has its main office located in Lot 463, Perdjert Street, Wadeye, with three other offices in Peppimenarti, Nganmariyanga and Darwin.

### 2 Application of new and revised Accounting Standards

#### 2.1 Amendments to AASBs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Council has applied the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2019. The new and revised Standards and amendments applied that are relevant to the Council include:

- i. AASB 1058 Income for Not-for-Profit-Entities and AASB 15 Revenue from Contracts with Customers
- ii. AASB 16 Leases and AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities
- iii. AASB 2019-8 Amendments to Australian Accounting Standards – Class of Right-of-Use Assets arising under Concessionary Leases (AASB 2019-8)
- iv. AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities (AASB 2016-8)

Details of these new requirements as well as their impact on the Council's financial statements are described below:

#### **AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers**

The Council has applied AASB 1058 and AASB 15 in accordance with the modified retrospective (cumulative catch-up) method where the comparative years are not restated. Instead, the Council has recognised the cumulative effect of initially applying AASB 1058 and AASB 15 for the first time for the year ending 30 June 2020 against retained earnings as at 1 July 2019. The Council has also elected to apply AASB 1058 and AASB 15 retrospectively only to contracts and transactions that are not 'completed contracts' as at 1 July 2019.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.



## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Notes to the financial statements

#### **AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers (cont'd)**

General impact of application:

The Council has applied the new income requirements to its main income streams, i.e. Government grants and contributions.

#### **Government grants**

The new income requirements state that in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction should be accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied, as opposed to immediate income recognition under AASB 1058.

The Council has conducted an analysis of the government grant contracts and analysed the terms of each contract to determine whether the arrangement meets the enforceability and the 'sufficiently specific' criteria under AASB 1058. For those grant contracts that are not enforceable or the performance obligations are not sufficiently specific, this will result in immediate income recognition under AASB 1058. Income will be deferred under AASB 15 otherwise and recognised when (or as) the performance obligations are satisfied.

Based on an analysis of the Council's grant contracts as at 1 July 2019 on the basis of the facts and circumstances that exist at that date, the Council notes that government grant revenue related to incomplete contracts amounts to \$306,828. Of this, approximately \$249,538 has been recognised as income in the current year and \$57,290 will be deferred and recognised as revenue as and when performance obligations are satisfied.

Impact on line items affected by the adoption of AASB 1058/AASB 15 as compared to AASB 1004 for the year ended 30 June 2020:

	As presented under AASB 1004 \$'000	AASB 1058/AASB 15 adjustments \$'000	As presented under AASB 15/AASB 1058 \$'000
<b>Revenue</b>			
Government grants	9,473,269	(638,789)	8,834,480
<b>Liabilities</b>			
Deferred revenue	-	638,789	638,789

Impact on assets, liabilities and equity as at 1 July 2019 (initial application date)

	As presented under previous Standards \$'000	AASB 1058/AASB 15 adjustments \$'000	As presented under AASB 15/AASB 1058 \$'000
<b>Liabilities</b>			
Deferred revenue	-	306,828	306,828
<b>Equity</b>			
Retained Earnings	19,321,556	306,828	19,014,728

#### **AASB 16**

AASB 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

The Council has applied AASB 16 using the cumulative catch-up approach.

#### **a) Impact of the new definition of a lease**

The change in definition of a lease mainly relates to the concept of control. AASB 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in AASB 117.

## Notes to the financial statements

### b) Impact on Lessee Accounting

Former operating leases

AASB 16 changes how the Council accounts for leases previously classified as operating leases under AASB 117, which were off balance sheet.

Applying AASB 16, for all leases, the Council:

a) Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with AASB 16:C8(b)(ii)

b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss;

c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

Under AASB 16, right-of-use assets are tested for impairment in accordance with AASB 136.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Council has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'other expenses' in profit or loss.

The Council has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying AASB 117:

- The Council has applied a single discount rate to its leases with reasonably similar characteristics.
- The Council has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Council has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Council has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

### c) Financial impact on initial application of AASB 16

The Council has recognised \$4,029,162 Right of use assets and \$4,084,686 of Lease liabilities upon transition to AASB 16. The difference of \$156,838 is recognised in Retained Earnings.

### AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities and AASB 2019-8 Amendments to Australian Accounting Standards – Class of Right-of-Use Assets arising under Concessionary Leases (AASB 2019-8)

In the current year, the Council has applied AASB 2018-8 and AASB 2019-8 which are effective for an annual period that begins on or after 1 July 2019.

Leases at significantly below-market terms and conditions (concessionary leases)

For NFP entities with leases that have significantly below-market terms and conditions principally to enable the entity to further its objectives (commonly known as concessionary leases or peppercorn leases), AASB 1058 and AASB 16 require NFP entities to measure right-of-use assets at initial recognition at fair value (based on AASB 13), the lease liability per AASB 16 and the difference to be accounted as income upfront.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities provides a temporary option for NFP lessees to elect to measure a class (or classes) of right-of-use assets arising under 'concessionary leases' at initial recognition, at either fair value or cost. If an entity chooses the cost option, additional disclosures are required for each material 'concessionary / peppercorn lease' on the nature and terms and the entity's dependence on such leases.

AASB 2019-8 Amendments to Australian Accounting Standards – Class of Right-of-Use Assets arising under Concessionary Leases specify for NFP entities that right-of-use assets arising under concessionary leases can be treated as a separate class of right-of-use assets to right-of-use assets arising under other leases for the purposes of AASB 16.

The Council has conducted an analysis of the Section 19 lease arrangements and notes that some of its leases are at-market and some are at significantly below-market terms and conditions (concessionary leases). For the at-market leases, these will be accounted for under AASB 16.

For the concessionary leases, the Council has decided to make use of the temporary option under AASB 2018-8 to measure the right-of-use assets at cost on initial recognition. As the amount of the concessionary lease payments are immaterial, the amount of the associated right-of-use assets are minimal. Prior to the adoption of AASB 16, the Council had recognised the buildings and other structures attached to lease land at a deemed cost, being the fair value of the buildings, site improvements and structures at the time of transfer to the Council on its formation in 2014. As there are effectively no lease payments in respect of these assets under the concessionary lease and the adoption of the cost option on transition to AASB 16, the right-of-use asset in respect of these concessionary leases is nominal, and accordingly, the carrying amount of the buildings, site improvements and other structures has been derecognised on transition to AASB 16, resulting in a reduction in net assets of \$10.5 million. The Council has also made the necessary disclosures in note 11 for each material concessionary lease as required by AASB 16.Aus59.1-2.



## Notes to the financial statements

### 2.2 Standard and interpretations in issue not yet adopted

At the date of authorisation of the financial report, the following Standards and Interpretations were in issue but not yet effective:

Standard/interpretation	Effective annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	1 July 2021	30 June 2022
AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material	1 Jan 2020	30 June 2021
AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework	1 Jan 2020	30 June 2021
AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 Jan 2020	30 June 2021
AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current	1 Jan 2022	30 June 2023
AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments	1 Jan 2022	30 June 2023

## 3 Significant accounting policies

### 3.1 Financial reporting framework

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the requirements of the Local Government Act 2008, the Local Government (Accounting) Regulations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The Council is a not-for-profit entity for financial reporting purposes.

The financial statements were authorised for issue by the council on the 30 October 2020.

### 3.2 The Local Government Reporting Entity

The resources Council controls to carry on its functions have been included in the financial statements forming part of the report.

A summary of activities listing along with their contribution to the operating result is provided in the notes to the financial statements. In the process of reporting on the local government as a single unit, all transactions and balances between those activities (for example, loans and transfers between activities) have been eliminated.

### 3.3 Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Council takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 102 'Inventories' or value in use in AASB "Impairment of Assets".

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All amounts in the financial statements have been rounded to the nearest dollar.

## Notes to the financial statements

### 3.4 Critical accounting judgments and key sources of estimation uncertainty

In the application of the accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are significant management judgements and estimates in applying the accounting policies of the Council that have the most significant effect on the financial statements.

#### Employee entitlements

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on cost rates; and
- experience of employee departures and period of service.

#### Useful Lives of Depreciable Assets

The Council estimates the useful lives of depreciable assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

#### Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date.

#### Fair Value of Non-Financial Assets

Management uses valuation techniques to determine the fair value of non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the asset. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 3g & 10).

#### Revenue Recognition

To determine if a grant contract should be accounted for under AASB 1058 or AASB 15, the Council has to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. When assessing if the performance obligations are 'sufficiently specific', the Council has applied significant judgement in this regard by performing an analysis of the terms and conditions contained in the grant contracts and review of any accompanying documentation.

### 3.5 Summary of significant accounting policies

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

#### (a) **Cash and cash equivalents**

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (b) **Employee benefits**

##### Short-term and long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Council in respect of services provided by employees up to reporting date.

##### Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.



## Notes to the financial statements

(c) **Income tax**

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

(d) **Financial instruments**

Financial assets and financial liabilities are recognised in the Council's statement of financial position when the Council becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**Financial assets**

The Council classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the council's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Impairment of financial assets

The Council recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Council always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Council's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Council recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Council measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Derecognition of financial assets

The Council derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Council neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Council recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Council retains substantially all the risks and rewards of ownership of a transferred financial asset, the Council continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Financial liabilities and equity instruments**

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Council, are measured in accordance with the specific accounting policies set out below. Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs.

Derecognition of financial liabilities

The Council derecognises financial liabilities when, and only when, the Council's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## Notes to the financial statements

### (e) Goods and services tax

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

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

### (f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of first-in-first-out. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs of purchased inventory are determined after deducting rebates and discounts.

### (g) Property, plant and equipment

#### Initial recognition of Property, Plant and Equipment

Property, plant and equipment is initially recognised at cost less accumulated depreciation and any impairment allowance. Cost initially includes expenditure that is directly attributable to the acquisition. Cost related to property, plant and equipment gifted, donated or granted to the Council or transferred to the Council from the constituent councils is the fair value of the asset, plus cost directly attributable to the acquisition.

Recognition occurs at such time as an item is physically located and identified as being under the control of the council by its management, thereby allowing its future economic benefit to flow to the Council.

The capitalisation threshold for the recognition of all non-current physical and intangible assets is \$5,000 (\$5,000 for 2019).

#### Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives used for each class of depreciable assets are:

Class of Fixed Asset	Useful life
Buildings, structures & site improvements	10 - 40 years
Infrastructure	5 - 40 years
Plant and equipment	3 - 10 years
Furniture & fittings & office equipment	4 - 20 years
Motor vehicles	4 - 6 years

#### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Revaluations

Property, plant and equipment are measured at fair value, in accordance with AASB 116 Property, Plant and Equipment and AASB 13 Fair Value Measurement.

Following initial recognition at cost, property, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted in sufficient frequency (from 3 to 5 years) to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the end of reporting date. The regularity of independent valuations depends upon the volatility of movements in market values of relevant assets.

A comprehensive revaluation of entire property, plant and equipment of the Council as at 30 June 2014 was conducted by Maloney Field Services. Accordingly, the carrying amount of the assets (property, plant and equipment) after revaluation is the restated amount calculated by eliminating any accumulated depreciation as at revaluation date against the gross carrying amounts of the assets.



## Notes to the financial statements

### (g) **Property, plant and equipment (continued)**

Revaluation adjustments are made on a class basis. Any revaluation increment upon appraisal is recognised in other comprehensive income and credited to the asset revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

Revaluation decrements are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any asset revaluation reserve in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation reserve remaining in equity on disposal of the asset is transferred to accumulated funds.

#### Impairment

Property, plant and equipment were assessed for impairment at 30 June 2019. Where indications of impairment exists, the assets' recoverable amount is estimated and an impairment adjustments is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Council were deprived of the asset, value in use is taken to be its depreciated replacement cost.

### (h) **Leasing**

#### The Council as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### The Council as lessee

Under Section 19 of the Aboriginal Land Rights (Northern Territory) Act 1976, the Northern Land Council ("the Land Trust") and Daly River /Port Keats Aboriginal Land Trust of c/- the Northern Land Council (NLC) granted the Council a 12-year lease of the land in the WDRC region since council establishment, including buildings and other improvements. The lease requires the Council to pay annual lease payments for the term of the lease. It also grants the Council the right to use any other land vested in the Land Trust for access to the Land and normal use and enjoyment of the Land and any building upon it, including provision of any services.

The Council recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

#### Right-of-use assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurements of lease liabilities. Right-of-use assets are depreciated on a straight line basis over the shorter period of lease term and useful life of the underlying asset. Right-of-use assets are also subject to impairment.

#### Lease liabilities

At commencement date of the lease, the Council recognises lease liabilities measured at the present value of the lease payments made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

#### Short term leases and leases of low-value assets

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Council has opted to recognise a lease expense on a straight-line basis as permitted by AASB 16. This expense is presented within 'other expenses' in profit or loss.

### (i) **Provisions**

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Notes to the financial statements**

**(j) Revenue**

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

Rates

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

Uncollected amounts are recognised as receivables.

Grants, Donations and Other Contributions

When the Council receives government grants that are in the scope of AASB 1058 to enable the Council to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Council recognises income immediately in profit or loss.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Council and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**(k) Economic dependence**

During the year the Council received grants from the Northern Territory and Australian Governments and the future operation of the Council is dependant upon continued government funding.



**West Daly Regional Council**  
Annual Report for the year ended 30 June 2020

**Notes to the financial statements**

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
<b>4 Revenue</b>		
An analysis of the Council's revenue for the year from continuing operations is as follows:		
<b>Rates and Annual Charges:</b>		
General charges	888,956	889,639
Waste management service	541,593	527,217
	<b>1,430,549</b>	<b>1,416,856</b>
<b>User charges and fees:</b>		
Property lease rental fees	276,860	201,377
Service fees	135,238	146,974
Contract fees	530,357	541,352
Other user charges	224,403	254,219
	<b>1,166,858</b>	<b>1,143,922</b>
<b>Investment income:</b>		
Interest income	81,025	127,548
	<b>81,025</b>	<b>127,548</b>
<b>Grants and Contributions:</b>		
Operating grant - Australian Government	4,090,133	4,997,892
Operating grant - Northern Territory Government	3,424,751	3,561,076
Special purpose grant - Northern Territory Government	558,085	1,275,462
Capital grant - Australian Government	415,361	433,537
Capital grant - Northern Territory Government	-	1,225,841
<b>Total Government Grants</b>	<b>8,488,330</b>	<b>11,493,808</b>
Unexpended grant liability to be repaid (Note 13)	-	(183,788)
<b>Contributions</b>		
Contributions - other	346,150	227,587
<b>Total Contributions</b>	<b>346,150</b>	<b>227,587</b>
<b>Total Grants and Contributions</b>	<b>8,834,480</b>	<b>11,537,607</b>
<b>Other Gains/(losses)</b>		
Gain/(loss) on disposal of property, plant and equipment	96,041	(42,951)
	<b>96,041</b>	<b>(42,951)</b>

**Notes to the financial statements**

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
<b>5 Expenses</b>		
<b>Depreciation expense:</b>		
Depreciation of property, plant and equipment	725,409	1,828,933
	<b>725,409</b>	<b>1,828,933</b>
<b>Employee benefits expenses</b>		
Salaries and wages	3,524,728	4,356,496
Leave and other entitlements	381,926	441,892
Superannuation contributions	339,643	420,356
Workers compensation	105,463	65,964
Other staff costs	141,581	230,203
	<b>4,493,341</b>	<b>5,514,911</b>
<b>Material and contracts expenses</b>		
Contractors	1,355,550	1,215,569
Materials	95,745	226,269
Consultancy fees	28,482	384,587
	<b>1,479,777</b>	<b>1,826,425</b>
<b>Other Expenses</b>		
Outsourced Services	945,766	1,799,697
Chairman and Councilor payments	248,040	255,915
Communication technology expenses	476,433	490,292
Insurance	511,477	357,063
Utilities	279,746	264,623
Repairs and maintenance	1,127,160	1,103,544
Property Lease	8,525	286,286
Grants Repaid	173,288	87,477
Other expenses	736,240	1,282,291
<b>Total Other Expenses</b>	<b>4,506,675</b>	<b>5,927,188</b>
<b>Finance costs</b>		
Interest expense on lease liabilities*	198,575	-
	<b>198,575</b>	-
*The lines indicated are in respect of the application of AASB 16 in the current year only.		
<b>6 Cash and cash equivalents</b>		
Cash in bank and on hand	2,179,966	2,785,298
Cash in term deposits	5,000,000	3,500,000
	<b>7,179,966</b>	<b>6,285,298</b>
<b>7 Trade and other receivables</b>		
Trade receivables	273,346	401,014
Allowance for expected credit losses	(17,287)	(158,782)
	<b>256,059</b>	<b>242,232</b>
Accrued income	1,707	10,933
Bonds and security deposits	8,000	8,000
	<b>265,766</b>	<b>261,165</b>



**Notes to the financial statements**

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$

**8 Trade and other receivables**

The average credit period on goods and services is 30 days. No interest is charged on trade receivables however, the relevant interest rate for the late payment of rates and charges is fixed in accordance with Section 162 of the Act at the rate of 10% per annum and is to be calculated on a daily basis.

The following table details Council's trade and other receivables exposure to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Ageing of receivables that are past due but not impaired

60 - 90 days	17,992	16,319
90 - 120 days	75,268	149,634
<b>Total</b>	<b>93,260</b>	<b>165,953</b>

Movement in the allowance for expected credit losses

Balance at the beginning of the year	(158,782)	-
Impaired losses recognised on receivables	(13,998)	(158,782)
Reversal of recognised impairment	155,493	-
Balance at the end of the year	<b>(17,287)</b>	<b>(158,782)</b>

Ageing of impaired receivables

0 - 30 days	-	25,832
30 - 60 days	-	330
60 - 90 days	-	10,539
90 - 120 days	-	-
90+ days	17,287	122,081
<b>Total</b>	<b>17,287</b>	<b>158,782</b>

**9 Inventories**

Stock on hand - Fuel, oil and workshop	183,761	114,314
	<b>183,761</b>	<b>114,314</b>

The cost of inventories recognised as an expense during the year in respect of continuing operations was \$27,352 (2019: \$62,784).

**10 Property, plant and equipment**

**Carrying amounts of:**

Buildings, structures and improvements	78,323	10,571,523
Infrastructure	1,435,260	1,559,578
Plant and equipment	1,084,544	982,878
Furniture, fittings and office equipment	326	1,286
Motor vehicles	415,491	557,882
Work In Progress	182,283	366,208
	<b>3,196,227</b>	<b>14,039,355</b>

## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Notes to the financial statements

#### 10 Property, plant and equipment (continued)

	Buildings, structures & site improvements at fair value	Infrastructure at fair value	Plant and equipment at fair value	Furniture and fittings & office Equipment at cost	Motor vehicles at fair value	Work in progress at Cost	Total
<b>Gross carrying amount</b>							
Balance as 1 July 2019	16,065,971	3,377,270	2,061,416	85,212	1,629,462	366,208	23,585,539
Additions	-	-	117,156	-	104,102	136,363	357,621
Disposals	-	-	(10,000)	-	(648,662)	-	(658,662)
Transfer	-	-	259,338	-	60,950	(320,288)	-
Asset Derecognition (Note 2)	(15,897,248)	-	-	-	-	-	(15,897,248)
<b>Balance as at 30 June 2020</b>	<b>168,723</b>	<b>3,377,270</b>	<b>2,427,910</b>	<b>85,212</b>	<b>1,145,852</b>	<b>182,283</b>	<b>7,387,250</b>
<b>Accumulated depreciation</b>							
Balance as 1 July 2019	(5,494,448)	(1,817,692)	(1,078,538)	(83,926)	(1,071,580)	-	(9,546,184)
Disposals	-	-	5,000	-	495,533	-	500,533
Depreciation	(13,747)	(124,318)	(269,828)	(960)	(154,314)	-	(563,167)
Accumulated on derecognition	5,417,795	-	-	-	-	-	5,417,795
<b>Balance as at 30 June 2020</b>	<b>(90,400)</b>	<b>(1,942,010)</b>	<b>(1,343,366)</b>	<b>(84,886)</b>	<b>(730,361)</b>	<b>-</b>	<b>(4,191,023)</b>
<b>Net book value</b>							
As at 30 June 2019	10,571,523	1,559,578	982,878	1,286	557,882	366,208	14,039,355
As at 30 June 2020	78,323	1,435,260	1,084,544	326	415,491	182,283	3,196,227

**Notes to the financial statements**

**10 Property, plant and equipment (cont'd)**

Fair value measurement of the Council's assets

The Council's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of the last revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Council's property, plant and equipment have been valued utilising the Fair Value Approach. AASB 116 and 13 requires that the value of the Land be deducted from the Market Value of the property in its entirety to arrive at a figure which represents the added value of the Building and/or Buildings and Structures located on the Land.

Building situated on leased and licensed land and specialised Buildings and Buildings where there is limited market evidence have been valued utilised the Fair value Approach. Community Land cannot be traded in the open market and it therefore follows that any buildings and other Structures thereon should not be valued based on Market Value.

Impairment losses recognised in the year

Property, plant and equipment were assessed for impairment at 30 June 2020. Where indications of impairment exists, the assets' recoverable amount is estimated and an impairment adjustments is made if the asset's recoverable amount is less than its carrying amount.

No impairment losses have been recognised in the current year profit or loss. (2019: \$0). Further, from the valuation performed at 30 June 2019 for Plant & Equipment and Motor Vehicles there were no signs of impairment indicators.

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
<b>11 Right-of-use Assets</b>		
<b>Carrying amount:</b>		
At Cost*	4,029,162	-
Accumulated depreciation*	(162,242)	-
	<b>3,866,920</b>	<b>-</b>

\*The lines indicated are in respect of the application of AASB 16 in the current year only.

	Right-of-use Assets \$	Total \$
<b>Balance as 1 July 2019</b>	4,029,162	4,029,162
Additions	-	-
<b>Balance as at 30 June 2020</b>	<b>4,029,162</b>	<b>4,029,162</b>
<b>Accumulated depreciation</b>		
<b>Balance as 1 July 2019</b>	-	-
Charge for the year	(162,242)	(162,242)
<b>Balance as at 30 June 2020</b>	<b>(162,242)</b>	<b>(162,242)</b>
<b>Carrying amount</b>		
As at 30 June 2020	<b>3,866,920</b>	<b>3,866,920</b>

Included in the lease arrangements are buildings, site improvements and structures from the Northern Land Council , under Section 19 of the Aboriginal Land Rights (NT) Act 1976, with significantly below-market terms and conditions principally to enable it to further its objectives.

The Council is dependent on this lease to further its objectives as it utilises the buildings, site improvements and structures to run its operations to deliver its services. The Council is restricted on the use of these assets as agreed with the Northern Land Council and as stated in the lease agreement may not utilise it for other purposes including sub-leasing to other entities. The lease term is for 40 years and the lease payments are effectively nominal. (The lease payments in respect of the land to which the buildings, site improvements and structures are attached are \$246,691 per annum, payable annually in advance. These payments are in respect of the unimproved capital value of the land rather than in respect of the buildings, site improvements and structures.)

As outlined in the Council's accounting policy in note 2, the Council has elected to measure this lease at cost.

### Notes to the financial statements

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
<b>12 Trade and other payables</b>		
Trade payables	239,799	184,676
Accrued expenses	714,209	615,518
Other payables	13,039	3,401
	<b>967,047</b>	<b>803,595</b>
Settlement of trade creditors is within payment terms of suppliers.		
<b>13 Grant Liabilities</b>		
Unexpended Grants to be Repaid	108,358	183,788
	<b>108,358</b>	<b>183,788</b>
<b>14 Provisions</b>		
Employee benefits (i)		
Current	266,492	344,398
Non-Current	47,496	53,020
	<b>313,988</b>	<b>397,418</b>
(i) The provision for employee benefits represents annual leave, vested long service leave and time in lieu entitlements accrued by employees.		
<b>15 Lease Liabilities</b>		
Analysed as:		
Current*	73,582	-
Non-Current*	4,011,104	-
	<b>4,084,686</b>	-
*The lines indicated are in respect of the application of AASB 16 in the current year only.		
<b>16 Retained earnings</b>		
Balance at beginning of the year	19,321,556	20,236,031
Deficit for the period	205,176	(914,475)
Adjustments in respect of new accounting policies*	(10,943,120)	-
<b>Balance at end of financial year</b>	<b>8,583,612</b>	<b>19,321,556</b>
*Analysed as:		
Effects of changes arising on AASB 15**	(306,828)	-
Effects of changes arising on AASB 16**	(156,838)	-
Effects of changes arising on AASB 2018-8**	(10,479,454)	-
	<b>(10,943,120)</b>	-

\*\*The lines indicated are in respect of the application of AASB 15 and AASB 16 in the current year only.



## West Daly Regional Council

Annual Report for the year ended 30 June 2020

### Notes to the financial statements

	Year ended	Year ended
	30 June 2020	30 June 2019
	\$	\$

#### 17 Statement of cash flows

##### (a) Reconciliation of cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks. Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash in bank and on hand	7,179,966	6,285,298
Balance per Statement of Cash Flows	7,179,966	6,285,298

##### (b) Reconciliation of surplus from operating activities to net cash flows from operating activities

Surplus/(Deficit) for the year	205,176	(914,475)
Other gains and losses	(96,041)	42,952
Depreciation and impairment losses	725,409	1,828,933
Investment income	(81,025)	(127,548)
Recognition of unearned revenue	(306,827)	-
Interest expense	198,575	-
Decrease/(increase) in assets:		
Trade and other receivables	(4,601)	9,221
Inventories	(69,448)	(35,278)
Other assets	2,385	(793)
Increase/(decrease) in liabilities:		
Trade and other payables	163,452	(2,743,229)
Provisions	(83,430)	33,920
Grant liabilities	(75,430)	183,788
Deferred revenue	638,789	-
<b>Net cash generated by/(used in) operating activities</b>	<b>1,216,984</b>	<b>(1,722,509)</b>

##### (c) Non-cash transactions

During the current year, the Council did not enter into any non-cash transactions (2019: \$0).

## Notes to the financial statements

### 18 Financial Instruments

#### (a) Financial Risk Management Policies

The main risks West Daly Regional Council is exposed to through its financial instruments are credit risk, liquidity risk, market risk and interest rate risk.

The Council's financial instruments consist mainly of deposits with banks, trade and other receivables and trade and other payables.

##### (a) Risk Management Objectives

The Council has given the Chief Executive Officer (CEO) the power to invest funds of the Council. The Council's objective is to minimise financial risk by investing only in short term deposits with local banks. Monthly reports on investments are prepared and given out at council meetings.

##### (b) Credit Risk

Credit risk is the risk that the counterparty may fail to discharge an obligation to the Council. The Council is exposed to this risk for various financial instruments arising from receivables in the conduct of its operations. The Council minimises risk by only investing cash in government guaranteed financial institutions or one of Australia's big four banks.

The Council continuously monitors defaults of customers and believes that it does not have any significant credit risk exposure to any other counter party or group of counter parties as the Council actively manages credit risk by following up outstanding debtors.

The Council does not have a material credit risk exposure relating to term deposits and bank accounts held with the Commonwealth Bank of Australia.

The Council believes that it does not have any significant credit risk exposure to any other counter party or group of counter parties as the Council actively manages credit risk by following up outstanding debtors.

None of the Council's financial assets are secured by collateral or other credit enhancements. An ageing analysis of the Council's trade and other receivables is disclosed in Note 8.

##### (c) Liquidity Risk

Liquidity risk or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may also result from the inability to sell financial assets quickly at their fair values.

The Council reduces its exposure to liquidity risk by monitoring its cash flows closely through rolling future cash flows and monitoring the ageing of receivables and payables.

The Council maintains cash and cash equivalents deemed sufficient to finance its operations. Excess cash are invested in short-term investments to achieve maximum returns.



**Notes to the financial statements**

**18 Financial Instruments (continued)**

The tables below summarise the maturity profile of the Council's financial assets held for liquidity purposes and financial liabilities based on remaining contractual undiscounted payments.

		<b>30 June 2020</b>		
<b>Notes</b>		<b>Within three months</b>	<b>&gt;3 months &lt;1 year</b>	<b>Total</b>
Cash and cash equivalents	6	7,179,966	-	7,179,966
Trade and other receivables	7,8	256,059	-	256,059
Trade and other payables	12	(967,047)	-	(967,047)
		<b>6,468,978</b>	<b>-</b>	<b>6,468,978</b>

		<b>30 June 2019</b>		
<b>Notes</b>		<b>Within three months</b>	<b>&gt;3 months &lt;1 year</b>	<b>Total</b>
Cash and cash equivalents	6	6,285,298	-	6,285,298
Trade and other receivables	7,8	242,232	-	242,232
Trade and other payables	12	(803,595)	-	(803,595)
		<b>5,723,935</b>	<b>-</b>	<b>5,723,935</b>

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Council is exposed to market risk through its use of financial instruments and specifically to interest rate risks from its operating, investing and financing activities.

(e) 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 exposed to interest rate risk primarily from its cash surpluses invested in short term interest bearing deposits. The deposits are only made with reputable financial institutions with maturity dates generally being no more than 90 days.

	<b>Note</b>	<b>Year ended 30 June 2020</b>	<b>Year ended 30 June 2019</b>
		\$	\$
Short term deposits	6	5,000,000	3,500,000

The Council has not entered into any loans or other financial commitments that present exposure to interest rate risk as at the end of reporting period. Credit cards are the only short term financial instrument used by the Council and balances are cleared at month end.

**Notes to the financial statements**

**18 Financial Instruments (continued)**

Interest earned on term deposits after they mature may be affected by changes in market interest rates. The following table represents the effect to the statement of profit or loss and other comprehensive income (and corresponding effect to the cash value in the statement of financial position) when the current market interest rate is varied by a 100 basis point is anticipated to be a reasonable estimate of the maximum movement in market interest rates in 2020.

	Year ended 2020	
	+ 100 basis points	- 100 basis points
Effect on statement of profit or loss and other comprehensive income	50,000	(50,000)

	Year ended 2019	
	+ 100 basis points	- 100 basis points
Effect on statement of profit or loss and other comprehensive income	35,000	(35,000)

**19 Superannuation**

The Council contributes in respect of its employees to an accredited superannuation fund. The Council contributes amounts to the scheme in accordance with the Superannuation Guarantee Charge Act 1992. Contributions to the fund accumulate in the fund to meet members' benefits as they accrue.

The amount of superannuation contributions made by the Council during the year ended 30 June 2020 was \$339,643 (2019: \$420,356).

**20 Commitments for expenditure**

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
<u>Capital commitments</u>		
Ablution Block Project	65,975	284,805
Beverage Container	-	618
Lighting Upgrade and Shaderails Installation	18,533	68,533
Mobile Booster System	1,232	1,232
Roads to Recovery	359,134	-
Sewerage System	1,500	13,470
Softball Oval Irrigation	-	152,783
Solar Bore	-	6,585
Solar Power Station	1,559	19,559
Streetlights Upgrade	-	96,556
Township Bus Service	-	21,077
Waste Management Facilities Upgrade	1,050,000	1,050,000
Water Dosing Station	20,192	-
Water Tank	-	3,864
	<b>1,518,125</b>	<b>1,719,082</b>



**Notes to the financial statements**

**20 Commitments for expenditure (continued)**

	Year ended 30 June 2020	Year ended 30 June 2019
	\$	\$
<u>Operating grant - Australian Government</u>		
Community Patrol	148,921	13,289
Community Patrol Booster Package COVID-19	30,000	-
Father and Son Grant	-	2,536
General Purpose Grant - received in advance	827,280	-
<u>Operating grant - Northern Territory Government</u>		
Annual Clean Up	-	3,048
Australia Day	304	-
Homelands Extra Allowance	-	166,828
Homelands Jobs Funding	117,211	195,120
Local Authority Project Funding	851,380	711,062
Municipal and Essential Services Funding	122,002	80,640
NAIDOC	445	2,880
Outstations and Homelands - Housing Maintenance	31,242	94,588
Public Library Services	20,506	52,647
<u>Special purpose grant - Northern Territory Government</u>		
Animal Management Program Implementation	-	49,660
Strategic Local Government Infrastructure Fund	402	81,646
<b>Total Grant commitments</b>	<b>2,149,693</b>	<b>1,453,944</b>

**21 Remuneration of auditors**

Audit of the financial statements (current year)	49,436	48,825
All other services	13,309	15,590
	<b>62,745</b>	<b>64,415</b>

The auditor of the West Daly Regional Council is Deloitte Touche Tohmatsu.

**22 Key management personnel compensation**

Short-term employee benefits	1,007,771	1,014,767
Post-employment benefits	85,243	86,921
Termination benefits	38,390	7,833
	<b>1,131,404</b>	<b>1,109,521</b>

Key management personnel includes the Chief Executive Officer and Director; and 11 members of the management team.

**23 Events after the reporting period**

The Novel Coronavirus (COVID-19) was declared a pandemic in March 2020 by the World Health Organisation (WHO). Subsequent to the end of the financial year, there have been considerable economic impacts in Australia and globally arising from the outbreak of COVID-19 and significant government action to reduce the spread of the virus. The outbreak of COVID-19 and the subsequent quarantine measures, travel and trade restrictions imposed by the Australian government have caused significant disruption to business and economic activity. The Council considers this to be a non-adjusting post balance sheet event. No economic impacts resulting from COVID-19 have been included in the financial results for the year ended 30 June 2020.

The extent of the future impact of COVID-19 on the Council's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, regulations imposed by the government with respect to further outbreak, and the impact on its operations, employees and vendors all of which are uncertain and cannot be predicted.

There have been no subsequent events or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Notes to the Financial Statements

Appendix I Functions Reporting

(a) Revenues and expenses have been attached to the following functions/activities:

	GENERAL PUBLIC SERVICES		ECONOMIC AFFAIRS		ENVIRONMENTAL PROTECTION		HOUSING & AMENITIES
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
<b>OPERATING REVENUES</b>							
Rates and Annual Charges	888,097	888,956	-	-	529,000	541,593	-
User Charges	133,000	180,832	839,000	963,021	-	1,364	26,000
Investment Income	120,000	81,025	-	-	-	-	-
Grants and Contributions	3,519,355	3,918,051	2,873,925	2,250,551	-	-	-
Other Gains and Losses	-	-	-	88,561	-	-	-
<b>Total</b>	<b>4,660,452</b>	<b>5,068,864</b>	<b>3,712,925</b>	<b>3,302,133</b>	<b>529,000</b>	<b>542,957</b>	<b>26,000</b>
<b>OPERATING EXPENSES</b>							
Employee benefits expenses	2,012,379	1,713,864	1,417,523	1,494,398	19,003	9,335	-
Chairman and Councilor payments	274,811	248,040	-	-	-	-	-
Depreciation expense	-	162,242	1,507,000	563,167	-	-	-
Material and Contracts expenses	1,750,363	648,263	3,772,353	753,436	37,364	32,168	664
Other Expenses	2,368,876	1,731,375	907,043	1,357,872	87,423	109,766	435,899
Finance Costs	-	198,575	-	-	-	-	-
Allocation Transfers	(2,993,546)	2,566,217	(2,194,535)	(2,253,172)	186,120	176,610	(1,236,010)
<b>Total</b>	<b>3,412,883</b>	<b>7,268,576</b>	<b>5,409,384</b>	<b>1,915,701</b>	<b>329,910</b>	<b>327,879</b>	<b>(799,447)</b>
<b>TOTALS</b>	<b>1,247,569</b>	<b>(2,199,712)</b>	<b>(1,696,459)</b>	<b>1,386,432</b>	<b>199,090</b>	<b>215,078</b>	<b>825,447</b>



COMMUNITY NITIES	RECREATION, CULTURE & RELIGION		EDUCATION		SOCIAL PROTECTION		TOTAL	
	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000	ACTUAL 2020 \$'000	BUDGET 2020 \$'000
-	-	-	-	-	-	-	1,417,097	1,430,549
21,641	10,000	-	-	-	-	-	1,008,000	1,166,858
-	-	-	-	-	-	-	120,000	81,025
-	109,579	104,579	82,000	27,391	2,503,758	2,533,908	9,088,617	8,834,480
-	-	-	-	-	-	7,480	-	96,041
<b>21,641</b>	<b>119,579</b>	<b>104,579</b>	<b>82,000</b>	<b>27,391</b>	<b>2,503,758</b>	<b>2,541,388</b>	<b>11,633,714</b>	<b>11,608,953</b>
-	135,416	174,725	-	-	1,279,155	1,101,019	4,863,476	4,493,341
-	-	-	-	-	-	-	274,811	248,040
-	-	-	-	-	-	-	1,507,000	725,409
3,118	65,452	7,334	74,641	23,818	30,672	11,640	5,731,509	1,479,777
317,520	108,466	89,880	7,359	3,573	966,293	1,215,768	4,881,359	4,825,753
-	-	-	-	-	-	-	-	198,575
(1,302,367)	(20,845)	(11,127)	-	-	273,301	256,721	(5,985,515)	(567,118)
<b>(981,729)</b>	<b>288,489</b>	<b>260,812</b>	<b>82,000</b>	<b>27,391</b>	<b>2,549,421</b>	<b>2,585,148</b>	<b>11,272,640</b>	<b>11,403,778</b>
<b>1,003,370</b>	<b>(168,910)</b>	<b>(156,233)</b>	<b>-</b>	<b>-</b>	<b>(45,663)</b>	<b>(43,760)</b>	<b>361,074</b>	<b>205,176</b>

### Notes to the Financial Statements

(b) **Components of Functions**

The activities relating to the Council functions reported in Note 4(a) are as follows:

General Public Services

Administrative, legislative and executive affairs, financial and fiscal affairs, general research and general services.

Economic Affairs

General economic and commercial affairs, construction and road maintenance.

Environmental Protection

Waste management, pollution reduction, protection of biodiversity and landscape and protection and remediation of soil, groundwater and surface water.

Housing and Community Amenities

Housing, housing and community development, water supply and street lighting.

Recreation, Culture and Religion

Facilities and venues, recreation parks and reserves, culture and religion services, museums and libraries.

Education

Pre-primary education, subsidiary services to education and vocational training.

Social Protection

Outlays on day care services, family day care, occasional care and outside school hours care, aged services, shelter protection, drug and alcohol treatment programs.





