

2021 / 2022

Annual REPORT



SOUTHERN MALLEE DISTRICT COUNCIL



Ngarkat Acknowledgement

Southern Mallee District Council acknowledges the Ngarkat people as the traditional custodians of the land on which we meet and work. We respect their culture and we extend that respect to other Aboriginal and Torres Strait Islander people.



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CEO'S Message

It is with great pleasure that I present the 2021-2022 Southern Mallee District Council Annual Report.

This year posed many of the same challenges with Covid 19 even though restrictions were lifted at periodic times throughout the year. Our communities have remained strong and adaptable and done an amazing effort of keeping one another safe during this period.

The 2021-2022 financial year was another busy and productive year for Southern Mallee District Council. This document represents the Annual Report of Southern Mallee District Council for the period 1 July 2021 to 30 June 2022. The report details the achievements of Council against its strategic objectives and incorporates the audited financial statements of the organisation.

Council staff have continued to work tirelessly to provide a diverse range of services that are highly valued by the community. These services include childcare, customer service, community buildings and pools, road works, parks and gardens, and waste management.

Council continued to deliver capital works throughout the district including

- Completion stage 1 Lamerook & Pinnaroo commercial center projects
- Completion stage 2 & 3 CWMS pipe renewal Pinnaroo
- 18.5km Kulkami Road shoulder widening
- 23.5km unsealed road resheeting
- Pinnaroo swimming pool refurbishment
- Footpath works Lamerook & Pinnaroo
- Pinnaroo columbarium and paving

Council also continued to support community groups during 2021-2022 with its generous \$30,000 community grants program. This led to a range of great community projects across the district.

I hope you enjoy this Annual Report and are as proud as we are of what has been achieved in 2021-2022.



Matthew Sherman
Acting Chief Executive Officer



ABOUT THE *Council*



COUNCIL PROFILE

Southern Mallee District Council is a diverse municipality with rural and township-based communities and vast agricultural and horticultural enterprises. It is located 200 kilometers to the east of Adelaide and covers 6,000 km². Southern Mallee is central to the greater Mallee Region.

Southern Mallee is located within the southeast of the administrative region of the Murraylands and Riverland. However, Southern Mallee residents see themselves as proudly part of the Mallee. The Mallee is a broad region spanning parts of South Australia and Victoria. Lameroo and Pinnaroo are key Mallee towns and represent a key economic zone on the Mallee Highway between Adelaide and Sydney.

Council was formed in 1997 and comprises the former Lameroo and Pinnaroo District Councils. At the time of the 2021 census the population was 2,064. The total population has seen growth in recent years. Southern Mallee District Council has a highly engaged and active community and has strengths in volunteerism, arts and culture, sport, and a growing reputation for innovative farming practices. The people of Southern Mallee value their ability to interact with each other through a range of community groups and settings. There is a high level of formal and informal interaction between residents and Council.

Southern Mallee District Council has a total of 1,342 kilometers of roads of which 132 kilometers is sealed. Community facilities are located in the two major towns and the larger settlements. There are libraries and schools in Geranium, Lameroo and Pinnaroo. Most sport and recreation facilities are located in Lameroo and Pinnaroo with a small number of facilities in Geranium, Parilla, Parrakie, and Wilkawatt. Public swimming pools are located in Lameroo and Pinnaroo. The Geranium community had access to the Geranium School pool.

Council seeks to provide improved facilities, infrastructure, and services to meet the needs of the community. The local economy is largely dependent upon agricultural and horticultural production. Property sizes tend to be large commercial scale farming enterprises with few recreational or hobby blocks. The region has access to significant high-quality groundwater which supports irrigated horticulture.



GENERAL Information



PRINCIPAL MEMBER

Mayor Cr Jeff Nickolls



ACTING CHIEF EXECUTIVE OFFICER

Matthew Sherman



STAFF

54



TOTAL AREA

5,695 square kilometers



RATEABLE PROPERTIES

1,721



TOTAL ROAD LENGTH

1,342 km



SEALED ROAD LENGTH

132 km



COMMERCIAL CENTRES

Lameroo & Pinnaroo



LIBRARIES

Geranium, Lameroo & Pinnaroo



SCHOOLS

Geranium, Lameroo & Pinnaroo



SPORT & RECREATION FACILITIES

Geranium, Lameroo, Parilla, Parrakie, Pinnaroo & Wilkawatt



CEMETERIES

Lameroo, Parrakie & Pinnaroo



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www.facebook.com/SouthernMalleeDC

GOVERNANCE

COUNCIL DECISION MAKING STRUCTURE

Decisions of Council are made through various council meetings, committee meetings or by staff through delegated authority. Informed decision making is critical to ensure that decisions are made in the best interest of the wider community. All council and committee meetings are conducted in accordance with the Local Government Act (Procedures at Meetings) Regulations 2013. Meetings of the Development Assessment Panel and Building Fire Safety Committee are convened under the PDI Act 2016.

REPRESENTATION QUOTA

Council's representation structure is seven councilors elected as representative of the area as a whole.

As of 30 June 2022, there were 1,339 electors on the Council voters roll in Southern Mallee District Council with an average representation quota of 191.

The following table provides a comparison of representation quota with other similar sized Council's as at 30 June 2022.

COUNCIL	NUMBER OF ELECTORS	REPRESENTATION QUOTA
Barunga West	2046	227
Ceduna	2124	236
Kingston	1896	237
Mount Remarkable	2196	313
Southern Mallee	1339	191
Streaky Bay	1656	207
Tumby Bay	2105	300

An elector representation review (required by chapter 3, part 1, division 2 of the Local Government Act 1999) was completed in 2017. The Electoral Commissioner certified that the review undertaken by Council satisfied the requirements of the Act.

The outcome of the review saw Council reduce councilor representation from 9 to 7 and abolish wards to become a district from the November 2018 elections.



STRATEGIC MANAGEMENT PLANS

The Strategic Management Plan 2021-2025 guides Council's direction and actions. The Strategic Management Plan is available from Council's website and offices.



GOAL 1. AN ENGAGED COMMUNITY

The health and prosperity of our community is paramount. We will work together to build strong and engaged communities where diversity, participation and healthy lifestyles are celebrated. Our community will be well planned, safe and inclusive and have access to the necessary facilities and services. We will seek to inspire, engage and connect with our community knowing that working collaboratively together can achieve more and deliver better outcomes.



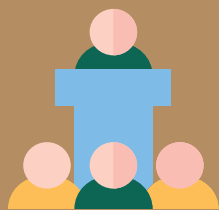
GOAL 2. DIVERSE & PROSPEROUS ECONOMY

Our future is reliant on growing a diverse and viable economic base that attracts investment and jobs, and creates exports in sustainable industries. We will embrace and develop new ideas and approaches to create a vibrant community with opportunities for all whilst building on our strengths in agriculture and horticulture. We will strive to grow tourism and maintain our population. Increasing employment and housing opportunities will be a priority.



GOAL 3. SUSTAINABLE INFRASTRUCTURE & SERVICES

We will deliver the services and facilities to meet community needs. Our services to the community will be responsive, reliable and of high quality. We will invest in building and maintaining high-quality assets for our community. Our focus will be on functional and attractive commercial centres, high amenity public open spaces and sporting facilities, and delivering sustainable improvements to the road and footpath network. We will be responsible financial managers and environmental custodians.



GOAL 4. GOVERNANCE & ORGANISATIONAL CULTURE

Southern Mallee District Council will be seen as an employer of choice. An organisation that has progressive leadership, high ethical standards, accountable governance, sustainable financial management and a constructive culture. This will enable high performing teams that provide quality services and facilities for the community. The organisation will invest in organisational culture and performance and staff learning and development.



GOAL 5. ADVOCACY & WORKING WITH OTHERS

We will work with others to make Southern Mallee a better place. Partnering with all levels of government, peak bodies, community organisations and business we will seek to leverage opportunities. We will advocate for improved or enhanced services for our community including educational opportunities and improved health, transport and community services. We will promote regional approaches and seek to increase the resources available for services and infrastructure in Southern Mallee for the benefit of our community.

COUNCIL VISION

“A PROSPEROUS AND WELCOMING COMMUNITY
WHERE WE SHARE A SUSTAINABLE AND SAFE
ENVIRONMENT AND A DIVERSE ECONOMY.”

COUNCIL VALUES

Our values guide our behaviour and decision-making and how we lead and support our community



ACTIVE LISTENING

We actively listen to and engage with people and we seek their participation and keep them informed.



EXCELLENCE

We strive to achieve excellence in ethical governance and to consistently provide consultative, innovative and responsive services of the highest standard.



STRATEGIC THINKING

We understand the past and have a focus on the future, increasing our ability to balance today's needs with the long-term interests of future generations.



RELATIONSHIPS

We have collaborative relationships and partnerships that increase value to our community.



SENSE OF PLACE

We know our place in the world and we seek to protect and enhance our streetscapes, built environment, and natural environment (including landscapes).



ACHIEVEMENTS

SOUTHERN MALLEE DISTRICT COUNCIL HAD A LONG LIST OF ACHIEVEMENTS IN THE 2021-2022 YEAR. THIS INCLUDED:



Lameroo Town Centre & Pinnaroo Village Green Commercial Centre Projects

Stage 1 Lameroo Town Centre project was complete with the Lameroo pump track open to the public. There are now facilities including a dog park, playground, BBQ and shelter and the pump track providing the community with a new recreation area.

Stage 1 Pinnaroo Village green works were complete with the instillation of new paving /footpath, upgrade of irrigation, mass planting of plants, street furniture, refurbishment of the war memorial and the installation of a roadway including parking behind the tourist and heritage centre.

Works associated with these two projects are funded with the generous support of the Commonwealth Government Building Better Regions Program, Drought funding and a significant contribution from Council.

Ongoing improvement to local roads

Southern Mallee District Council again delivered a range of significant local road projects this financial year.

This included renewal of seven unsealed roads across the district. Council also continued substantial renewal works on Kulkami Road to improve safety.

Council commissioned design work for a safe intersection on the corner of Homburg and Devon Terrace, Pinnaroo.

Three new footpath projects across Lameroo and Pinnaroo were undertaken.



Kulkami Road 18.5km shoulder widening

Council with the assistance of Special Local Road Funding was able to achieve 18.5km of shoulder widening to Kulkami Road. These works have allowed for Kulkami Road to become a safer road to travel, enabling different heavy vehicle combinations access and provide safer opportunities for overtaking.

Pinnaroo Swimming Pool Renewal

Council undertook a renewal project of the Pinnaroo Swimming facility which built on the previous year's works undertaken to the amenity buildings. These renewal works included new plant room fitout, major works to the 25m & toddlers pool and a new pool concourse. This has now provided a great facility for the community to enjoy.

Community Wastewater Management Systems (CWMS)

Council continues to undertake pipe replacement of the Pinnaroo CWMS lines with an expenditure in 2021-2022 of \$2,359,273.



ELECTED *Members*



Cr Jeff Nickolls
Mayor

Committee/Council Meetings attended:
Ordinary Council Meetings 19
CEO Performance Review Panel 3



Neville Pfeiffer
Elected Member

Committee/Council Meetings attended:
Council 18
Audit Committee 4



Paul Ireland
Deputy Mayor

Committee/Council Meetings attended:
Council 18
CEO Performance Review Panel 3
Audit Committee 3



Rebecca Boseley
Elected Member

Committee/Council Meetings attended:
Council 15
CEO Performance Review Panel 2
Pinnaroo Village Green Project
Steering Committee 4



Trevor Hancock
Elected Member

Committee/Council Meetings attended:
Council 17



Andrew Grieger
Elected Member

Committee/Council Meetings attended:
Council 19
Council Assessment Panel 1
Lameroo Town Centre Plan Project
Steering Committee 4



Mick Sparron
Elected Member

Committee/Council Meetings attended:
Council 16
Audit Committee 1
Lameroo Town Centre Plan Project
Steering Committee 2
Pinnaroo Village Green Project
Steering Committee 4

ELECTED MEMBERS ALLOWANCES 2021-2022

Elected member allowances are set by the Remuneration Tribunal and take effect from the first ordinary meeting of the Council held after the conclusion of the periodic elections. (Section 76 and Regulation 4, Local Government (Allowances and Benefits) Regulations 2010).

The following allowance amounts are per annum and were paid monthly in arrears:

Mayor	\$ 27,648.62
Deputy Mayor	\$ 8,640.18
Councillors	\$ 6,912.12

Members receive approved travel allowances to attend council meetings and for conducting council business.

ELECTED MEMBER TRAINING & DEVELOPMENT

Council's Council members' training & development policy outlines Council's commitment to provide training and development activities for its elected members. It also recognises its responsibility to develop and adopt a policy for this purpose under Section 80A of the Local Government Act.

All current elected members have previously undertaken an extensive induction program and all members have completed the mandatory training component. Elected members continue to receive regular informal updates on changes to legislation as it applies through regular briefings. They are also encouraged to attend various local government training sessions, seminars, conferences, and on-line training programs.

The following activities have been attended by elected members since 1 July 2021:

- Negotiation and Influencing Training
- Behaviour Management: Understanding Bullying and Harassment

ELECTED MEMBER INTERSTATE AND INTERNATIONAL TRAVEL

Under Regulation 35(2), 35 (3) and (4) Local Government (General) Regulations 2013, no interstate or international travel was undertaken by elected members in 2021-2022.

ELECTED MEMBER GIFTS

Under Regulation 35(2) and (3) Local Government (General) Regulations 2013, no gifts above the value of \$50 were received by elected members in 2021-2022.





MANAGEMENT & STAFFING

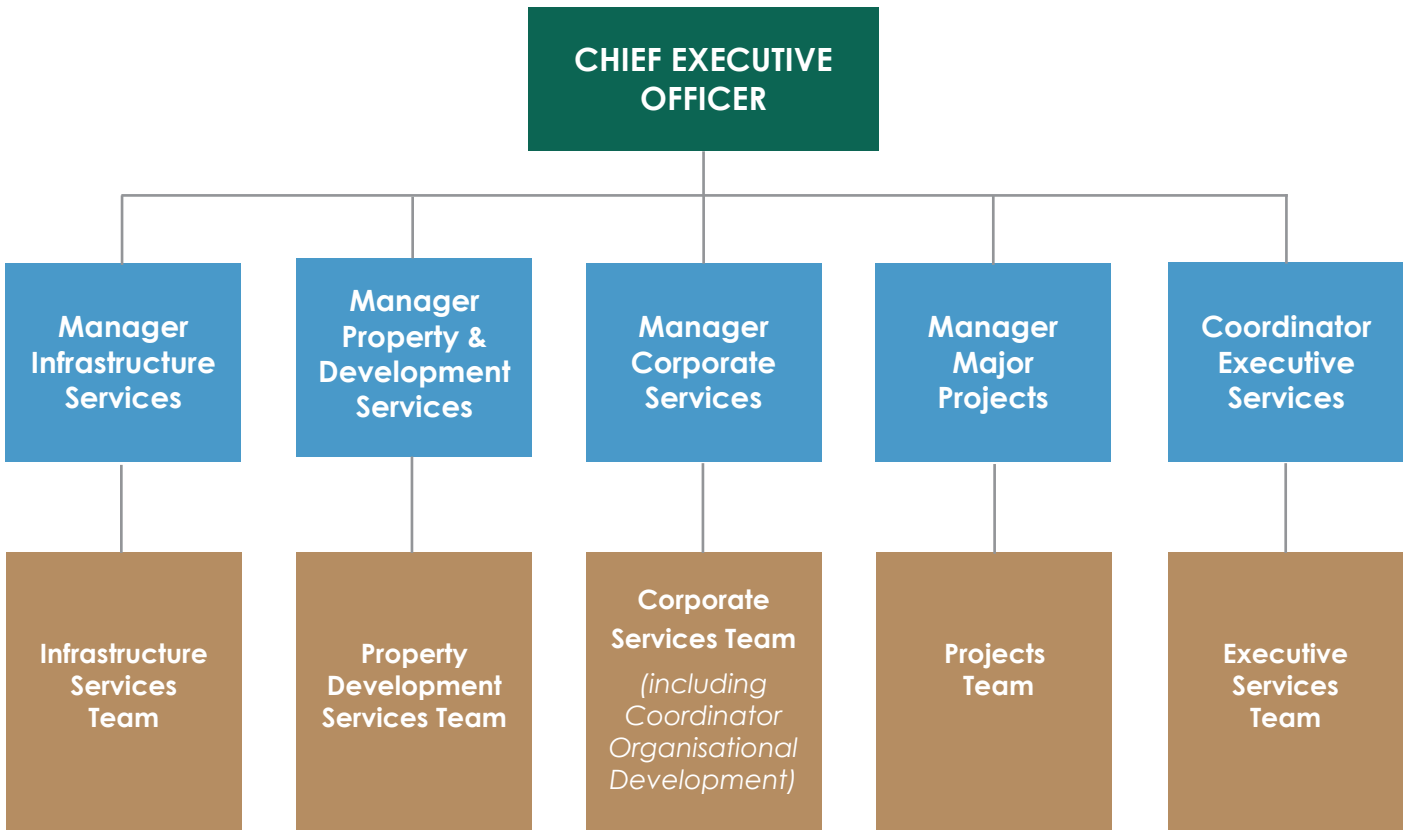
CORPORATE STRUCTURE

Management and staff of Southern Mallee District Council work for and on behalf of the community in response to the policies and directions set by Council's elected members.

The Chief Executive Officer is responsible for the overall administration of Council and for ensuring policies; programs and services are delivered and implemented by staff.

At the end of June 2022, the CEO had an executive team comprising four managers and two coordinators.

These senior staff are responsible for the organisational portfolios of Corporate Services; Infrastructure Services; Property and Development Services; Executive Services; Major Projects; and Organisational Development.



FUNCTIONAL STRUCTURE

Chief Executive Officer Responsible for:

- Council administration
- Executive leadership
- Corporate planning and strategy
- Organisational development
- Public relations and media
- Economic development, grants and investment
- Community development

Coordinator Executive Services Responsible for:

- CEO support
- Governance
- Records management
- Elected member support
- Executive support

Manager Corporate Services Responsible for:

- Finance and audit committee
- Rates and debtors
- Contract management and procurement
- Asset management
- Information technology
- Customer service
- Childcare services (COGS)
- Payroll and human resources
- Work health and safety
- Risk management and permits
- Insurance
- Library services

Manager Infrastructure Services Responsible for:

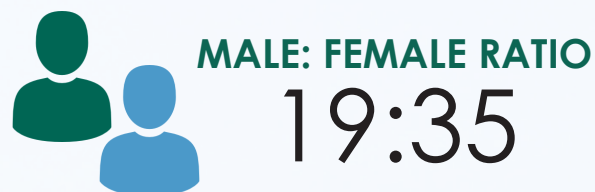
- Roads, footpaths and drainage
- Contract management and procurement
- Capital works program - infrastructure
- Works and services
- Parks and gardens, cemeteries, and caravan park
- Swimming pools
- Waste management
- Cleaning services
- Airport management

Manager Property and Development Responsible for:

- Environmental health services
- Building services
- Statutory and strategic land use planning
- Emergency management
- Community buildings and land leases and licences
- Animal management
- Contract management and procurement
- Retirement village
- Capital works program – property

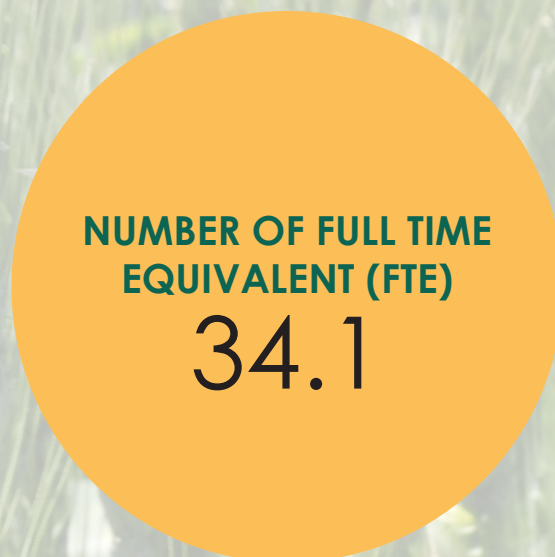
Manager Major Projects Responsible for:

- Delivery of Commercial Centres Revitalisation Project
- Environment Action Plan development and delivery
- Pinnaroo Village Green and Lameroo Town Centre steering committees
- Executive staff housing project
- Miscellaneous projects



**NUMBER OF STAFF WHO
HAVE BEEN WITH
COUNCIL OVER 10
YEARS**

26



SENIOR EXECUTIVE OFFICERS – REGISTER OF SALARIES

TITLE OF POSITION	CLASSIFICATION	OTHER BENEFITS/ PACKAGES
Chief Executive Officer	Contract Agreement	Private use of vehicle; Internet provision at residence (up to \$100/month); Superannuation 11.5%; Annual Leave 6 weeks per annum; Housing allowance of \$10,686
Manager Corporate Services	Wage - MOA-SA	Private use of vehicle
Manager Infrastructure Services	Wage - MOA-SA	Private use of vehicle
Manager Property and Development Services	Wage - MOA-SA	Private use of vehicle
Manager Major Project Delivery	Wage - MOA-SA	Housing subsidy of \$5,720

EMPLOYEE INTERSTATE AND INTERNATIONAL TRAVEL

Under Regulation 35(2), 35 (3) and (4) Local Government (General) Regulations 2013, no interstate or international travel was undertaken by employees in 2021-2022.

EMPLOYEE GIFT REGISTER

Under Regulation 35(2) and (3) Local Government (General) Regulations 2013, no gifts above the value of \$50 were received by employees in 2021-2022.





INTERNAL REVIEW OF COUNCIL ACTIONS

Decisions of Council are made through various council meetings, committee meetings or by staff through delegated authority. Informed decision making is critical to ensure that decisions are made in the best interest of the wider community. All council and committee meetings are conducted in accordance with the Local Government Act (Procedures at Meetings) Regulations 2013. Meetings of the Council Assessment Panel and Building Fire Safety Committee are convened under the PDI Act 2016.

LOCAL NUISANCE AND LITTER CONTROL ACT AND REGULATIONS

During 2021-2022 council investigated five (5) complaints of local nuisance or littering, with all nuisances being issued with abatement notice.

Local Nuisance – Noise Complaints	4
Local Nuisance – Odour Complaints	0
Local Nuisance – Unsightly Properties	1
Offences under the Act that were expiated	0
Offences under the Act that were prosecuted	0
Nuisance abatement notices or litter abatement notices issued	5
Civil penalties negotiated under section 34 of the Act	0
Applications by the Council to the court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications	0
Any other functions performed by the Council under the Act.	0



DEVELOPMENT



NUMBER OF DEVELOPMENT
APPLICATIONS LODGED IN
2021-2022

78



\$ VALUE OF
DEVELOPMENT
APPLICATIONS

\$7,219,128



NUMBER OF
NEW
DWELLINGS

37

FIRE PREVENTION

The issuing of burning permits during the fire danger season continues to be undertaken by the Council's permit officers and the issuing of risk reduction notices are issued as required.

- 25 notices sent to property owners in 2021-2022
- No expiations were sent for Fire Prevention in 2021-2022

HEALTH

The Southern Mallee District Council and the Rural City of Murray Bridge continue to partner under a shared services arrangement targeting the following service provisions:

- Public health
- Safe food handling
- Food safety audits
- Waste control systems

Health notices

1 health notice was sent in 2021-2022

Wastewater applications

40 wastewater applications lodged in 2021-2022

ANIMAL MANAGEMENT

Dog Registrations 2021/2022



NUMBER OF
REGISTERED DOGS

695



NUMBER OF REGISTERED
WORKING DOGS

249



NUMBER OF
IMPOUNDED DOGS

3



NUMBER OF
COMPLAINTS

4



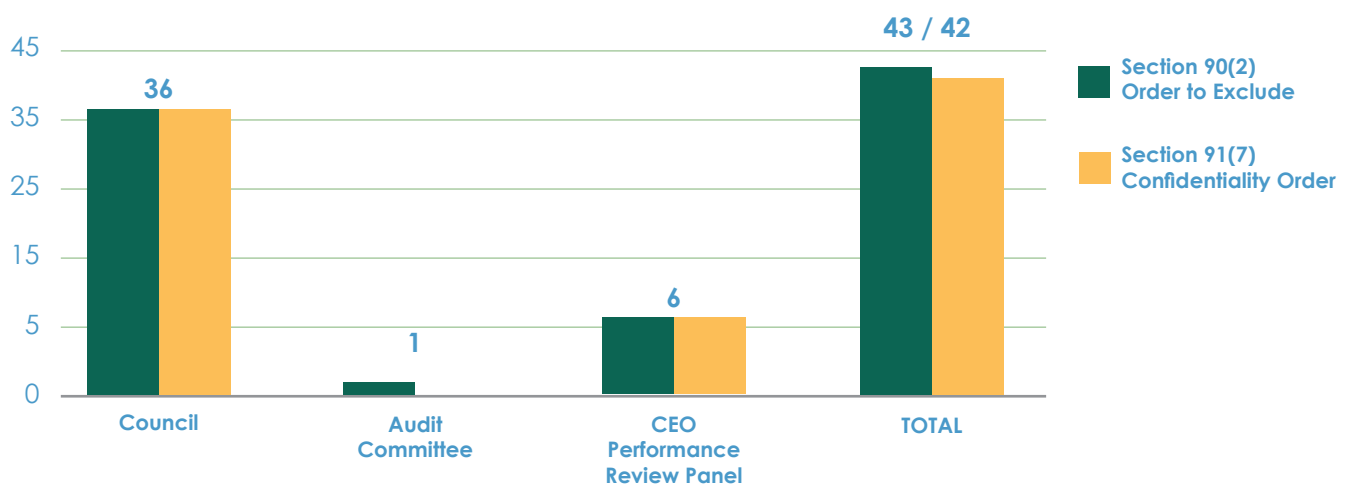
CONFIDENTIALITY

Use of Sections 90(2) and 91(7) of the Local Government Act 1999 by Council and its Council Committees

Section 90(2) of the Local Government Act 1999 (the Act) enables a meeting of Council or a committee to determine an order that the public be excluded from attendance at so much of a meeting as is necessary to receive and discuss, or consider in confidence, any information or matter as prescribed in Section 90(3) of the Act.

Section 91(7) of the Act enables a meeting of Council, or a committee having considered a matter on a confidential basis to determine an order that the document or part be kept confidential. The table below identifies the total number of orders pursuant to Section 90(2) and Section 91(7) of the Act made at each meeting during the 2021–2022 financial year.

NUMBER OF TIMES CONFIDENTIALITY PROVISIONS WERE USED DURING THE 2021–2022 FINANCIAL YEAR:



The date, meeting, subject matter, and basis for confidentiality for Section 90(2) of the Act and Section 91(7) of the Act orders in the 2021–2022 financial year is enclosed.

The date and subject of each Section 91(7) of the Act confidentiality order remaining operative, in part or full, dated from 1 January 2010 to the end of the 2021–2022 financial year is enclosed.

Use of Section 90(3) of the Local Government Act 1999

The table below identifies the number of times a provision under Section 90(3) of the Local Government Act 1999 was utilised to exclude the public:

(a)	Information, the disclosure of which, would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead)	9
(b)	Information, the disclosure of which (i) Could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Council and (ii) would, on balance, be contrary to the public interest	3
(c)	Information, the disclosure of which would reveal a trade secret	-
(d)	Commercial information of a confidential nature (not being a trade secret) the disclosure of which (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party and (ii) would, on balance, be contrary to the public interest	2
(e)	Matters affecting the security of the Council, members or employees of the Council, or Council property, or the safety of any person	1
(f)	Information, the disclosure of which, could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial	-
(g)	Matters that must be considered in confidence in order to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty	-
(h)	Legal advice	1
(i)	Information relating to actual litigation, or litigation that the Council or Council committee believes on reasonable grounds will take place, involving the Council or an employee of the Council	-
(j)	Information, the disclosure of which would (i) divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person, or (ii) on balance, be contrary to the public interest	-
(k)	Tenders for the supply of goods, the provision of services or the carrying out of works	13
(m)	Information relating to a proposed amendment to a Development Plan under the Development Act 1993 before a Plan Amendment Report relating to the amendment is released for public consultation under that Act	-
(n)	Information relevant to the review of a determination of a Council under the Freedom of Information Act 1991	-
(h) and (i)	Combination of provisions above	1
(a) and (h)	Combination of provisions above	5
(g) and (h)	Combination of provisions above	3
(a)(i) and (b)(i)	Combination of provisions above	1
(a) and (g)	Combination of provisions above	3
(a), (g) and (h)	Combination of provisions above	3



REPORT ON THE USE OF 90(2) & (7) AND 91(7) BY COUNCIL AND ITS COMMITTEES JULY 2021 – JUNE 2022

90 (2) & (7) Order to Exclude

91 (7) Confidentiality Order

Subject Matter and Basis within ambit of 90 (3)

Order to Exclude and Confidentiality Orders

(90) (2)	Meeting Date	Meeting	Order to exclude – Section (90) (2) of the Local Government Act 1999 & Basis [Section 90(3) of the Local Government Act 1999	(91) (7)	Confidentiality Order – Section (91) (7) of the Local Government Act 1999
1	21.07.2021	Council	Legal matter – Public lighting [item 18.1] Section 90(3) (h) & (i)	1	Documents considered by the Council, including the officer's report and all minutes
2	21.07.2021	Council	Payroll Solution Tender – Awarding of Contract [item 18.2] Section 90(3) (k)	2	Documents considered by the Council, including the officer's report and all minutes
3	21.07.2021	Council	Purchase of Three Utes [item 18.3] Section 90(3) (k)	3	Documents considered by the Council, including the officer's report and all minutes
4	21.07.2021	Council	Complaint [item 18.4] Section 90(3) (a) & (h)	4	Documents considered by the Council, including the officer's report and all minutes
5	18.08.2021	Council	Grader Tender [item 18.1] Section 90(3) (k)	5	Documents considered by the Council, including the officer's report and all minutes
6	18.08.2021	Council	Council Land Sale [item 18.2] Section 90(3) (d)	6	Documents considered by the Council, including the officer's report and all minutes
7	18.08.2021	Council	Lameroo Chambers and Council Office Stage 1 works tender – Award of contract [item 18.3] Section 90(3) (k)	7	Documents considered by the Council, including the officer's report and all minutes
8	15.09.2021	Council	Purchase of Combination Roller [item 18.1] Section 90(3) (k)	8	Documents considered by the Council, including the officer's report and all minutes
9	15.09.2021	Council	Rubble Pit Rehabilitation – Award of contract [item 18.2] Section 90(3) (k)	9	Documents considered by the Council, including the officer's report and all minutes

(90) (2)	Meeting Date	Meeting	Order to exclude – Section 90) (2) of the Local Government Act 1999 & Basis [Section 90(3) of the Local Government Act 1999	(91) (7)	Confidentiality Order – Section (91) (7) of the Local Government Act 1999
10	15.09.2021	Council	Question on notice – Cr Andrew Grieger [item 18.3] Section 90 (3) (g) & (h)	10	Documents considered by the Council, including the officer's report and all minutes
11	17.09.2021	CEO Per- formance Review Panel	Presentation of CEO Performance Review Survey Report [item 6.1] Section 90(3) (a)	11	Documents considered by the Council, including the officer's report and all minutes
12	17.09.2021	CEO Per- formance Review Panel	Review of the CEO's Strategic Goals [item 6.2] Section 90(3) (a)	12	Documents considered by the Council, including the officer's report and all minutes
13	13.10.2021	Audit Com- mittee	In-Camera Discussion with External Auditor [item 6.1] Section 90(3) (h)		
14	20.10.2021	Council	Minutes of the CEO Performance Review Panel meeting 17.09.2021 [item 18.1] Section 90(3) (e)	13	Documents considered by the Council, including the officer's report and all minutes
15	20.10.2021	Council	Complaint [item 18.2] Section 90(3) (a) & (h)	14	Documents considered by the Council, including the officer's report and all minutes
16	03.11.2021	CEO Per- formance Review Panel	Review of the CEO's Strategic Goals [item 6.1] Section 90 (3) (a)	15	Documents considered by the Council, including the officer's report and all minutes
17	03.11.2021	CEO Per- formance Review Panel	CEO Remuneration Review [item 6.2] Section 90(3) (a)	16	Documents considered by the Council, including the officer's report and all minutes
18	03.11.2021	CEO Per- formance Review Panel	Discussion of proposed Strategic Goals and Remuneration Review with CEO, Jason Taylor [item 6.3] Section 90(3) (a)	17	Documents considered by the Council, including the officer's report and all minutes
19	17.11.2021	Council	Awarding of Contract – Shoulder widening at Kulkami Road [item 19.1] Section 90(3) (k)	18	Documents considered by the Council, including the officer's report and all minutes
20	17.11.2021	Council	Lameroo Pool – Award of Con- tract [item 19.2] Section 90(3) (k)	19	Documents considered by the Council, including the officer's report and all minutes
21	17.11.2021	Council	Minutes of the Confidential CEO Performance Review Pan- el Wednesday 3 November 2021 [item 19.3] Section 90(3) (a)	20	Documents considered by the Council, including the officer's report and all minutes
22	15.12.2021	Council	Confidential Item [item 18.1] Sec- tion 90(3) (g) and (h)	21	Documents considered by the Council, including the officer's report and all minutes
23	15.12.2021	Council	Complaint [item 18.2] Section 90(3) (a) & (h)	22	Documents considered by the Council, including the officer's report and all minutes
24	05.01.2022	CEO Per- formance Review Panel	Remuneration Discussion [item 7.1] Section 90(3) (a)	23	Documents considered by the Council, including the officer's report and all minutes

(90) (2)	Meeting Date	Meeting	Order to exclude – Section (90) (2) of the Local Government Act 1999 & Basis [Section 90(3) of the Local Government Act 1999	(91) (7)	Confidentiality Order – Section (91) (7) of the Local Government Act 1999
25	19.01.2022	Council	Question on Notice – Rubble Pit Rehabilitation work [item 18.1] Section 90(3) (k)	24	Documents considered by the Council, including the officer's report and all minutes
26	19.01.2022	Council	Awarding of Contract – Concrete Footpath Construction [item 18.2] Section 90(3) (k)	25	Documents considered by the Council, including the officer's report and all minutes
27	19.01.2022	Council	Water Tanker Replacement [item 18.3] Section 90(3) (a)(i) and (b)(i)	26	Documents considered by the Council, including the officer's report and all minutes
28	19.01.2022	Council	Reallocation of funding between Pinnaroo Institute projects [item 18.4] Section 90(3) (b)(i)	27	Documents considered by the Council, including the officer's report and all minutes
29	19.01.2022	Council	Minutes of the CEO Performance Review Panel meeting Wednes- day 5 January 2022 [item 18.5] Section 90(3) (a)	28	Documents considered by the Council, including the officer's report and all minutes
30	31.01.2022	Special Council	CEO Remuneration Review [item 4.1] Section 90(3) (a)	29	Documents considered by the Council, including the officer's report and all minutes
31	16.02.2022	Council	Executive Staff Housing Renewal – 18 Hensley Street, Pinnaroo [item 18.1] Section 90(3) (b)(i)	30	Documents considered by the Council, including the officer's report and all minutes
32	16.02.2022	Council	Confidential Item [item 18.2] Sec- tion 90(3) (g) and (h)	31	Documents considered by the Council, including the officer's report and all minutes
33	16.02.2022	Council	Contract Matter [item 18.3] Sec- tion 90(3) (a) and (g)	32	Documents considered by the Council, including the officer's report and all minutes
34	09.03.2022	Special Council	Contract Negotiation [item 4.1] Section 90(3) (a) and (g)	33	Documents considered by the Council, including the officer's report and all minutes
35	16.03.2022	Council	Design and Construction of two Executive Staff Houses [item 18.1] Section 90(3) (k)	34	Documents considered by the Council, including the officer's report and all minutes
36	16.03.2022	Council	Prime Mover Replacement [item 18.2] Section 90(3) (k)	35	Documents considered by the Council, including the officer's report and all minutes
37	16.03.2022	Council	Enterprise Bargaining Agreement [item 18.3] Section 90(3) (b)(i) and (b)(ii)	36	Documents considered by the Council, including the officer's report and all minutes
38	18.05.2022	Council	Joint Councils Key Worker Housing Project [item 18.1] Section 90(3) (d)(i) and (d)(ii)	37	Documents considered by the Council, including the officer's report and all minutes
39	18.05.2022	Council	Legal Expenses – Questions On Notice – Cr Trevor Hancock [item 18.2] Section 90(3) (a),(g) and (h)	38	Documents considered by the Council, including the officer's report and all minutes
40	18.05.2022	Council	Complaint – [item 18.3] Section 90(3) (a) and (h)	39	Documents considered by the Council, including the officer's report and all minutes

(90) (2)	Meeting Date	Meeting	Order to exclude – Section (90) (2) of the Local Government Act 1999 & Basis [Section 90(3) of the Local Government Act 1999	(91) (7)	Confidentiality Order – Section (91) (7) of the Local Government Act 1999
41	25.05.2022	Special Council	Complaint – [item 5.1] Section 90(3) (a) and (h)	40	Documents considered by the Council, including the officer's report and all minutes
42	08.06.2022	Special Council	Contract Agreement – [item 4.1] Section 90(3) (a) and (g)	41	Documents considered by the Council, including the officer's report and all minutes
43	15.06.2022	Council	Executive Housing Tender – [item 18.1] Section 90(3) (k)	42	Documents considered by the Council, including the officer's report and all minutes



OPERATIVE CONFIDENTIALITY ORDERS

(From 1 January 2010 to end 2021-2022 financial year as at 30 June 2022)

	Meeting Date	Operative Confidentiality Order – Section (91) (7) of the Local Government Act 1999 Subject Matter & Basis – Section 90(3) of the Local Government Act 1999
1	10.03.2010	Personal Affairs of a person [item 100319] (a)
2	12.01.2011	Ombudsman SA Preliminary Investigation of Complaint [item 1] (g)
3	21.04.2015	Chief Executive Officer's Development [item 3.1.1, 3.1.2 & 3.1.3] (a) & (h)
4	24.11.2015	Matters pertaining to the Acting Chief Executive Officer [item 3.1] (a)
5	16.12.2015	Matters pertaining to the Acting Chief Executive Officer [item 13.3] (a)
6	27.01.2016	Matters pertaining to the Acting Chief Executive Officer [item 13.5.1] (a)
7	17.02.2016	Matters pertaining to the Acting Chief Executive Officer [item 13.2] (a)
8	16.08.2017	Staffing Matters [item 14.1] (a)
9	21.02.2018	Code of Conduct Complaint [item 14.1] (a)
10	19.12.2018	Legal Matter [item 16.2] (g), (h) & (i)
11	17.07.2019	Unreasonable complaint [item 17.1] (a)
12	19.02.2020	Tourism and Economic Development [item 17.1] (d) (i) & (ii)
13	17.06.2020	Pinnaroo Caravan Park [item 16.2] (a), (b)(i), (d)(i)
14	16.09.2020	Questions without notice – Cr Andrew Grieger – Council property works [item 16.1] (a), (e), (g) and (h)
15	16.09.2020	Legal Advice on Questions On Notice And Confidentiality [item 16.3] (a), (b)(ii), (e) and (h)
16	16.12.2020	Council Land Sale – Parilla Accommodation Facility [item 17.1] (d)(i)
17	17.03.2021	Town centres revitalisation project stage 1 tender award [item 18.1] (k)
18	21.04.2021	Lameroo Town Centre Project – Centre Pivot Award of Contract [item 18.2] (k)
19	16.06.2021	Minutes of the Pinnaroo Village Green Project Steering Committee meeting 20 May 2021 Project update – Budget and tender overview [item 7.2] (k)
20	21.07.2021	Legal Matter – Public Lighting [item 18.1] (h) and (i)
21	20.10.2021	Complaint [item 18.2] (a) and (h)
22	03.11.2021	CEO Remuneration Review [item 6.2] (a)
23	03.11.2021	Discussion of proposed Strategic Goals and Remuneration Review with CEO, Jason Taylor [item 6.3] (a)
24	17.11.2021	Minutes of the Confidential CEO Performance Review Panel Wednesday 3 November 2021 [item 19.3] (a)
25	15.12.2021	Confidential item [item 18.1] (g) and (h)
26	05.01.2022	Remuneration Review Discussion CEO Performance Review Panel [item 7.1] (a)
27	19.01.2022	Question on Notice – Rubble Pit Rehabilitation work – Cr Neville Pfeiffer [item 18.1] (k)
28	19.01.2022	Awarding of Contract – Concrete Footpath Construction [item 18.2] (k)
29	19.01.2022	Water Tanker Replacement [item 18.3] (a)(i) and (b)(i)
30	19.01.2022	Reallocation of funding between Pinnaroo Institute projects [item 18.4] (b)(i)
31	19.01.2022	Minutes of the Confidential CEO Performance Review Panel meeting Wednesday 5 January 2022 [item 18.5] (a)
32	31.01.2022	CEO Remuneration Review [item 4.1] (a)
33	16.02.2022	Executive staff housing renewal – 18 Hensley Street, Pinnaroo [item 18.1] (b)(i)
34	16.02.2022	Confidential Item [item 18.2] (g) and (h)

	Meeting Date	Operative Confidentiality Order – Section (91) (7) of the Local Government Act 1999 Subject Matter & Basis – Section 90(3) of the Local Government Act 1999
35	16.02.2022	Contract Matter [item 18.3] (a) and (g)
36	09.03.2022	Contract Negotiation [item 4.1] (a) and (g)
37	16.03.2022	Design and construction of two executive staff houses tender [item 18.1] (k)
38	16.03.2022	Prime Mover Replacement [item 18.2] (k)
39	16.03.2022	Enterprise Bargaining Agreement [item 18.3] (b)(i) and (b)(ii)
40	18.05.2022	Joint Councils Key Worker Project [item 18.1] (d)(i) and (d)(ii)
50	18.05.2022	Legal Expenses – Questions On Notice – Cr Trevor Hancock [item 18.2] (a), (g) and (h)
51	18.05.2022	Complaint [item 18.3] (a) and (h)
52	25.05.2022	Complaint [item 5.1] (a) and (h)
53	08.06.2022	Contract Agreement [item 4.1] (a) and (g)
54	15.06.2022	Executive Housing Tender [item 18.1] (k)





NATIONAL COMPETITION POLICY

Principles of competitive neutrality are designed to neutralise any net competitive advantage that a government or local government agency engaged in significant business activities would otherwise have, by virtue of its control by the government or local government, over private business operating in the same market. Councils are required to identify their business activities and disclose those in Category One (annual gross operating income greater than \$2 million per year) and Category 2 (annual gross operating income less than \$2 million per year).

In 2021-2022 Southern Mallee District Council did not engage in any category one or category two business activities. There has been no commencement or cessation of significant business activities controlled by Council. No complaints were received during the year with regard to competitive neutrality.

LIST OF DOCUMENTS AVAILABLE TO THE PUBLIC

REGISTERS, CODES, POLICIES AND PROCEDURES

The Local Government Act 1999 or the Local Government (Elections) Act 1999 requires Council to keep the following Registers, Codes of Conduct/Practice and Policies.

Registers

- Register of Interests (Members) – Section 68
- Register of Allowances and Benefits – Sections 79
- Register of Remuneration, Salaries and Benefits - Sections 105
- Register of Interests (Staff) – Sections 116
- Register of Community Land – Sections 207
- Register of Public Roads – Sections 231

Codes

- Code of Conduct for Council Members – Section 63
- Code of Practice (Access to Council Meetings, Committees and Documents) – Section 92
- Code of Conduct for Employees – Section 110
- Code of Practice for Meeting Procedures – Regulation 2013

Policies

The following are policies that are required by the Local Government Act 1999, to be available on Council's website, as well as a hard copy for purchase on payment of a fixed fee (if any). Council also has a number of other policies which are developed to assist Council with its work, however these policies are not legislative requirements under the Local Government Act 1999.

- Caretaker Policy
- Procurement Policy
- Elected Members Allowances, Benefits and General Policy
- Internal Financial Control Policy
- Internal Review of Council Decision Policy
- Order Making Policy
- Public Consultation Policy
- Selection of Road and Public Place Names Policy
- Council Members Training and Development Policy
- Council Members Conduct Complaint Handling Policy
- Public Interest Disclosure Policy
- Complaint Handling Policy

FREEDOM OF INFORMATION

Council publishes an updated Freedom of Information Statement on its website, in accordance with requirements of section 9(1a) of the Freedom of Information Act 1991.

The Southern Mallee District Council processed 6 Freedom of Information applications during 2021-2022, all of which were refused access.

BUDGET AND FINANCIAL REPORTS

Legal Costs

The adopted budget for Southern Mallee District Council's legal fees for 2021-2022 was \$35,000.00.

Throughout the year the budget was amended through budget reviews and council decisions resulting in the amended budget for 2021-2022 being \$105,110.00.

Total expenditure for legal fees in 2021-2022 totalled \$107,809.68.

Type of legal advice obtained	Cost
Elected member conduct matters	\$59,749.68
Elected member governance matters	\$13,825.00
Property matters	\$910.00
General governance matters	\$30,735.00
Human resource matters	\$2,590.00
Total cost	\$107,809.68

Competitive Tender

Southern Mallee District councils adheres to the Procurement policy for the acquisition of goods and services. The policy applies to the procurement of all goods, equipment and related services, construction contracts and service contracts (including maintenance)

All Council purchases must be carried out in compliance with the Local Government Act 1999.

Infrastructure

Council Infrastructure department undertook its plant replacement program and works operations as planned with an open tender via SA tenders for the supply of

1 x grader

1 x prime mover

1 x water tanker

1 x combo roller

Shoulder widening works Kulkami road Lameroo.

Council also purchased a second-hand roller

3 x utilities

1 x 22,000L water tank

2 x executive vehicles

Property & Development

Councils Property & Development department undertook a tender process for the Desludging of Septic Tanks – Sections 1, 2, 3, 4 and 5 in Pinnaroo and Lameroo townships, and the public facilities in Parilla and Geranium. A tender was also undertaken for the provision of termite inspections and spider treatments across various council properties. Both tenders were conducted successfully with appointments made for five year periods beginning in 2021 and concluding in to 2026.

Solar was another significant tender process for the design and implementation of solar arrays and associated infrastructure for the Pinnaroo council chambers and office, Lameroo council chambers and office, Pinnaroo swimming pool and Lameroo swimming pool.

The Lameroo Chambers and council office stage 1 works were also successfully tendered and appointed in 2021-2022.

Major Projects

Councils Major Projects department undertook further work in relation to the Commercial centres revitalisation projects with tenders issued for Pinnaroo 2 works – Landscape Architecture Specification. The Major Projects department also conducted a Request for Quote (RFQ) for the design and construction of two executive staff houses, one located in Pinnaroo and one in Lameroo.

Corporate Services

Councils Corporate Services department undertook its continuing computer replacement program, sourcing four new laptops. It also undertook a tender process for the supply and installation of an online (cloud based) payroll system which will provide improved efficiencies and reduce paper wastage.

It is noted that open or selective tenders are called for purchases above \$50,001 for which Council's Elected Members approve the purchase as per Council's procurement policy. All tenders and other purchases are undertaken in accordance with Councils procurement policy, specifically around 4.2 -value for money, 4.3- ethical behaviours and fair dealing and 4.4- probity, compliance, transparency and reporting. All relevant officers have specific delegated authority to undertake purchases within a certain monetary value.

Credit Cards

In accordance with Regulation 35(2) of the Local Government (General) Regulations 2013, (f) the total amount of \$25,479.79 was expenditure incurred through the use of credit cards by members and employees of the council for the 2021-2022 financial year.

Position	Expenditure
Senior Management	\$14,122.02
Other staff	\$11,357.77
Elected members	\$0.00

AUDITORS

Councils auditors, Galpins Accountants, Auditors and Business Consultants, were paid a total remuneration of \$16,500.00 (Inc GST) in the 2021-2022 financial year.

Their services were provided as follows:

\$8,800.00 (Inc GST) 2021-2022 financial statement audit and controls

\$7,700.00 (Inc GST) 2021-2022 interim audit fee

AUDIT COMMITTEE

The purpose of the Audit Committee is to assist the Council in the conduct of its responsibilities for the management of risk, corporate and financial governance and legal compliance, related to financial reporting and audit initiatives, the internal control system and the audit functions. The committee acts as a source of advice to Council and the Chief Executive Officer in relation to these matters.

The Committee:

- enhances the communication between the external auditor and the Council;
- assists the management of business risks to ensure the protection of Council assets;
- monitors the effectiveness of audit and corporate and financial governance functions;
- enhances the integrity of the financial reporting of the Council; and
- reviews the effectiveness of the Council's internal controls and risk management systems.

The information below is a summary of the Southern Mallee District Council Audit Committee's activities undertaken and recommendations made during the 2021-2022 financial year.



Membership

Council has appointed Members to its Audit Committee as follows:

Name	Position
Mr. Ross Haslam	Independent Chair – appointed February 2020
Mr. Robert Reiman	Independent Member – reappointed November 2020
Cr. Neville Pfeiffer	Council Member – reappointed November 2020
Cr. Paul Ireland	Council Member – appointed November 2020
Cr. Mick Sparnon	Council Member – appointed November 2020

The following staff members have attended meetings as observers:

- Jason Taylor, Chief Executive Officer
- Tony Secomb, Manager Corporate Services
- Shona Hyde, Governance Officer
- Katrina Bell, Coordinator Organisational Development
- Nyree Hayes, Corporate Services Officer (Rates)
- Janelle Hyde, Corporate Services Officer (Finance)

The following people have attended meetings in person or via video conference as guests:

- Vanessa McDonald, SMDC finance consultant
- Tim Muhlhausler, Galpins Accountants, Auditors and Business Consultants

Meetings

During 2021-2022 meetings continued in the normal cycle with the committee meeting in person or via zoom on four separate occasions. Over the course of the year there were no changes to membership and attendance at meetings was as follows:

Meeting Date	Attendance
13 October 2021	Cr. Sparnon was absent with apology
07 January 2022	Cr. Sparnon was absent without apology
05 April 2022	Cr. Paul Ireland was absent with apology Cr. Sparnon was absent without apology
30 May 2022	All in attendance

Mr. Tim Muhlhausler of Galpins Accountants, Auditors and Business Consultants met with the Audit Committee in camera at the ordinary meeting on 13 October 2021.

Training activities

There were no scheduled training activities during 2021-2022.

Committee Activities

The following table sets out the principal issues addressed by the Audit Committee during 2021-2022 in line with the Audit Committees Terms of Reference:

ACTIVITY	OUTCOME
Financial Reporting	Budget reviews 1, 2 and 3 and financial performance report Review of investments Financial policy reviews Review draft annual business plan and budget 2022-2023 Endorsement of 2022-2023 Annual business plan & budget Endorsement of updated Long Term Financial Plan
Internal Controls and Risk Management Systems	Review of internal financial controls Operational risk register adoption Strategic risk register review Business continuity plan review Strategic management plan performance update Risk management policy and framework reviews CEO's corporate purchase card reviews Employee excessive leave balance reviews New and emerging risks and discussion points including ; <ul style="list-style-type: none"> • Covid-19 Cross Border impacts – current and future • Covid-19 effects on staffing and supply • Covid-19 vaccination status issues and proposed revoking of the State Government emergency order • Number of high value capital projects underway • Council culture survey • Emergency works funds • Elected members interest in clay based roads • CEO's approaching contract end date • Supply of suitable housing for a CEO when regional housing challenges exist • Changes to Section 122 of the Local Government Act, re the rates oversight scheme, and potential cost increases • Access to rubble and increasing costs to road resheeting projects
External Audit	2020-2021 Audited annual financial statements Meeting with external auditor (in camera) 2021-2022 Interim audit and management response
Audit Committee Performance	Activity report 2020-2021 Audit committee work plan Audit committee self-assessment & performance review



APPENDICES



APPENDIX A: FINANCIAL STATEMENTS



Southern Mallee District Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2022



General Purpose Financial Statements

for the year ended 30 June 2022

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General Purpose Financial Statements
for the year ended 30 June 2022

Certification of Financial Statements

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

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.



Matthew Sherman
Acting Chief Executive Officer

Dated 19/10/2022



Jeffrey Nickolls
MAYOR

Dated 19/10/2022

Statement of Comprehensive Income

for the year ended 30 June 2022

\$	Notes	2022	2021
Income			
Rates	2a	4,502,135	4,366,098
Statutory Charges	2b	86,944	94,888
User Charges	2c	966,476	888,750
Grants, Subsidies and Contributions	2g	2,979,417	2,357,392
Investment Income	2d	19,913	31,955
Reimbursements	2e	7,162	87,975
Other income	2f	188,249	172,618
Total Income		8,750,296	7,999,676
Expenses			
Employee costs	3a	3,448,609	3,096,495
Materials, Contracts and Other Expenses	3b	2,433,445	2,106,554
Depreciation, Amortisation and Impairment	3c	2,935,545	2,675,353
Finance Costs	3d	85,930	81,809
Total Expenses		8,903,529	7,960,211
Operating Surplus / (Deficit)		(153,233)	39,465
Asset Disposal & Fair Value Adjustments	4	(356,690)	(659,564)
Amounts Received Specifically for New or Upgraded Assets	2g	1,684,123	1,271,014
Net Surplus / (Deficit)		1,174,200	650,915
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	3,943,428	—
Total Amounts which will not be reclassified subsequently to operating result		3,943,428	—
Total Other Comprehensive Income		3,943,428	—
Total Comprehensive Income		5,117,628	650,915

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2022

\$	Notes	2022	2021
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	2,840,983	2,751,165
Trade & Other Receivables	5b	682,250	667,504
Inventories	5c	109,859	57,108
<u>Subtotal</u>		<u>3,633,092</u>	<u>3,475,777</u>
Total current assets		<u>3,633,092</u>	<u>3,475,777</u>
Non-current assets			
Financial Assets	6	59,000	61,000
Infrastructure, Property, Plant & Equipment	7a(i)	81,190,671	72,887,701
Total non-current assets		<u>81,249,671</u>	<u>72,948,701</u>
TOTAL ASSETS		<u>84,882,763</u>	<u>76,424,478</u>
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	1,332,908	1,122,236
Borrowings	8b	410,862	265,905
Provisions	8c	864,912	873,650
<u>Subtotal</u>		<u>2,608,682</u>	<u>2,261,791</u>
Total Current Liabilities		<u>2,608,682</u>	<u>2,261,791</u>
Non-Current Liabilities			
Borrowings	8b	3,600,242	611,104
Provisions	8c	25,707	21,079
Total Non-Current Liabilities		<u>3,625,949</u>	<u>632,183</u>
TOTAL LIABILITIES		<u>6,234,631</u>	<u>2,893,974</u>
Net Assets		<u>78,648,132</u>	<u>73,530,504</u>
EQUITY			
Accumulated surplus		18,902,554	16,935,033
Asset revaluation reserves	9a	61,559,162	57,615,734
Other reserves	9b	(1,813,584)	(1,020,263)
Total Council Equity		<u>78,648,132</u>	<u>73,530,504</u>
Total Equity		<u>78,648,132</u>	<u>73,530,504</u>

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

Statement of Changes in Equity

for the year ended 30 June 2022

\$	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance as at 1 July		16,935,033	57,615,734	(1,020,263)	73,530,504
Net Surplus / (Deficit) for Year		1,174,200	—	—	1,174,200
Other Comprehensive Income					
Gain (loss) on revaluation of IPP&E	7a	—	3,943,428	—	3,943,428
Other comprehensive income		—	3,943,428	—	3,943,428
Total comprehensive income		1,174,200	3,943,428	—	5,117,628
Transfers between Reserves		793,321	—	(793,321)	—
Balance at the end of period		18,902,554	61,559,162	(1,813,584)	78,648,132
2021					
Balance as at 1 July		14,271,103	57,615,734	992,752	72,879,589
Net Surplus / (Deficit) for Year		650,915	—	—	650,915
Other Comprehensive Income					
Gain (loss) on revaluation of IPP&E	7a	—	—	—	—
Other comprehensive income		—	—	—	—
Total comprehensive income		650,915	—	—	650,915
Transfers between Reserves		2,013,015	—	(2,013,015)	—
Balance at the end of period		16,935,033	57,615,734	(1,020,263)	73,530,504

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

Statement of Cash Flows

for the year ended 30 June 2022

\$	Notes	2022	2021
Cash flows from operating activities			
<u>Receipts</u>			
Rates Receipts		4,570,702	4,324,761
Statutory Charges		86,944	94,888
User Charges		966,476	987,405
Grants, Subsidies and Contributions		3,058,347	2,098,248
Investment Receipts		19,913	36,115
Reimbursements		7,162	96,773
Other Receipts		191,629	645,507
<u>Payments</u>			
Payments to Employees		(3,274,464)	(2,996,636)
Payments for Materials, Contracts & Other Expenses		(3,046,248)	(2,510,668)
Finance Payments		(71,667)	(93,559)
Net cash provided by (or used in) Operating Activities	11b	2,508,794	2,682,834
Cash flows from investing activities			
<u>Receipts</u>			
Amounts Received Specifically for New/Upgraded Assets		2,084,706	1,524,706
Sale of Replaced Assets		487,209	238,000
Sale of Surplus Assets		289,698	263,636
Repayments of Loans by Community Groups		4,000	3,000
<u>Payments</u>			
Expenditure on Renewal/Replacement of Assets		(2,840,094)	(5,121,842)
Expenditure on New/Upgraded Assets		(5,588,590)	(1,472,226)
Loans Made to Community Groups		—	(7,000)
Net cash provided (or used in) investing activities		(5,563,071)	(4,571,726)
Cash flows from financing activities			
<u>Receipts</u>			
Proceeds from Loans		3,400,000	—
Proceeds from Bonds & Deposits		10,000	—
<u>Payments</u>			
Repayments of Loans		(265,905)	(255,067)
Net Cash provided by (or used in) Financing Activities		3,144,095	(255,067)
Net Increase (Decrease) in Cash Held		89,818	(2,143,959)
plus: Cash & Cash Equivalents at beginning of period		2,751,165	4,895,124
Cash and cash equivalents held at end of period	11a	2,840,983	2,751,165

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of Preparation**1.1 Compliance with Australian Accounting Standards**

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

1.5 Covid-19

The COVID-19 pandemic has impacted the 2021/22 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes. The financial impacts are a direct result of either Council's response to the pandemic or due to mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

COVID-19 is not expected to have a significant financial impact on Council operations with the Council working to reduce discretionary expenditure in the short term to help mitigate the effect of the reduced revenue and increased costs. It is expected further financial impacts will flow into the 2022/23 financial year, but these have been largely taken into account during the development of the budget process for 2022/23. The budget assumptions for 2022/23 assume that no further harsher restrictions are put in place by the government. However, Council has determined that there is no material uncertainty that casts doubt on Council's ability to continue as a going concern.

(2) The Local Government Reporting Entity

Southern Mallee District Council is incorporated under the SA Local Government Act 1999 and has its principal place of business at Day Street Pinnaroo SA 5304. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

(3) Income Recognition

The Council recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

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 (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

In other cases, AASB 1058 applies when a not-for-profit (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, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years, the payment of untied grants (financial assistance grants/ local roads/ supplementary grants) has varied from the annual allocation as shown in the table below:

	Cash Payment Received	Annual Allocation	Difference
2019/20	\$1,539,484	\$1,580,061	- \$40,577
2020/21	\$1,528,976	\$1,546,691	- \$17,715
2021/22	\$2,096,043	\$1,605,126	+ \$490,917

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, Cash Equivalents and other Financial Instruments

Cash assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Other Financial Instruments

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 13.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

(6) Infrastructure, Property, Plant & Equipment**6.1 Initial Recognition**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. Examples of capitalisation thresholds applied during the year are given in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are shown in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

(7) Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

Council also holds a Bonds for Aged Care Residential Accommodation. These bonds are held in accordance with the Retirement Villages Act 2016(SA).

(8) Borrowings

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of "Payables". Interest free loans are carried at their nominal amounts; interest revenues foregone by the lender effectively being a reduction of interest expense in the period to which it relates.

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(9) Employee Benefits**9.1 Salaries, Wages & Compensated Absences**

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based on costs) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based on costs) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 3.292% (2021, 0.36%)

Weighted avg. settlement period 1 year (2021, 1 year)

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 17.

(10) GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(11) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASBs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the consolidated financial statements of the Group.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

continued on next page ...

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates (amended by AASB 2021-6)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

\$	2022	2021
(a) Rates		
General Rates		
General Rates	3,712,951	3,623,907
Less: Mandatory Rebates	(46,012)	(49,290)
Total General Rates	3,666,939	3,574,617
Other Rates (Including Service Charges)		
Landscape Levy	133,609	125,361
Waste Collection	254,102	211,663
Community Wastewater Management Systems	428,144	424,370
Total Other Rates (Including Service Charges)	815,855	761,394
Other Charges		
Penalties for Late Payment	19,341	30,087
Total Other Charges	19,341	30,087
Total Rates	4,502,135	4,366,098
(b) Statutory Charges		
Town Planning Fees	46,297	64,593
Health & Septic Tank Inspection Fees	13,881	7,110
Animal Registration Fees & Fines	20,367	16,683
Property Search Fees	6,399	6,502
Total Statutory Charges	86,944	94,888
(c) User Charges		
Cemetery/Crematoria Fees	19,660	14,684
Aged Care Rentals	34,179	24,541
Hall & Equipment Hire	14,002	13,724
Sundry	10,160	10,065
Health Care Centres	2,038	90
Mallee Mobile Childcare Service	817,434	716,819
Waste Transfer Fees	17,098	23,324
Council Housing Rents	18,260	25,859
Sport and Recreation Charges	33,542	19,269
Swimming Pools	103	5
Parilla Accommodation	—	40,370
Total User Charges	966,476	888,750
(d) Investment Income		
Local Government Finance Authority	19,855	31,771
Banks & Other	58	184
Total Investment Income	19,913	31,955

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

\$	2022	2021
(e) Reimbursements		
Private Works	1,882	9,045
Drummuster & Karoonda Rubbish Collection	2,413	59,898
Other	2,867	19,032
Total Reimbursements	7,162	87,975
(f) Other income		
Sundry	102,968	76,421
Fire Prevention	1,640	1,667
Mallee COGS	45,000	45,000
Garbage	59	2,269
Halls	1,295	851
Swimming Pools	3,660	2,551
Plant and Fuel Rebate	27,137	42,940
Donations	6,490	919
Total Other income	188,249	172,618
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	1,684,123	1,271,014
Total Amounts Received Specifically for New or Upgraded Assets	1,684,123	1,271,014
Untied - Financial Assistance Grant	2,296,183	1,528,976
Roads to Recovery	409,181	610,772
Library and Communications	1,676	847
Sundry	—	5,000
Childcare	272,377	211,797
Total Other Grants, Subsidies and Contributions	2,979,417	2,357,392
Total Grants, Subsidies, Contributions	4,663,540	3,628,406
The functions to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	1,365,680	1,805,234
State Government	3,297,860	1,818,172
Other	—	5,000
Total	4,663,540	3,628,406

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses

\$	Notes	2022	2021
(a) Employee costs			
Salaries and Wages		3,024,284	2,736,912
Employee Leave Expense		257,046	209,501
Superannuation - Defined Contribution Plan Contributions	17	242,280	198,102
Superannuation - Defined Benefit Plan Contributions	17	52,809	59,130
Workers' Compensation Insurance		134,813	130,857
Less: Capitalised and Distributed Costs		(262,623)	(238,007)
Total Operating Employee Costs		3,448,609	3,096,495
Total Number of Employees (full time equivalent at end of reporting period)		41	36
(b) Materials, Contracts and Other Expenses			
(i) Prescribed Expenses			
Auditor's Remuneration			
- Auditing the Financial Reports		16,500	23,295
Elected Members' Expenses		85,099	83,362
Subtotal - Prescribed Expenses		101,599	106,657
(ii) Other Materials, Contracts and Expenses			
Contractors		919,453	752,683
Maintenance		842,726	672,253
Levies Paid to Government - NRM levy		133,635	126,984
Sundry		130,801	179,047
Community Grants		88,411	73,649
Fuel and Oil		216,820	195,281
Subtotal - Other Material, Contracts & Expenses		2,331,846	1,999,897
Total Materials, Contracts and Other Expenses		2,433,445	2,106,554
(c) Depreciation, Amortisation and Impairment			
(i) Depreciation and Amortisation			
Buildings & Other Structures		587,340	356,608
Infrastructure			
- Stormwater		97,840	97,838
- Transport		1,645,116	1,616,492
- Common Effluent		181,975	151,801
- Other		38,741	37,019
Plant, Machinery & Equipment		375,967	405,687
Furniture & Fittings		8,178	9,520
Other Assets		388	388
Total Depreciation, Amortisation and Impairment		2,935,545	2,675,353

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3. Expenses (continued)

\$	2022	2021
(d) Finance Costs		
Interest on Loans	85,930	81,809
Total Finance Costs	85,930	81,809

Note 4. Asset Disposal & Fair Value Adjustments

\$	2022	2021
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	487,209	238,000
Less: Carrying Amount of Assets Sold	(1,108,302)	(869,397)
Gain (Loss) on Disposal	(621,093)	(631,397)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	289,698	263,636
Less: Carrying Amount of Assets Sold	(25,295)	(291,803)
Gain (Loss) on Disposal	264,403	(28,167)
Net Gain (Loss) on Disposal or Revaluation of Assets	(356,690)	(659,564)

Note 5. Current Assets

\$	2022	2021
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	23,283	51,165
Deposits at Call	2,817,700	2,700,000
Total Cash & Cash Equivalent Assets	2,840,983	2,751,165

(b) Trade & Other Receivables

Rates - General & Other	514,463	583,030
Accrued Revenues	89,360	667
Debtors - General	8,917	10,610
GST Recoupment	69,510	71,197
Loans to Community Organisations	—	2,000
Total Trade & Other Receivables	682,250	667,504

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 5. Current Assets (continued)

\$	2022	2021
(c) Inventories		
Stores & Materials	63,984	12,113
Trading Stock	45,875	44,995
<u>Total Inventories</u>	<u>109,859</u>	<u>57,108</u>

Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.

Note 6. Non-Current Assets

\$	2022	2021
Financial Assets		
Receivables		
Loans to Community Organisations	59,000	61,000
<u>Total Financial Assets</u>	<u>59,000</u>	<u>61,000</u>

Southern Mallee District Council

Financial Statements 2022

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property

(a(i)) Infrastructure, Property, Plant & Equipment

\$	Fair Value Level	as at 30/06/21				Asset movements during the reporting period							as at 30/06/22		
		At Fair Value	At Cost	Accumulated Depreciation	Carrying amount	Asset Additions New / Upgrade	Asset Additions Renewals	WDV of Asset Disposals	Depreciation Expense (Note 3c)	Adjustments & Transfers	Revaluation Increments to Equity (ARR) (Note 9)	At Fair Value	At Cost	Accumulated Depreciation	Carrying amount
Land - Community	3	1,847,600	-	-	1,847,600	-	-	-	-	(836,500)	(66,000)	945,100	-	-	945,100
Land - Other	2	420,000	-	-	420,000	-	-	(23,000)	-	836,500	189,400	1,422,900	-	-	1,422,900
Land Improvements			1,277,357	-	1,277,357	-	-	-	-	-	-	-	1,277,357	-	1,277,357
Buildings & Other Structures	2	2,544,734	120,415	(213,806)	2,451,341	-	27,218	-	(39,650)	(1,637,437)	135,869	1,973,373	27,218	(1,063,250)	937,341
Buildings & Other Structures	3	17,733,500	1,892,349	(12,307,243)	7,318,606	1,019,523	817,346	-	(547,690)	1,637,437	3,684,159	24,190,928	1,836,869	(12,098,416)	13,929,381
Infrastructure															
- Stormwater	3	4,490,980	543	(2,431,581)	2,059,942	-	-	-	(97,840)	-	-	4,490,980	543	(2,529,421)	1,962,102
- Transport	3	66,345,119	1,239,174	(20,385,859)	47,198,434	1,727,153	982,919	(597,109)	(1,845,116)	-	-	65,293,903	3,959,928	(21,587,550)	47,666,281
- Common Effluent	3	7,670,757	2,321,954	(4,964,238)	5,028,473	1,153,222	-	-	(181,975)	-	-	7,670,757	3,475,176	(5,146,213)	5,999,720
- Other		-	2,393,697	(403,340)	1,990,357	1,615,181	-	-	(38,741)	-	-	-	4,008,877	(442,080)	3,566,797
Plant, Machinery & Equipment		-	5,895,990	(2,388,461)	3,207,529	73,511	1,012,611	(513,488)	(375,967)	-	-	-	5,679,278	(2,275,082)	3,404,196
Furniture & Fittings		-	306,247	(229,144)	77,103	-	-	-	(8,178)	-	-	-	306,247	(237,322)	68,925
Other Assets		-	250,866	(239,907)	10,959	-	-	-	(388)	-	-	-	250,866	(240,295)	10,571
Total Infrastructure, Property, Plant & Equipment		101,052,690	15,398,592	(43,563,581)	72,887,701	5,588,590	2,840,094	(1,133,597)	(2,935,545)	-	3,943,428	105,987,941	20,822,359	(45,619,629)	81,190,671

Comparatives		102,323,456	9,527,692	(41,720,962)	70,130,186	1,472,226	5,121,842	(1,161,200)	(2,675,353)	-	-	101,052,690	15,398,592	(43,563,581)	72,887,701
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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Information on Valuations

Fair value hierarchy level 2 valuations - Certain land, and the buildings and structures thereon, are shown above as being based on fair value hierarchy level 2 valuation inputs. They are based on prices for similar assets in an active market, with directly or indirectly observable adjustments for specific advantages or disadvantages attaching to the particular asset.

Fair value hierarchy level 3 valuations of land - Valuations of Crown land, community land and land subject to other restrictions on use or disposal, shown above as being based on fair value hierarchy level 3 valuation inputs, are based on prices for similar assets in an active market, but include adjustments for specific advantages or disadvantages attaching to the particular asset that are not directly or indirectly observable in that market, or the number and / or amount of observable adjustments of which are so great that the valuation is more fairly described as being based on level 3 valuation inputs.

Fair value hierarchy level 3 valuations of buildings, infrastructure and other assets - There is no known market for buildings, infrastructure and other assets. These assets are valued at depreciated current replacement cost. This method involves:

- The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.
- The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by Council.

This method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques. Accordingly, formal sensitivity analysis does not provide useful information.

Transfers between fair value hierarchy levels

In the course of revaluing, the nature of the inputs applied was reviewed in detail for each asset and where necessary, the asset reassigned to the appropriate fair value hierarchy level. Such transfers take effect as at the date of the revaluation.

Other Information

At 1 July 2004 upon the transition to AIFRS, Council elected pursuant to AASB 1.D5 to retain a previously established deemed cost under GAAP as its deemed cost. With subsequent addition at cost, this remains as the basis of recognition of non-material asset classes.

Upon revaluation, the current new replacement cost and accumulated depreciation are re-stated such that the difference represents the fair value of the asset determined in accordance with AASB 13 Fair Value Measurement: accumulated depreciation is taken to be the difference between current new replacement cost and fair value. In the case of land, current replacement cost is taken to be the fair value.

Highest and best use

All of Council's non financial assets are considered as being utilised for their highest and best use.

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

continued on next page ...



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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Transition to AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	\$
Office Furniture & Equipment	5,000
Other Plant & Equipment	5,000
Buildings - new construction/extensions	5,000
Park & Playground Furniture & Equipment	5,000
Road construction & reconstruction	5,000
Paving & Footpaths, Kerb & Gutter	5,000
Drains & Culverts	5,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below, although individual assets may have an estimated total useful life of greater or lesser amount:

Plant, Furniture & Equipment

Office Equipment	5 to 10 years
Office Furniture	10 to 20 years
Vehicles and Road-making Equipment	5 to 8 years
Other Plant & Equipment	5 to 15 years
Water Supply Equipment	5 to 25 years

Building & Other Structures

Buildings - masonry	50 to 100 years
Buildings - other construction	20 to 40 years
Park Structures - masonry	50 to 100 years
Park Structures - other construction	20 to 40 years
Playground Equipment	5 to 15 years
Benches, Seats, etc	10 to 20 years

Infrastructure

Sealed Roads - Surface	15 to 25 years
Sealed Roads - Structure	70 to 100 years
Unsealed Roads	35 years
Bridges - Concrete	10 years
Paving & Footpaths, Kerb & Gutter	20 to 80 years
Stormwater Drainage	65 to 70 years
Drains	80 to 100 years
Culverts	50 to 75 years
Flood Control Structures	80 to 100 years
Dams and Reservoirs	80 to 100 years
Bores	20 to 40 years
Community Waste Water Scheme	35 to 40 years
Reticulation Pipes - PVC	70 to 80 years
Reticulation Pipes - Other	25 to 75 years
Pumps & Telemetry	15 to 25 years

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Land & Land Improvements

Council being of the opinion that it is not possible to attribute a value sufficiently reliably to qualify for recognition, land under roads has not been recognised in these reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Freehold land and land over which Council has control, but does not have title, is recognised on the cost basis. No capitalisation threshold is applied to the acquisition of land or interests in land.

Land improvements, including bulk earthworks with an assessed unlimited useful life, are recognised on the cost basis.

Estimated future costs of reinstatement of land, capitalised in accordance with AASB 116.16(c), are reviewed annually (see Note 1).

Category 2 Land was revalued as at 1 July 2021 by Mr Mitch Ekonomopoulos Certified Practising Valuer of of Asset Val Pty Ltd.

Category 3 Land was revalued as at 1 July 2021 by Mr Mitch Ekonomopoulos Certified Practising Valuer of of Asset Val Pty Ltd

Buildings & Other Structures

Buildings and other structures were revalued as at 1 July 2021 by Mr Mitch Ekonomopoulos Certified Practising Valuer of of Asset Val Pty Ltd

Infrastructure

Transportation assets were valued by Mr John Olson, Managing Director and Principal Engineer, Road Transport HDS Australia Pty Ltd at depreciated current replacement cost during the reporting period ended 30 June 2020, based on actual costs incurred during the reporting periods ended 30 June 2019 and 2020. All acquisitions made after the respective dates of valuation are recorded at cost.

Stormwater drainage infrastructure was valued by Wallbridge Gilbert Aztec (WGA) as at 30 June 2018 at depreciated current replacement cost, based on actual costs incurred during the reporting period ended 30 June 2018. All acquisitions made after the respective dates of valuation are recorded at cost.

Community wastewater management system infrastructure was valued at depreciated current replacement cost on 1 July 2016 by Wallbridge Gilbert Aztec (WGA). All acquisitions made after the respective dates of valuation are recorded at cost. This is estimated to be revalued on 1 July 2023 following the completion of the CVMS upgrade.

Infrastructure Other includes recreational assets such as street furniture, parks and garden equipment etc. All acquisitions made have been recorded at cost and have not been valued.

Plant, Furniture & Equipment

These assets are recognised on the cost basis.

All other Assets

These assets are recognised on the cost basis.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 8. Liabilities

\$	2022 Current	2022 Non Current	2021 Current	2021 Non Current
(a) Trade and Other Payables				
Goods & Services	450,207	—	779,576	—
Payments Received in Advance	596,332	—	258,809	—
Accrued Expenses - Employee Entitlements	238,777	—	60,522	—
Accrued Expenses - Other	32,592	—	18,329	—
Deposits, Retentions & Bonds	15,000	—	5,000	—
<u>Total Trade and Other Payables</u>	<u>1,332,908</u>	<u>—</u>	<u>1,122,236</u>	<u>—</u>
(b) Borrowings				
Loans	410,862	3,600,242	265,905	611,104
<u>Total Borrowings</u>	<u>410,862</u>	<u>3,600,242</u>	<u>265,905</u>	<u>611,104</u>
All interest bearing liabilities are secured over the future revenues of the Council				
(c) Provisions				
LSL Employee Entitlements (including oncosts)	411,304	25,707	374,904	21,079
AL Employee Entitlements (including oncosts)	354,114	—	395,381	—
Other Employee Provisions	99,494	—	103,365	—
<u>Total Provisions</u>	<u>864,912</u>	<u>25,707</u>	<u>873,650</u>	<u>21,079</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Increments (Decrements)	Transfers	Impairments	Closing Balance
(a) Asset Revaluation Reserve					
Land	2,123,795	123,400	—	—	2,247,195
Buildings & Other Structures	8,150,938	3,820,028	—	—	11,970,966
Infrastructure					
Stormwater Drainage	24,231	—	—	—	24,231
CWMS	769,649	—	—	—	769,649
Transport	46,547,121	—	—	—	46,547,121
Total Asset Revaluation Reserve	57,615,734	3,943,428	—	—	61,559,162
Comparatives	57,615,734	—	—	—	57,615,734

continued on next page ...

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves (continued)

	as at 30/06/21				as at 30/06/22
\$	Opening Balance	Tfrs to Reserve	Tfrs from Reserve	Other Movements	Closing Balance
(b) Other Reserves					
Reserve - CWMS	(1,020,263)	—	(793,321)	—	(1,813,584)
Total Other Reserves	(1,020,263)	—	(793,321)	—	(1,813,584)
Comparatives	992,752	—	(2,013,015)	—	(1,020,263)

Purposes of Reserves

Asset Revaluation Reserves

The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Other Reserves

CWMS (Community Waste Water Management Scheme)

Is for the future cash requirements of asset replacement of the Community Waste Water Management scheme.

Note 10. Assets Subject to Restrictions

\$	2022	2021
The uses of the following assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.		
Cash & Financial Assets		
LCRIP Funding	489,276	253,692
Black Summer Bushfire Grant	78,930	—
Total Assets Subject to Externally Imposed Restrictions	568,206	253,692

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

\$	Notes	2022	2021
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(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Total Cash & Equivalent Assets	5	2,840,983	2,751,165
Balances per Statement of Cash Flows		2,840,983	2,751,165

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus/(Deficit)		1,174,200	650,915
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment		2,935,545	2,675,353
Grants for capital acquisitions treated as Investing Activity		(1,684,123)	(1,524,706)
Net (Gain) Loss on Disposals		356,690	659,564
		2,782,312	2,461,126
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables		71,947	(74,292)
Net (Increase)/Decrease in Inventories		(52,751)	72,287
Net Increase/(Decrease) in Trade & Other Payables		(466,859)	123,854
Net Increase/(Decrease) in Unpaid Employee Benefits		174,145	99,859
Net Cash provided by (or used in) operations		2,508,794	2,682,834

(c) Financing Arrangements

Unrestricted access was available at balance date to the following lines of credit:

Corporate Credit Cards	16,000	16,000
LGFA Cash Advance Debenture Facility	2,300,000	2,300,000

Southern Mallee District Council

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 12(a). Functions

\$	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	2022	INCOME 2021	2022	EXPENSES 2021	SURPLUS (DEFICIT) 2022	OPERATING 2021	GRANTS INCLUDED IN INCOME 2022	2021	TOTAL ASSETS HELD (CURRENT & NON-CURRENT) 2022	2021
Functions/Activities										
Dog and Fire Prevention	22,364	19,489	77,857	71,136	(55,493)	(51,647)	—	—	—	—
Health Services	17,815	9,301	46,603	38,387	(28,788)	(29,086)	—	—	—	—
Welfare & Childrens Services	1,135,310	974,116	1,190,001	934,500	(54,691)	39,616	272,377	211,797	—	—
Housing & Community Amenities	775,579	815,627	968,775	923,349	(193,196)	(107,722)	—	—	8,404,674	7,433,427
Sport & Recreation	62,619	38,884	1,097,282	903,911	(1,034,663)	(865,027)	1,676	847	4,102,562	2,526,123
Development Services & Gravel Pits	46,297	37,395	404,826	256,105	(358,529)	(218,710)	—	—	—	—
Road & Aerodrome	1,214,658	1,105,407	2,447,919	2,546,997	(1,233,261)	(1,441,590)	1,214,749	1,046,582	50,932,158	46,772,748
Economic Affairs	1,010	47,177	95,243	199,771	(94,233)	(152,594)	—	5,000	—	—
Finance, Plant, Depot & Other Purposes	139,051	106,402	546,234	395,511	(407,183)	(289,109)	—	—	7,978,167	7,326,624
Governance	—	—	896,343	645,002	(896,343)	(645,002)	—	—	—	—
Administration & Support Services	1,142	1,006	998,812	918,558	(997,670)	(917,552)	—	—	—	—
Rate & Grant Revenue	5,334,451	4,844,872	133,634	126,984	5,200,817	4,717,888	1,490,615	1,093,166	13,465,201	12,365,556
Other	—	—	—	—	—	—	—	—	1	—
Total	8,750,296	7,999,676	8,903,529	7,960,211	(153,233)	39,465	2,979,417	2,357,392	84,882,763	76,424,478

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions

Dog and Fire Prevention

Dog and Cat Control, Fire Prevention and Other Public Order and Safety.

Health Services

Health Services, Pest Control - Health, Immunisation, Prevention Health Services, Dental Clinics and Other Health Services.

Welfare and Childcare Services

Community Support, elderly Citizens Facilities, Other Services for the Aged and Disabled, Mobile Child Care Service, Children and Youth Services, Community Assistance, Community Transport and Other Community Support.

Housing and Community Amenities

Community Amenities, Cemeteries, Public Conveniences, Waste Management Facility and Recycling, Kerbside Waste and Recycling Collection, Community Waste Water Management Schemes, Street Lighting, Street Cleaning, Stormwater, Street Furniture, Aged Accommodation and Other Community Amenities.

Sport and Recreation

Halls, Swimming Pools, Library Services and Static Libraries, Parks and Gardens, Sports Venues, Cultural Services, Cultural Venues, Heritage and Museums.

Development Services and Gravel Pits

Building and Planning Development Regulatory Services, Reinstatement of Gravel Pits.

Roads and Aerodrome

Aerodrome, Footpaths and Kerbing, Roads – sealed, Roads – formed, Roads – natural formed, Roads – unformed, Traffic Management, LGGC – roads (formula funded), and Other Transport.

Economic Affairs

Regional Development, Support to Local Businesses, Caravan Parks, Seasonal Worker Accommodation Facility, Community Telecentres, Tourism and Other Economic Development.

Finance, Plant and Other Purposes

Council Investments Income, Council Debt Repayments, Operational Expenses associated with Council Depot and Construction Plant and Machinery, reinstatement of vandalism damage and Other Property Expenses.

Governance

Governance, Elected Members Expenses.

Administration Support Services

Support Services, Accounting/Finance, Payroll, Human Resources, Information Technology, Communication, Rates Administration, Records, Occupancy, Contract Management, Customer Service, Other Support Services.

Rate and Grant Revenue

Rates, Natural Resource Management Levy and Revenues, LGGC - General Purpose.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments

Recognised Financial Instruments**Bank, Deposits at Call, Short Term Deposits****Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:

Deposits are returning fixed interest rates between 0.2% and 1.05% (2021: 0.3% and 0.45%). Short term deposits for 2021 had average maturity of 90 days and an average interest rate of 0.52%.

Carrying Amount:

Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Secured over the subject land, arrears attract interest of 0.42% (2021: 0.43%). Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:

Approximates fair value (after deduction of any allowance).

Receivables - Other Levels of Government**Accounting Policy:**

Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due by Departments and Agencies of State and Federal Governments.

Carrying Amount:

Approximates fair value.

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals**Accounting Policy:**

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:

Liabilities are normally settled on 30 day terms.

Carrying Amount:

Approximates fair value.

Liabilities - Interest Bearing Borrowings**Accounting Policy:**

Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:

Secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates between 4.85% and 7.92% (2021: 5.63% and 7.92%).

Carrying Amount:

Approximates fair value.

\$	Due < 1 year	Due > 1 year & ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets and Liabilities					
2022					
Financial Assets					
Cash & Cash Equivalents	2,840,983	—	—	2,840,983	2,840,983
Receivables	682,250	—	59,000	741,250	741,250
Total Financial Assets	3,523,233	—	59,000	3,582,233	3,582,233
Financial Liabilities					
Payables	497,799	—	—	497,799	497,799
Current Borrowings	610,490	—	—	610,490	410,862
Non-Current Borrowings	—	1,672,534	3,216,478	4,889,012	3,600,242
Total Financial Liabilities	1,108,289	1,672,534	3,216,478	5,997,301	4,508,903
2021					
Financial Assets					
Cash & Cash Equivalents	2,751,165	—	—	2,751,165	2,751,165
Receivables	669,804	—	59,000	728,804	728,504
Total Financial Assets	3,420,969	—	59,000	3,479,969	3,479,669
Financial Liabilities					
Payables	802,905	—	—	802,905	802,905
Current Borrowings	320,309	—	—	320,309	265,905
Non-Current Borrowings	—	674,785	—	674,785	611,104
Total Financial Liabilities	1,123,214	674,785	—	1,797,999	1,679,914

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Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

The following interest rates were applicable to Council's Borrowings at balance date:

\$	2022		2021	
	Weighted Avg Interest Rate	Carrying Value	Weighted Avg Interest Rate	Carrying Value
Fixed Interest Rates	6.25%	4,011,104	6.85%	877,009
		<u>4,011,104</u>		<u>877,009</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor **currency risk** apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Council also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 14. Capital Expenditure and Investment Property Commitments

\$	2022	2021
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Other Expenditure Commitments

Other non-capital expenditure commitments in relation to investment properties at the reporting date but not recognised in the financial statements as liabilities:

Audit Contract	23,900	38,900
Cleaning Contract	91,137	173,759
Employee Contracts	779,282	1,234,926
Town Centre Revitalisation Works	48,697	1,240,412
Preparation of Detailed design Documentation	81,290	182,555
Pinnaroo CWMS Gravity Drain Renewal Works	1,666,684	2,787,654
Swimming Pools	1,903,381	592,072
Desludging Contract	63,893	–
Termite Pest & Weed Control	39,965	–
	<u>4,698,229</u>	<u>6,250,278</u>

These expenditures are payable:

Not later than one year	4,601,775	5,705,791
Later than one year and not later than 5 years	96,454	544,487
	<u>4,698,229</u>	<u>6,250,278</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

\$	Amounts 2022	Indicator 2022	Indicators 2021	Indicators 2020
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These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

1. Operating Surplus Ratio

Operating Surplus	(153,233)	(1.8)%	0.5%	2.6%
Total Operating Income	8,750,296			

This ratio expresses the operating surplus as a percentage of total operating revenue.

2. Net Financial Liabilities Ratio

Net Financial Liabilities	2,652,398	30.3%	(7.3)%	(33.1)%
Total Operating Income	8,750,296			

Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.

Adjusted Operating Surplus Ratio

Operating Surplus	(644,150)	(7.8)%	0.7%	2.0%
Total Operating Income	8,259,379			

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants, as explained in Note 1. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

Adjusted Net Financial Liabilities Ratio

Net Financial Liabilities	3,971,657	48.1%	3.0%	(23.0)%
Total Operating Income	8,259,379			

3. Asset Renewal Funding Ratio

Asset Renewals	2,352,885	110%	125%	66%
Infrastructure & Asset Management Plan required expenditure	2,141,000			

Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.

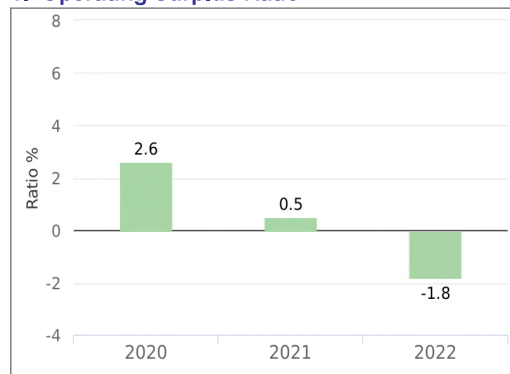
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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 15. Financial Indicators (continued)

Financial Indicators - Graphs

1. Operating Surplus Ratio



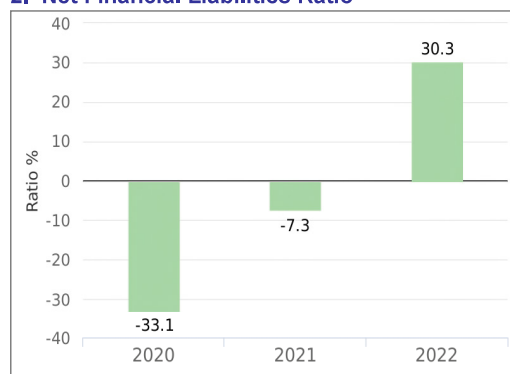
Purpose of operating surplus ratio

This indicator is to determine the percentage the operating revenue varies from operating expenditure

Commentary on 2021/22 result

2021/22 ratio (1.8)%

2. Net Financial Liabilities Ratio



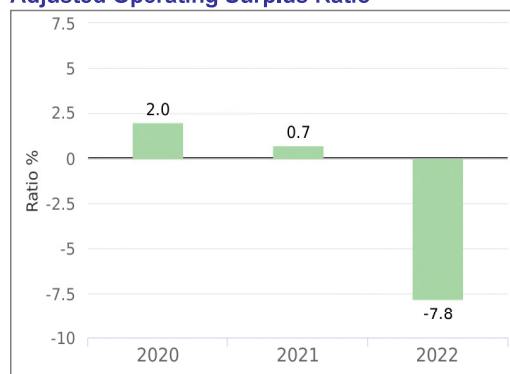
Purpose of net financial liabilities ratio

This indicator shows the significance of the net amount owed to others, compared to operating revenue

Commentary on 2021/22 result

2021/22 ratio 30.3%

Adjusted Operating Surplus Ratio



Purpose of adjusted operating surplus ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2021/22 result

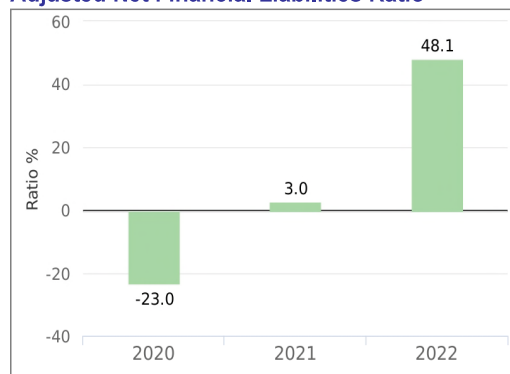
2021/22 ratio (7.8)%

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 15. Financial Indicators (continued)

Adjusted Net Financial Liabilities Ratio



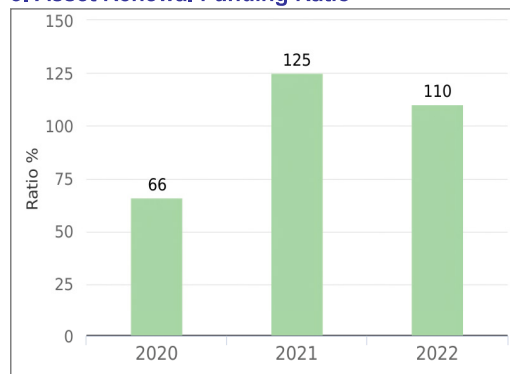
Purpose of adjusted net financial liabilities ratio

This indicator is to determine the percentage the operating revenue (adjusted for timing differences in the Financial Assistance Grant) varies from operating expenditure

Commentary on 2021/22 result

2021/22 ratio	48.1%

3. Asset Renewal Funding Ratio



Purpose of asset renewal funding ratio

This indicator aims to determine if assets are being renewed and replaced in an optimal way

Commentary on 2021/22 result

2021/22 ratio	110%

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

\$	2022	2021
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	8,750,296	7,999,676
less Expenses	(8,903,529)	(7,960,211)
Operating Surplus / (Deficit)	(153,233)	39,465
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(2,840,094)	(5,121,842)
add back Depreciation, Amortisation and Impairment	2,935,545	2,675,353
add back Proceeds from Sale of Replaced Assets	487,209	238,000
	582,660	(2,208,489)
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(5,588,590)	(1,472,226)
add back Amounts Received Specifically for New and Upgraded Assets	2,084,706	1,524,706
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	289,698	263,636
	(3,214,186)	316,116
Net Lending / (Borrowing) for Financial Year	(2,784,759)	(1,852,908)

Note 17. Superannuation

The Council makes employer superannuation contributions in respect of its employees to Statewide Super (formerly Local Government Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation (10.00% in 2021/22; 9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

continued on next page ...

Galpins

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Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Note 17. Superannuation (continued)

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes

Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

Note 18. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

As reported in the Financial Statements, Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 1,386 km of road reserves of average width 22 metres.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductible "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Legal expenses

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of NIL appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 12 persons were paid the following total compensation.

\$	2022	2021
The compensation paid to Key Management Personnel comprises:		
Salaries, allowances & other short term benefits	723,580	676,155
Total	723,580	676,155

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	5,424	1,258
Rentals for Council property	5,940	-
Total	11,364	1,258

KMP and relatives of KMPs own retail businesses from which various supplies were purchased as required either for cash or on 30 day account. Purchases from none of these individual businesses exceeded \$36,796 during the year.

Key management personnel or close family members (including related parties) lodged a total of twelve planning and building applications during the year. In accordance with the Local Government Act 1999, these persons declared conflicts of interest and took no part in the assessment or approval processes for these applications.

One Key Management Personnel is a director of the Lameroo Community Hotel Board. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Lameroo Community Hotel Board.

One Key Management Personnel is a member of the Lameroo Football Club. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Lameroo Football Club.

One Key Management Personnel is a member of the Pinnaroo Primary School Parent Club. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Pinnaroo Primary School Parent Club.

Two Key Management Personnel is a member of Pinnaroo Community Incorporated. In Accordance with the Local Government Act 1999, these persons declare an interest in matters relating to Pinnaroo Community Incorporated.

One Key Management Personnel is a member of the Pinnaroo Agricultural Society. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Pinnaroo Agricultural Society. During the year the Pinnaroo Agricultural Society received \$5,000.

One Key Management Personnel is a member of the Parrakie War Memorial Hall Committee. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Parrakie War Memorial Hall.

One Key Management Personnel is a member of the Mallee Life Church. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Mallee Life Church.

One Key Management Personnel is a member of the Box Flat Dingo Committee. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Box Flat Dingo Committee.

One Key Management Personnel is a member of the Lameroo Silo Art Committee. In Accordance with the Local Government Act 1999, this person declares an interest in matters relating to the Lameroo Silo Art Committee.



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INDEPENDENT AUDITOR'S REPORT

To the members of Southern Mallee District Council

Opinion

We have audited the accompanying financial report of Southern Mallee District Council (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Council Certificate of Southern Mallee District Council.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Council as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the Australian Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

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 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.

Council's responsibility for the financial report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Council is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Council either intends 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 responsibility 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 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 of the financial report in accordance with 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 of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Council'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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS



Tim Muhlhausler CA, Registered Company Auditor
Director

24 October 2022



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To the members of Southern Mallee District Council

Opinion

We have audited the compliance of Southern Mallee District Council (the Council) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with law.

In our opinion, Southern Mallee District Council has complied, in all material respects, with *Section 125 of the Local Government Act 1999* in relation to Internal Controls established by the Council in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for opinion

We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

The Council's responsibility for internal controls

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility

Our responsibility is to express an opinion on the Council's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Council to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of use

This report has been prepared for the members of the Council in Accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Council, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Director

24 October 2022

General Purpose Financial Statements
for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Southern Mallee District Council for the year ended 30 June 2022, the Council's Auditor, Galpins has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Matthew Sherman
Acting Chief Executive Officer



Ross Haslam
Presiding Member, Audit Committee

Date: 10/10/2022





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SOUTHERN MALLEE DISTRICT COUNCIL

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of Southern Mallee District Council for the year ended 30 June 2022, I have maintained my independence 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), in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulation 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

A handwritten signature in blue ink, appearing to read 'T Muhl'.


Tim Muhlhausler CA, Registered Company Auditor

Director

24 October 2022

APPENDIX B: MRLGA ANNUAL REPORT





21/22

MURRAYLANDS & RIVERLAND LOCAL GOVERNMENT ASSOCIATION

ANNUAL REPORT

Murraylands and Riverland Local Government Association



Constituent Councils



Regional Partners



Government of South Australia
Department of Primary Industries
and Regions



Local Government Association
of South Australia



Regional Development
Australia
MURRAYLANDS & RIVERLAND
SOUTH AUSTRALIA

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ABOUT THE REGION

 <p>36,213 sq kilometres</p> <p>Nearly half the size of Ireland</p>	 <p>8 Major towns</p> <p>Murray Bridge, Mannum, Renmark, Berri, Barmera, Loxton, Tailem Bend and Waikerie</p>	 <p>73,034</p> <p>People live and work in the region</p> <p>(ABS, 2021)</p>
 <p>45 years</p> <p>Median age</p> <p>(ABS, 2020)</p>	 <p>32%</p> <p>Of the population is over the age of 60</p> <p>(ABS, 2021)</p>	 <p>6,518</p> <p>Local businesses</p> <p>(ABS, 2021)</p>
 <p>32,301</p> <p>Local jobs</p> <p>(NIEIR, 2021)</p>	 <p>Coorong</p> <p>Home to the Coorong -RAMSAR listed wetland</p>	 <p>\$4.232 billion</p> <p>Gross Regional Product</p> <p>(NIEIR, 2021)</p>
 <p>1 in 5</p> <p>Jobs rely on primary production</p> <p>(ABS, 2021)</p>	 <p>71 %</p> <p>State's wine grape production comes from the Riverland</p> <p>(Riverland Wine, 2022)</p>	 <p>First Nations</p> <p>Connection to the land dating back nearly 30,000 years</p> <p>(Westell, et al., 2020)</p>
 <p>20 %</p> <p>Of Australia's commercial citrus industry from the Riverland</p> <p>(Citrus Australia, 2022)</p>	 <p>66 %</p> <p>Of the region's land use is for agricultural production</p> <p>(Murraylands and Riverland Landscape Board, 2021)</p>	 <p>\$374 million</p> <p>Spent by visitors to the region per annum</p> <p>(Murraylands and Riverland Landscape Board, 2021)</p>
 <p>\$1.2 billion</p> <p>Estimated gross value of irrigated production for the region</p> <p>(DEW, 2019)</p>	 <p>\$400 million</p> <p>Estimated value of the grain industry</p> <p>(including dryland, irrigated and value-add operations)</p>	 <p>Nearly 5%</p> <p>Contribution of the region's agriculture, forestry, and fishing exports to Australia</p> <p>(ABS, 2020)</p>

NIEIR – National Institute of Industry and Economic Research

PRESIDENT'S REPORT



Mayor Peter Hunt

Murraylands and Riverland Local Government Association, as a Regional Subsidiary of our constituent councils, has continued to deliver in 2021/22. As President, it is a privilege to witness the coordination and facilitation of our councils and the growing maturity of the collaboration that is occurring.

A significant portion of the work includes the bringing together of the right members of staff from each of our councils and leveraging their contribution to the committees of the association. Through the coalescing of the experience and expertise, the committees have been able to act upon the many plans and strategies we have as an Association. Working with purpose to deliver these strategies ensures that the documents have a life beyond mere compilation. This provides the foundation by which we can collectively pursue operational improvement; either through creation of value or achievement of efficiency.

By way of example, seven of the eight constituent councils came together, to develop one of the initiatives in the 2021-26 Waste and Resource Recovery, and participated in a joint procurement of waste services. Five of the councils sought a full suite of services in alignment to the strategy, while the remaining councils sought components thereof. An anticipated result of this work is a baseline saving in the order of \$5million to \$7million over the minimum life of the contracts.

Moreover, we've seen collective efforts at Local Government level influence other private and public investment in the region. On that note, we welcome the announcement that Peats Soil will receive funding from the Australian Government to build a composting facility in the Riverland.

In addition to the waste and resource recovery example, the Regional Transport and Asset Committee has continued to guide the development of the Regional Road Hierarchy Plan and prioritise roads for funding, predominantly through the Special Local Roads Program, via the application of processes identified in the 2030 Murray and Mallee Road Transport Plan. A highlight of this work was the \$3.7million funding received by councils to progress work on Regionally Significant Roads in 2021/22.

While these successes provide impetus for continued collaboration, there is good reason to lift our sights and look for other opportunities. Some councils already use the discipline and procedures developed through the 2030 Regional Transport Plan to pursue other funding opportunities to improve their road networks. This is to be encouraged and, indeed, is the prerogative of each of the councils. Together, however, there is opportunity to take the information contained in our plans to advocate for network improvements across the region.

The Regional Road Hierarchy Plan provides a classification system which considers the interaction of local government roads with the main arterial routes managed and owned by the state and federal governments. The Hierarchy has now been advanced to include road construction and maintenance standards and has been captured in a cloud-based Geographic Information System. As the project continues to develop, a framework for the strategic management of our roads is beginning to unfold and will undoubtedly prove to be a valuable tool for future planning and advocacy.

The Public Health and Wellbeing Committee has been busy throughout 2021/22 too. The fruits of its toil have resulted in the 2022-26 Murraylands and Riverland Public Health and Wellbeing Plan being brought into operation. It's an obligation under the Public Health Act 2011, that councils or groups of councils have a current Public Health Plan. The Murraylands and Riverland were the first region to develop

a Public Health Plan and bring it to operation in 2013. The review process for the current iteration of the Plan has worked through the complexity of meeting obligations under the Act and serving the community by focusing on the role of local government.

The MRLGA CEO Network continues to oversee and provided strategic input into the operations of the Association. In addition to the guidance offered to the activities listed above, the CEO Network have also proved to be a valuable resource in helping to navigate negotiations with the State Government on the development of region plans as prescribed in the Planning, Development and Infrastructure Act 2016. It is pleasing to see that the State Planning Commission is now preparing to develop the plans and has established a Local Government Regional Planning Committee for which both Michael Sedgman and David Beaton are members.

At a political level, the Board, through the Water Position Working Group, have strategically considered the importance of water as a natural resource to the region. With the Murray Darling Basin Plan subject to formal review in 2026, now is the time to start to build a platform that will allow the Association to speak to the matter from the perspective of people and place. The Board is now in a position where it can consider a draft for release to targeted consultation. I thank Cr Andrew Kassebaum, Cr Peter Raison, Cr Melissa Rebbeck and Bridget Mather for their commitment to guiding the project.

In closing, I sincerely thank all constituent councils and MRLGA Board Members for the opportunity afforded to me in being your President. The work and service undertaken by our CEO for the Association as in the past, has been highly valued, and I wish Tim all the very best as he takes time off with his family before pursuing other opportunities.

With that in mind, it is with great pleasure that I welcome Carron McLeod to the role. Carron will bring a wealth of local government experience to the Association, having most recently worked at Bayside City Council in Victoria overseeing Capital Works.

I particularly want to also thank Deputy President, Mayor Caroline Phillips, who, in her first year in the role, has seamlessly taken up the mantle of representing the region through involvement in the SA Regional Organisation of Councils. In my absence, Mayor Phillips has also presided over two meetings of the Association in the last 12 months. It's great reassurance knowing that support is nearby when you need it.

As I look to the next 12-18 months, I see good cause for our councils to continue to support the MRLGA. With new state and federal governments elected, it is important that local government demonstrate a coordinated and cohesive approach to advocating for their communities and prosecuting a case for a strategic approach to regional development.

The final acknowledgement goes to those Mayors and Councilors that have served our communities over the last term and in a number of cases many terms of local government. I know that some do not intend to stand for reelection and I want to thank them sincerely for the contributions they have given to public service across our region. There's a lot of work that goes unseen in these roles, plenty of expectation and a responsibility to carry out our duties in the interest of all, without partiality. This of course is a privilege, but it's important to note that it doesn't always come without sacrifice.

MRLGA Board and Committees

Board Members

Berri Barmera Council (BBC)	Mayor Peter Hunt (President)
Coorong District Council (CDC)	Mayor Paul Simmons
District Council of Karoonda East Murray (DCKEM)	Mayor Caroline Phillips (Deputy President)
District Council of Loxton Waikerie (DCLW)	Mayor Leon Stasinowsky
Mid Murray Council (MMC)	Mayor Dave Burgess
Renmark Paringa Council (RPC)	Mayor Neil Martinson
Rural City of Murray Bridge (RCMB)	Mayor Brenton Lewis
Southern Mallee District Council (SMDC)	Mayor Jeffery Nickols

Deputy Delegates (Proxy Members)

Berri Barmera Council (BBC)	Cr Ella Winnall, Deputy Mayor
Coorong District Council (CDC)	Cr Jeff Arthur, Deputy Mayor
District Council of Loxton Waikerie (DCLW)	Cr Trevor Norton, Deputy Mayor
District Council Karoonda East Murray (DCKEM)	Cr Daryl Sparks, Deputy Mayor
Mid Murray Council (MMC)	Cr Simone Bailey, Deputy Mayor
Renmark Paringa Council (RPC)	Cr Henry De Rieu, Deputy Mayor
Rural City of Murray Bridge (RCMB)	Cr Wayne Thorley, Deputy Mayor
Southern Mallee District Council (SMDC)	Cr Paul Ireland, Deputy Mayor

South Australian Regional Organisation of Councils (SAROC) Representatives

Berri Barmera Council	Mayor Peter Hunt (President)
District Council of Karoonda East Murray	Mayor Caroline Phillips (Deputy President)

CEO Network

Berri Barmera Council (BBC)	Dylan Strong
Coorong District Council (CDC)	Bridget Mather
District Council of Loxton Waikerie (DCLW)	David Beaton
District Council of Karoonda East Murray (DCKEM)	Martin Borgas
Mid Murray Council (MMC)	Ben Scales
Renmark Paringa Council (RPC)	Tony Siviour
Rural City of Murray Bridge (RCMB)	Michael Sedgman
Southern Mallee District Council (SMDC)	Matthew Sherman
Murraylands and Riverland Local Government Association (MRLGA)	Carron McLeod
Regional Development Australia, Murraylands and Riverland (RDAMR, Guest)	Ben Fee

Regional Transport and Asset Committee

RPC	Mayor Neil Martinson	Chair, MRLGA Board Member
BBC	Mayor Peter Hunt	Ex officio, MRLGA President
BBC	David Pluckhahn	Manager Infrastructure Services
BBC	Ted Perera	Assets Management Engineer
CDC	Matt James	Director Infrastructure & Assets
CDC	James Clarke	Manager Construction & Maintenance
DCLW	Greg Perry	Director of Infrastructure Services
DCLW	Domenic Perre	Coordinator Capital Projects and Roads
DCKEM	Martin Borgas	CEO
DCKEM	Calvin Hoyer	General Manager, Infrastructure
MMC	David Hassett	Director Infrastructure & Field Services

MMC	Russell Pilbeam	Asset Management Coordinator
RPC	Stephen Whitehead	Director Infrastructure & Environmental Services
RPC	Tarik Wolf	Manager Infrastructure Planning
RCMB	Heather Barclay	General Manager Assets & Infrastructure
RCMB	Jason Vaudin	Manager City Infrastructure
SMDC	Matthew Sherman	CEO
MRLGA	Carron McLeod	CEO
RDAMR	Jason Bielby	Regional Development Manager

Regional Public Health and Wellbeing Committee

MRLGA	Mayor Hunt	President
MRLGA	Carron McLeod	Chief Executive Officer
BBC	Andrew Haigh (Deputy Chair)	Manager Community Development
CDC	Cr Sharon Bland	Councillor
CDC	Myles Somers (Chair)	Director Community and Corporate Services
CDC	Kellie Jaensch	Snr Community & Tourism Development Officer
DCKEM	Katrina Fromm	Deputy Chief Executive Officer
DCLW	Cheryle Pedler	Manager Environmental Services
MMC	Jake McVicar	Director Environmental Services
MMC	Caroline Thomas	Environmental Health Officer
RPC	Stephanie Brookes	Community Development Team Leader
RPC	Rebecca Hunt	Environmental Health Officer
RCMB	Reginald Budarick	Manager Community Services
RCMB	Geoff Parsons	Manager Development & Regulation
SMDC	Shilo Wyatt	Manager Property & Development Services

Water Paper Working Group

MRLGA	Mayor Hunt	President
MRLGA	Carron McLeod	Chief Executive Officer
MDA Region 5	Cr Peter Raison	Region 5, Mid Murray Council
MDA Region 5	Cr Andrew Kassebaum (Chair)	Chair Region 5, Berri Barmera Council
MDA Region 5 - Proxy	Cr Peter Walker	Member Region 5, DCLW
MDA Region 6	Cr Melissa Rebbeck	Chair Region 6, Alexandrina Council
MDA Region 6	Bridget Mather	Exec Member Region 6, CDC
MDA Region 6 - Proxy	Tracey Strugnell	Coorong District Council
Murray Darling Ass.	Mark Lamb	Chief Executive Officer

Local Government Regional Planning Committee Representatives

Murraylands Council	Michael Sedgman	Chief Executive Officer, Rural City of Murray Bridge
Riverland Council	David Beaton	Chief Executive Officer, District Council Loxton Waikerie

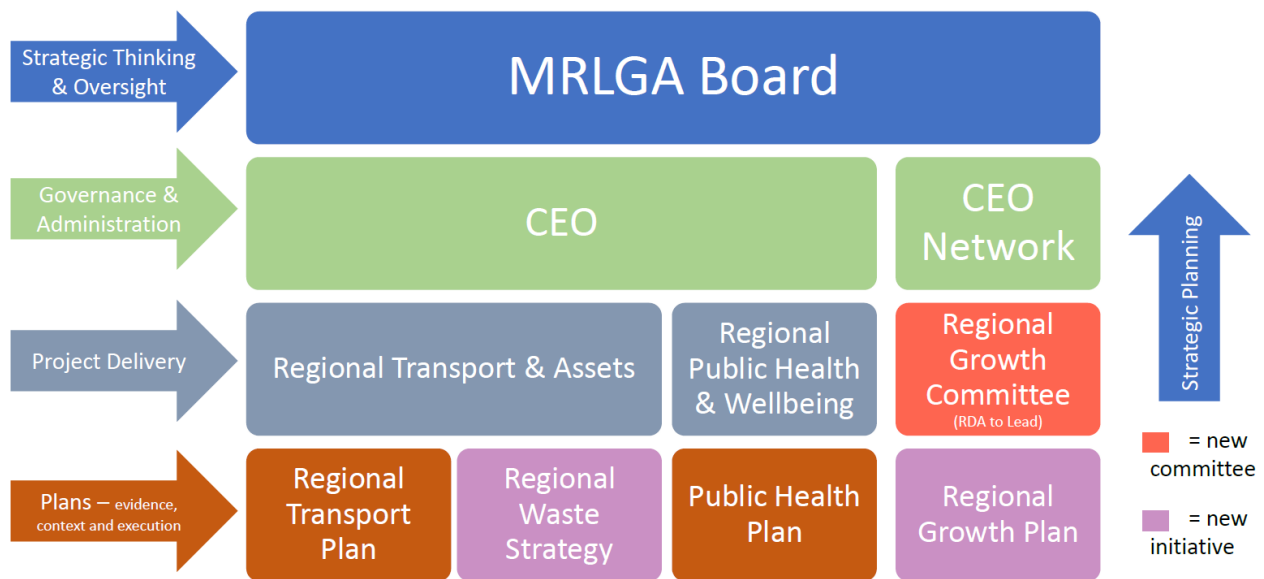
Zone Emergency Management

Murraylands Council	Michael Sedgman	Chief Executive Officer, Rural City of Murray Bridge
Riverland Council	David Beaton	Chief Executive Officer, District Council of Loxton Waikerie

Murraylands Riverland Plan, Steering Committee Representatives

RDA MR	Ben Fee	CEO
Landscape Board MR	Andrew Meddle	CEO
MRLGA	Tim Smyth	CEO
Murraylands Council	Michael Sedgman	CEO, Rural City Murray Bridge
Riverland Council	David Beaton	CEO, District Council Loxton Waikerie

MRLGA Structure



MRLGA Activity

MRLGA Board:

The MRLGA Board met quarterly. Membership of the Board is filled by the Principal Members (Mayor) of each Constituent Council. Meetings of the Board were held on:

1. Friday 13 August 2021
2. Friday, 22 October 2021
3. Friday, 25 February 2022
4. Friday, 6 May 2022

In addition to the general oversight of the Associations activities the MRLGA Board:

- Endorsed the 2020-2025 MRLGA Strategic Plan
- Received \$42,500 grant to support the development of a Water Position Paper. The Project Working Group developed a draft Water Position Paper and Regional Impact Statement as a strategic advocacy tool.
- Endorsed and completed joint-tendering for waste services in accordance with the Regional Waste and Resource Recovery Strategy.
- Adopted the Regional Public Health and Wellbeing Plan for the region.

The meetings of the Board also provide a forum for regular updates from:

- LGA SA administration
- Regional Development, Murraylands and Riverland
- PIRSA
- Landscape Board, Murraylands and Riverland
- Members of Parliament

SA Regional Organisation of Councils

The South Australian Regional Organisation of Councils (SAROC) is a Committee of the LGA that meets bimonthly to focus on key issues affecting country Councils.

MRLGA representatives at SAROC in 2021/22 were President, Mayor Peter Hunt and Deputy President Mayor Caroline Phillips.

MRLGA supports SAROC by attending meetings, submitting items of business and preparing regional reports. Key activities it supported SAROC included:

- Regional Housing Policy Toolkit, led by Spence Gulf Cities
- Regional homelessness and housing affordability
- Hoarding and squalor
- Regional Health Workforce Toolkit
- SA Regional Road Priority Project, Regional Local Road (Mapping and Priorities)
- Fair rating of electricity generators
- Work Health and Safety Regulations altered and the implications on (mining) Borrow Pits
- Increasing South Australia's Influence at the National General Assembly
- South Australian Local Government Grants Commission – Distribution Formula
- A Community Wellbeing Alliance pilot program

CEO Network

The MRLGA CEO Network is established as a strategic advisory group to the MRLGA Board. As the name suggests it is its membership is the CEOs of the eight constituent councils. Meetings of the CEO Network were held on:

1. Monday, 20 September 2021
2. Monday, 22 November 2021
3. Monday, 14 February 2022
4. Wednesday 20 April 2022
5. Wednesday, 15 June 2021

In addition to providing guidance on project activities and operations, the CEO Network:

- Endorsed a letter being prepared and sent to the Minister for Planning and Local Government informing that the region is not yet in a position to form a Joint Planning Board (JPB) but is willing to explore options.
- Ray Jackson, CFS Regional Commander Region 3, presented on recent fire experience, including the recovery process, building resilience, impacts to business and would seek representations from councils to sit on the Bushfire Management Committee.
- Council's future subscription models
- A Service Provision Review
- Murraylands and Riverland Plan (in response to Future Drought Fund and funding from PIRSA)
- Provided guidance to the combined Waste Services Tender and Contracts initiative
- Partnering with Landscape Board, MR to advocate for legislative changes which support Local Councils to respond to the issues and dangers caused by Motor Bikes on Roadsides.

Regional Transport and Assets (RTA) Committee

MRLGA Regional Transport and Assets (RTA) Committee is a forum that brings together the Directors of Infrastructure, Assets and Environment as well as Works Managers from each of the 8 constituent councils. Meetings of the RTA Committee were held on:

1. Friday, 24 September 2021
2. Friday, 4 March 2022
3. Thursday 21 April 2022

Key activities of the committee included:

- A minor update to the 2030 Regional Transport Plan during FY 21/22 which included;
 - Update to the Regional Roads Action Plan which was endorsed in March 2022 by the RTA Committee
 - Update to the Roads Database Calculator which was endorsed in April 2022
 - Subsequent submission of six projects for SLRP funding in May 2022
- Enhancement of MRLGA Regional Roads GIS
 - Submitted in June 2022 (final presentation to be completed at next RTA meeting)
- Roads Construction and Maintenance Standards Update
 - Submitted in August 2022 but completed mostly in FY 21/22 (final presentation to be completed at next RTA meeting)
- Co-ordinated the application process for Councils to the Special Local Roads Program.

Regional Public Health and Wellbeing Committee

The MRLGA Regional Public Health and Wellbeing Committee includes Directors, Managers, Environmental Health Officers, Community Development Managers and Planning Managers from each of the 8 constituent councils.

Meetings of the Committee were held on:

1. Wednesday, 7 July 2021
2. Thursday, 14 October 2022
3. Friday, 28 January 2022
4. Tuesday, 22 March 2022
5. Tuesday, 24 May 2022

Key activities of the committee included:

- Progressed Regional Public Health and Wellbeing Plan by:
 - Consultant presentation of Final Plan to committee October 2021
 - Plan submitted to the Chief Public Health Officer 29 October 2021 for endorsement (and was subsequently endorsed by CPHO on 31 January 2022).
 - Plan submitted for graphic design March 2022
 - Released Plan to Constituent Councils and Public June 2022.
- Public Health and Wellbeing Committee Strategy Workshop
 - MRLGA Public Health & Wellbeing Online Workshop was held in conjunction with Strategic Matters and Leanne Muffet.
 - The Committee assessed the workshop held on the 28 January 2022 to be a success and fulfilled the perceived regional outcomes. Due to the success of the workshop, the forum was not needed.
- Preparation began on section 52 (*Public Health Act 2011*) reports for the Deputy Chief Public Health Officer for submission in September 2022.

Water Position Working Group

MRLGA successfully received a \$42,500 grant from Building Better Regions Fund (BBRF) in 21/22 to support the development of a water position paper. Jacobs Consulting were engaged to prepare the paper in response to stakeholder workshops, working group meetings, census data and specialist knowledge on the Murray Darling Basin.

Meetings with the Working Group were held in 20/21 as well as on 10 August 2021, 31 August 2021, 8 September 2021, 15 December 2021, 3 March 2022, 14 April 2022 and 18 May 2022 of 21/22. Stakeholder meetings were also held on 23 and 24 February 2022, 24 May 2022 and a Board presentation on 6 May 2022.

The paper intends to :

- Acknowledge the regions dependency on water, and begin to decipher the role Local Government can play in water advocacy and water management,

- Identify advocacy topics to support local and regional communities, industries, the environment, first nations and stakeholders,
- Identify opportunities if/when all levels of government can collaborate for the betterment of easier process' and less politicised environments
- Acknowledge the Murray Darling Basin Plan review will commence soon, and how the MLRGA and its constituent councils can prepare for the review
- Identify opportunities where Local Government can adopt best practice water management principles as well as plan for and respond to moments of flood and drought.

The document is accompanied by a Regional Impact Statement and will be finished in 22/23, albeit the document will be updated overtime as the Association continues to expand its water advocacy.

Regional LGA's, Chief Executive Officers

The Regional LGA's Chief Executive Officers Management Group is an informal coalition of the Executive Officers of the Regional Local Government Associations. Meetings of the Management Group were held on:

1. Thursday, 8 July 2021
2. Monday, 6 September 2021
3. Tuesday, 8 February 2022
4. Thursday, 28 April 2022

Functions of the Management Group include:

- Provide input into SAROC Business Plan and the Agenda
- Develop a working relationship with the LGA Management team
- Advocate on behalf of the regions and regional initiatives
- Share information and provide collegiate support
- Coordinate collaborative project activity

Key focus of the Management Group in 2020/21 were as follows:

- Special Local Roads Program
- Regional Waste Management
- Community Waste Water Management Schemes
- Regional Plans and Joint Planning Boards
- SA Coastal Alliance

Future Drought Fund

Murraylands and Riverland Plan, Steering Committee

Partnership with RDA(MR) and Landscape Board MR

In 20/21 the preparation of the MR Plan begun. It was initiated and prioritised through the Regional Drought Resilience Planning Program and was funded through the Australian Government's Future Drought Fund and the Government of South Australia.

A partnership between Regional Development Australia, Murraylands and Riverland (RDAMR), Landscape Board, Murraylands and Riverland and Murraylands & Riverland Local Government Association formed to begin the preparation of a plan for the region, with RDAMR leading the process.

To support the direction of the plan, a Steering Committee was formed from representatives from each partner, PIRSA and community. This included the CEO of MRLGA, CEO of Rural City of Murray Bridge and CEO of District Council of Loxton Waikerie.

The Murraylands and Riverland (MR) Plan was finalised as draft in May 2022 and submitted to PIRSA and CSIRO for review.

It's envisaged the Plan will be endorsed in 22/23 and initiatives outlined in the document will be aligned to future funding opportunities and non funding opportunities to advance resilience in the region and it prepares for future drought.

Government Engagement and Advocacy

The following engagement has occurred with Government

- Victorian Cross Border Commissioner – COVID-19 impacts, – Strategic Planning Consultation.
- Letter to Minister for Primary Industries and Regional Development re: Genetically Modified Crops.
- Native Vegetation Council – roadside native vegetation guidelines (MRLGA CEO Network & MRLGA RTA Committee)
- Department of Infrastructure and Transport - consultation on Rural Highway Corridors.

External Service Agreements

MRLGA engaged in Service Agreements with Regional Development Australia (Murraylands and Riverland) during 21/22 for:

- Bookkeeping Services and
- Public Health and Wellbeing Co ordinating services.

2021 / 2022 Audit

Audit undertaken by Dean Newbery (ABN 30 164 612 890)

Financial Statements prepared by Creative Auditing (ABN 37 158 328 655)

HEAD OFFICE

214 Melbourne Street
North Adelaide SA 5006

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Dean Newbery
ABN: 30 164 612 890

INDEPENDENT AUDITOR'S REPORT

To the members of the Murraylands and Riverland Local Government Association Authority Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Local Government Association (the Authority), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. The Board of Management's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. The Board of Management of the Authority is responsible for overseeing the 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 the 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 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 Authority'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 the 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 Authority'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 Authority 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY



Samantha Creten
Partner

Signed on the 9th day of November 2022
at 214 Melbourne Street, North Adelaide

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Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Murraylands and Riverland Local Government Association for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 - *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Samantha Creten

Partner

DEAN NEWBERY

Dated this 9th day of November 2022

North Adelaide | Balaklava

Liability limited by a scheme approved under Professional Standards Legislation

Murraylands and Riverland Local Government Association

**General Purpose Financial Reports
for the year ended 30 June 2022**

Murraylands and Riverland Local Government Association
Annual Financial Statements
for the year ended 30 June 2022

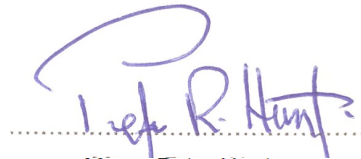
CERTIFICATION OF FINANCIAL STATEMENTS

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

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards.
- the financial statements present a true and fair view of the Associations's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Association provide a reasonable assurance that the Association's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Association's accounting and other records.



Carron McLeod
CHIEF EXECUTIVE OFFICER



Mayor Peter Hunt
CHAIRPERSON

Date: 9 November 2022

Murraylands and Riverland Local Government Association
General Purpose Financial Reports
for the year ended 30 June 2022

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Murraylands and Riverland Local Government Association
Statement of Comprehensive Income
for the year ended 30 June 2022

		2022	2021
	Notes	\$	\$
INCOME			
Council subscriptions	2	199,695	179,795
Grants, subsidies and contributions	2	82,783	115,242
Investment income	2	6,478	6,555
Total Income		288,956	301,592
EXPENSES			
Materials, contracts & other expenses	3	373,836	292,930
Total Expenses		373,836	292,930
OPERATING SURPLUS / (DEFICIT)		(84,880)	8,662
Other Comprehensive Income			
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(84,880)	8,662

This Statement is to be read in conjunction with the attached Notes.

Murraylands and Riverland Local Government Association

Statement of Financial Position

as at 30 June 2022

		2022	2021
	Notes	\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	4	897,507	1,030,339
Trade & other receivables	4	30,071	9,154
Total Current Assets		927,578	1,039,493
Total Assets		927,578	1,039,493
LIABILITIES			
Current Liabilities			
Trade & other payables	5	41,515	68,550
Total Current Liabilities		41,515	68,550
Total Liabilities		41,515	68,550
NET ASSETS		886,063	970,943
EQUITY			
Accumulated Surplus		886,063	970,943
TOTAL EQUITY		886,063	970,943

This Statement is to be read in conjunction with the attached Notes.

Murraylands and Riverland Local Government Association

Statement of Changes in Equity

for the year ended 30 June 2022

		Acc'd Surplus	TOTAL EQUITY
	Notes	\$	\$
2022			
Balance at end of previous reporting period		970,943	970,943
Restated opening balance		970,943	970,943
Net Surplus / (Deficit) for Year		(84,880)	(84,880)
Balance at end of period		886,063	886,063
2021			
Balance at end of previous reporting period		962,281	962,281
Restated opening balance		962,281	962,281
Net Surplus / (Deficit) for Year		8,662	8,662
Balance at end of period		970,943	970,943

This Statement is to be read in conjunction with the attached Notes

Murraylands and Riverland Local Government Association

Statement of Cash Flows for the year ended 30 June 2022

		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$	\$
Receipts:			
Council subscriptions		170,922	179,795
Investment receipts		6,478	6,555
Grants utilised for operating purposes		82,783	126,673
Other revenues		7,856	-
Payments:			
Materials, contracts & other expenses		(400,871)	(227,947)
Net Cash provided by (or used in) Operating Activities		(132,832)	85,076
Net Increase (Decrease) in cash held		(132,832)	85,076
Cash & cash equivalents at beginning of period	6	1,030,339	945,263
Cash & cash equivalents at end of period	6	897,507	1,030,339

This Statement is to be read in conjunction with the attached Notes

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1 - Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

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

2 The Local Government Reporting Entity

The Association is a Regional Subsidiary under Section 43 and Schedule 2 of the SA Local Government Act 1999.

The Constituent Councils are:

Berri Barmera Council
Coorong District Council
District Council Loxton Waikerie
District Council Karoonda East Murra
Mid Murray Council
Renmark Paringa Council
Rural City of Murray Bridge
Southern Mallee District Council

All funds received and expended by the Group have been included in the Financial Statements forming part of this Financial Report.

3 Income recognition

3.1 Revenue

The Association recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

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 (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Association expects to be entitled in a contract with a customer.

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1 - Significant Accounting Policies

In other cases, AASB 1058 applies when a not-for-profit (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, except in the case where a financial asset has been received to enable the Association to acquire or construct a recognisable non-financial asset that is to be controlled by the Association. In this case, the Association recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and Other Financial Instruments

4.1 Cash, Cash Equivalent Assets

Cash assets include all amounts readily convertible to cash on hand at Association's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

4.2 Other Financial Instruments

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments also form part of Note 13.

5 Payables

5.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

5.2 Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Association assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

6 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

7 New and amended standards and interpretations

The Association applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Association are listed below. The Association has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Murraylands and Riverland Local Government Association
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 2 - INCOME

	2022	2021
Notes	\$	\$
COUNCIL SUBSCRIPTIONS		
General subscriptions	199,695	179,795
	<u>199,695</u>	<u>179,795</u>
INVESTMENT INCOME		
Interest on investments:		
Local Government Finance Authority	6,478	6,555
	<u>6,478</u>	<u>6,555</u>
GRANTS, SUBSIDIES, CONTRIBUTIONS		
Other grants, subsidies and contributions		
Regional Capacity Buildings	42,783	42,151
Riverland Social Indicators	-	38,091
M & R Regional Waste Strategy	-	35,000
Community Wellbeing Alliance	40,000	-
	<u>82,783</u>	<u>115,242</u>
<i>The functions to which these grants relate are shown in Note 12.</i>		
Sources of grants		
Commonwealth government	42,783	115,242
State government	40,000	-
	<u>82,783</u>	<u>115,242</u>

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 3 - EXPENSE

	Notes	2022 \$	2021 \$
MATERIALS, CONTRACTS & OTHER EXPENSES			
<u>Prescribed Expenses</u>			
Auditor's Remuneration			
- Auditing the financial reports		3,200	3,100
Elected members' expenses		3,200	3,155
Subtotal - Prescribed Expenses		<u>6,400</u>	<u>6,255</u>
<u>Other Materials, Contracts & Expenses</u>			
Accounting Software		2,347	4,079
Administration Support		7,433	11,473
CEO Succession Planning		21,793	-
Executive Officer Contract Services		121,780	119,296
Insurance		4,804	7,701
Meeting Expenses		2,140	1,122
Project Expenditure		202,719	142,058
Website Maintenance		4,116	-
Sundry		304	946
Subtotal - Other Materials, Contracts & Expenses		<u>367,436</u>	<u>286,675</u>
		<u>373,836</u>	<u>292,930</u>

Murraylands and Riverland Local Government Association
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 4 - CURRENT ASSETS

		2022	2021
	Notes	\$	\$
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		156,621	145,932
Deposits at Call		740,886	884,407
		<u>897,507</u>	<u>1,030,339</u>
TRADE & OTHER RECEIVABLES			
Debtors - general		30,071	1,298
GST Recoupment		-	7,856
		<u>30,071</u>	<u>9,154</u>

Murraylands and Riverland Local Government Association
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 5 - LIABILITIES

		2022		2021	
		\$		\$	
TRADE & OTHER PAYABLES	Notes	Current	Non-current	Current	Non-current
Goods & Services		15		28,550	
Payments received in advance		40,000		40,000	
GST Payable		1,500		-	
		<u>41,515</u>	<u>-</u>	<u>68,550</u>	<u>-</u>

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 6 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Notes	2022 \$	2021 \$
Total cash & equivalent assets	4	897,507	1,030,339
Balances per Cash Flow Statement		<u>897,507</u>	<u>1,030,339</u>

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	(84,880)	8,662
	<u>(84,880)</u>	<u>8,662</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(20,917)	11,431
Net increase (decrease) in trade & other payables	(27,035)	64,983
Net Cash provided by (or used in) operations	<u>(132,832)</u>	<u>85,076</u>

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy: initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned

Terms & conditions: Short term deposits are available on 24 hour call with the LGFA and have an interest rate of 1.05% as at 30 June 2022.

Carrying amount: approximates fair value due to the short term to maturity.

Receivables - Trade and other debtors

Accounting Policy: Carried at nominal value

Terms & conditions: Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest.

Carrying amount: approximates fair value .

Liabilities - Creditors and Accruals

Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Association.

Terms & conditions: Liabilities are normally settled on 30 day terms.

Carrying amount: approximates fair value.

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7 - FINANCIAL INSTRUMENTS (con't)

Liquidity Analysis

2022	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	897,507			897,507	897,507
Receivables	30,071			30,071	30,071
Total	927,578	-	-	927,578	927,578
<u>Financial Liabilities</u>					
Payables	1,515			1,515	1,515
Total	1,515	-	-	1,515	1,515

2021	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<u>Financial Assets</u>	\$	\$	\$	\$	\$
Cash & Equivalents	1,030,339			1,030,339	1,030,339
Receivables	9,154			9,154	9,154
Total	1,039,493	-	-	1,039,493	1,039,493
<u>Financial Liabilities</u>					
Payables	28,550			28,550	28,550
Total	28,550	-	-	28,550	28,550

Murraylands and Riverland Local Government Association

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7 - FINANCIAL INSTRUMENTS (con't)

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Association.

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Association is the carrying amount, net of any impairment. All Association investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Association's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Association's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Association will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. Association also has available a range of bank overdraft and standby borrowing facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Association has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Expected Credit Losses (ECLs). Association uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Association's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

Murraylands and Riverland Local Government Association
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 8 - RELATED PARTY DISCLOSURES

KEY MANAGEMENT PERSONNEL

The Key Management Personnel of the Association include the Mayors/Chairpersons of the constituent Councils and the CEO. The following total compensation was paid:

	2022	2021
	\$	\$
CEO Contract	121,780	119,296
Member Allowances	3,200	3,155
TOTAL	124,980	122,451

PARTIES RELATED TO KEY MANAGEMENT PERSONNEL

During the reporting period, no Key management Personnel or parties related to them had any transactions on more favourable than those available to the public.

OTHER RELATED PARTIES

Amounts received from Related Parties during the financial year and owed by Related Parties at the end of the financial year (inclusive of GST).

Berri Barmera Council
 Coorong District Council
 District Council Loxton Waikerie
 District Council Karoonda East Murra
 Mid Murray Council
 Renmark Paringa Council
 Rural City of Murray Bridge
 Southern Mallee District Council
 SLRP Surcharge

TOTAL

2022	2021
\$	\$
21,630	21,527
17,559	16,421
24,080	23,576
9,444	8,788
22,800	20,829
19,165	19,099
35,420	33,027
11,632	10,708
37,965	25,820
199,695	179,795

Description of Services provided to all Related Parties above:

The Association's primary purpose focuses on the wealth, wellbeing and social cohesion of these communities via a sustainable approach of productive landscapes and natural environment. Its focus is on the key roles of local government.

HEAD OFFICE

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INDEPENDENT AUDITOR'S REPORT

To the members of the Murraylands and Riverland Local Government Association Authority Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of the Murraylands and Riverland Local Government Association (the Authority), which comprises the statement of financial position as at 30 June 2022, statement of comprehensive income, statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the financial report presents fairly, in all material aspects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011* and the Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Authority in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Board of Management is responsible for the preparation and fair presentation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the need of the directors. The Board of Management's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board of Management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. The Board of Management of the Authority is responsible for overseeing the 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 the 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 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 Authority'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 the 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 Authority'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 Authority 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DEAN NEWBERY



Samantha Creten
Partner

Signed on the 9th day of November 2022
at 214 Melbourne Street, North Adelaide

Murraylands and Riverland Local Government Association

Annual Financial Statements for the year ended 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Murraylands and Riverland Local government Association for the year ended 30 June 2022, the Association's Auditor, Dean Newbery & Partners, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.


This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.


.....
Dylan Strong
CHIEF EXECUTIVE OFFICER
Berri-Barnera Council


.....
David Beaton
CHIEF EXECUTIVE OFFICER
District Council Loxton Waikerie


.....
Ben Scales
CHIEF EXECUTIVE OFFICER
Mid Murray Council



.....
Michael Sedgman
CHIEF EXECUTIVE OFFICER
Rural City of Murray Bridge


.....
Carron McLeod
CHIEF EXECUTIVE OFFICER
Murraylands and Riverland Local Government Association


.....
Bridget Mather
CHIEF EXECUTIVE OFFICER
Coorong District Council


.....
Martin Borgas
CHIEF EXECUTIVE OFFICER
District Council Karoonda East Murray


.....
Tony Siviour
CHIEF EXECUTIVE OFFICER
Renmark Paringa Council


.....
Matthew Sherman
CHIEF EXECUTIVE OFFICER
Southern Mallee District Council


.....
Mayor Peter Hunt
CHAIRPERSON
Murraylands and Riverland Local Government Association

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Dean Newbery
ABN: 30 164 612 890

Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Murraylands and Riverland Local Government Association for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 - *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.



Samantha Creten

Partner

DEAN NEWBERY

Dated this 9th day of November 2022

North Adelaide | Balaklava

Liability limited by a scheme approved under Professional Standards Legislation



Thank you to the MRLGA Board, CEO Network, Berri Barmera Council, Coorong District Council, District Council of Karoonda East Murray, District Council of Loxton Waikerie, Mid Murray Council, Renmark Paringa Council, Rural City of Murray Bridge, Southern Mallee District Council Elected Members, Landscape Board MR, Regional Development Australia MR, PIRSA, SAROC, LGA, engaged consultants, ZEMC, ZEST, SAPOL, Wellbeing SA, SA State Government Departments, MDA, MDBA, LGFA, First Nations and our vibrant, passionate, hard working and connected community. Thank you for your ongoing efforts to nurture the Murrylands and Riverland region to a *Connected Region, Resilient Community, Economic Opportunity and Healthy Environment*.

APPENDIX C: FREEDOM OF INFORMATION STATEMENT



Introduction

This Freedom of Information Statement is published by Southern Mallee District Council in accordance with the Freedom of Information Act 1991 (FOI Act),

Subject to certain restrictions, the FOI Act 1993 gives members of the public a legally enforceable right to access information held by South Australian (Local) Government agencies such as councils. The purpose of this statement is to assist members of the public to identify the functions and decision making processes of Council, detail the type of information held by Council and advise how it can be accessed by the public.

An updated Information statement will be published on the Council's website each financial year. This statement was released on 1 July 2022

Structure and functions of Council

Southern Mallee District Council is a regional council located on the South Australian/Victorian border south of the Riverland. Southern Mallee is a central hub to the Riverland, Murray Mallee and South East regions of the State. As the centrally located local government in the region, Council works closely with other governments and agencies in the region. The Council includes staff administration and seven elected members who represent the whole district for a four-year term. Council and committee meetings are public meetings where the Council considers reports, information and recommendations from Council administration to assist with Council decision making. This includes matters such as policies, budgeting, community engagement and strategic planning. Council administration implements the decisions of Council and performs daily operations under the direction of the Chief Executive Officer.

The *Local Government Act 1999* (the Act) is the primary legislation for the operation of Local Government in South Australia. The provisions of the Act are supported by the *Local Government (General) Regulations 2013* and the *Local Government (Procedures at Meetings) Regulations 2013*. These regulations apply to all council committees with the exception of the Council Assessment Panel which is established in accordance with the provisions of the *Planning, Development and Infrastructure Act 2016*.

Full Council and provisions for meeting procedures

Following the local government elections held in November 2018, the Council consists of seven elected members who represent residents and ratepayers in the Southern Mallee District Council.

“Council” is the body corporate consisting of elected members as constituted under the Local Government Act 1999. Council is established to provide for the government and management of its area at the local level and, in particular:

- a) to act as a representative, informed and responsible decision-makers in the interest of its community;
- b) to provide and coordinate various public services and facilities and to develop its community and resource in a socially just and ecologically sustainable manner;
- c) to encourage and develop initiatives within its community for improving the quality of life of the community;
- d) to represent the interests of its community to the wider community; and
- e) to exercise, perform and discharge the powers, functions and duties of local government under the Local Government Act and other acts in relation to the area for which it is constituted. [s.6, Local Government Act]

Ordinary meetings of the Council are held in the Council Chambers in either Lameroo or Pinnaroo or in locations throughout the Council area as determined by resolution of Council. These meetings commence at 6:30 pm on the third Wednesday of each month. All meetings are open to the public, with the exception of any matters subject to an order of confidentiality. [s.90 of the Local Government Act]. Notices of all meetings and associated minutes of Council and its committees are available on the website and from the Council offices.

One of the main opportunities for the community to gain information about the business of Council is through meeting agendas and associated reports prepared for Council and committee meetings. Agendas, including minutes of the previous meetings and supporting documentation, are placed on public display no less than three days prior to meetings. Council also holds informal information gatherings and these dates along with Council meeting dates and associated information are available on Council’s website at www.southernmallee.sa.gov.au and at the Council offices.

Ordinary Council meetings are also livestreamed on Councils’ You Tube channel.

Council committees and subsidiaries

Schedule 1 of this statement lists the various committees of Council and identifies under which section of the Local Government Act 1999 or Development Act 1993 they have been formed. Committees streamline Council business and assist in the performance of its functions. The membership of committees and their terms of reference are determined by the Council.

Committees meet at intervals determined in their terms of reference (available on Council’s website and at the Council offices) and make recommendations to Council. Meetings of Section 41 Committees are open to the public with the exception of any matters subject to an order of confidentiality [s.90, Local Government Act], and are publicly notified in the same way as Council meetings. (See 1.1 above)

Chapter 6 of the Local Government Act and the Local Government (Procedures at Meetings) Regulations prescribe the way meetings of a Council and its committees are to be conducted.

External committees/boards/associations

Council participates in a number of external committees, boards and associations, comprising elected members, staff and the public and these are listed in Schedule 1.

Delegations

The Council Assessment Panel and the Chief Executive Officer have delegated authority from Council to make decisions on specified administrative and policy matters. The Chief Executive Officer may sub-delegate to an employee or a committee. Council's delegations register reflects the delegated authority from the Council to the CEO (and subsequently any further sub delegations). The delegations register is reviewed annually by Council.

Functions of Council

The functions of Council, set out in s7 of the Local Government Act 1999, include:

- (a) to plan at the local and regional level for the development and future requirements of its area;
- (b) to provide services and facilities that benefit its area, its ratepayers and residents, and visitors to its area (including general public services or facilities (including electricity, gas and water services, and waste collection, control or disposal services or facilities), health, welfare or community services or facilities, and cultural or recreational services or facilities);
- (c) to provide for the welfare, well-being and interests of individuals and groups within its community;
- (d) to take measures to protect its area from natural and other hazards and to mitigate the effects of such hazards;
- (e) to manage, develop, protect, restore, enhance and conserve the environment in an ecologically sustainable manner, and to improve amenity;
- (f) to provide infrastructure for its community and for development within its area (including infrastructure that helps to protect any part of the local or broader community from any hazard or other event, or that assists in the management of any area);
- (g) to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism;
- (h) to establish or support organisations or programs that benefit people in its area or local government generally;
- (i) to manage and, if appropriate, develop, public areas vested in, or occupied by, the council;
- (j) to manage, improve and develop resources available to the council;
- (k) to undertake other functions and activities conferred by or under an Act.

Section 41 of the Local Government Act 1999 empowers a Council to establish committees:

- to assist the Council in the performance of its functions

- to enquire into and report to the Council on matters within the ambit of the Council's responsibilities
- to provide advice to the Council
- to exercise, perform or discharge delegated powers, functions or duties

Council's Strategic Management Plan is developed based on community consultation and informs Council's Annual Business Plan and Budget.

Services for the community

Council is required by legislation to:

- Determine policies to be applied by the Council
- Develop and adopt strategic management plans
- Prepare and adopt annual business plans and budgets
- Establish an audit committee
- Develop appropriate policies, practices and processes of internal control
- Set performance objectives
- Establish policies and processes for dealing with complaints, requests for service, and internal review of Council decisions
- Determine the type, range and scope of projects to be undertaken by the Council
- Deliver planning and development, dog and cat management, fire prevention and certain public health services
- Provide the necessary administrative services to support Council's functions

Other services and activities are provided through the decision making processes of Council in response to local needs, interests and aspirations of individuals and groups within the community to ensure that Council resources are used equitably.

Other services provided by Council include:

- Road networks
- Open space facilities
- Community waste water management schemes
- Retirement villages
- Outdoor swimming pools
- Economic development

Public participation

Members of the public have a number of opportunities to express their views on particular issues before Council. This includes:

Deputations to Council – With the written permission of the Presiding Member of Council or a committee, a member of the public can address a committee or the Council personally or on behalf of a group of residents for up to 5 minutes on any item that is relevant to that Committee or the Council, depending on the number of deputations scheduled for a particular meeting. If a decision is required from the

deputation, Council seeks a report from administration to be presented at the next appropriate meeting.

Petitions – Written petitions can be addressed to the Council on any issue within the Council's jurisdiction.

Council members – Members of the public can contact members of Council to discuss any issue relevant to Council. Contact details for all elected members are available on Council's website.

Written requests – Members of the public can write to Council on any Council policy, activity or service.

Community consultation

Southern Mallee District Council is committed to open, honest, accountable and responsible decision making. Council's Public consultation policy facilitates effective communication between Council and the community, encouraging community involvement and partnerships in planning and decision making. This policy sets out the steps Council will take in relation to community engagement and ensures that the most cost effective methods of informing and involving the community, which are appropriate for specific circumstances and consultation topics, are used. This document is available via Council's website.

Documents held by Council

Most information and documentation held by Council is available for public viewing and is readily available without recourse to the Freedom of Information Act and we invite you to discuss your information needs with us.

Records system: Council operates an electronic and hardcopy records and document management system for the effective management of Council's records.

Land and property information system: Council's land and property information system contains property related information (valuation, rates, ownership details) on each property in the council area.

Access to documents

Policy documents available for inspection

At the time of publishing this statement the following documents can be accessed from Council's website and are available for public inspection at Council during ordinary business hours. Any new policy adopted by Council after publication of this statement will be similarly available.

- Access to council and committee meetings and documents code of practice (April 2020)
- Annual budget policy (November 2020)
- Asset management and accounting policy (March 2021)

- Building and swimming pool inspection policy (May 2020)
- Caretaker policy (June 2022)
- Community facility usage policy (June 2019)
- Community grants policy (May 2019)
- Complaints handling policy (January 2018)
- Corporate purchase card policy (May 2020)
- Council members conduct complaint handling policy (May 2015)
- Council member training and development (March 2020)
- Council policy framework policy (May 2020)
- Customer experience policy (December 2020)
- Elected members allowance, benefits and general policy (August 2018)
- Elected members legal advice policy (November 2019)
- Elected members recognition of years of service policy (August 2019)
- Election process policy (March 2020)
- Electronic communications policy (February 2021)
- Emergency management policy (August 2020)
- Employee conduct policy (June 2019)
- Flag use policy (October 2021)
- Fraud and corruption prevention policy (June 2022)
- Funding policy (April 2022)
- Hardship policy for residential customers of minor and intermediate water retailers (February 2021)
- Internal financial control policy (June 2022)
- Internal review of a council decision policy (January 2016)
- Media and communications policy (February 2021)
- Memorials and monuments policy (November 2019)
- Open space policy (December 2020)
- Order making policy (March 2020)
- Pinnaroo retirement village policy (April 2020)
- Privacy policy (August 2016)
- Procurement policy (March 2020)
- Prudential management policy (May 2020)
- Public consultation policy (June 2016)
- Public interest disclosure policy (October 2019)
- Rating policy (April 2022)
- Records management elected members policy (December 2015)
- Risk management policy (January 2022)
- Roads policy (December 2020)
- Safe environment for children policy (January 2021)
- Selection of road and public place name policy (March 2020)
- Service range policy (December 2020)
- Treasury management policy (January 2022)

- Tree management policy (March 2022)
- Unreasonable complaints policy (August 2016)
- Venue hire policy (April 2019)
- Volunteer code of conduct policy (January 2022)
- Waste and recycling policy (December 2020)

Other Council documents

Other documents which can be accessed on Council's website include:

- Animal management plans
- Annual business plans
- Annual reports
- Application forms
- Asset management plans
- Audited financial statements
- Committee terms of references
- Confidential items register – retained items
- Confidential items register – released items
- Council and committee agendas and minutes
- Customer charter – water and sewerage services
- Development plan
- Elected members register of interests
- Environmental management plans
- Freedom of information statements
- Gift and benefits register – elected members
- Gift and benefits register – council staff
- Long term financial plan
- Roadside vegetation management plan
- Strategic management plan
- Register of employees' salaries and wages and benefits

The following documents are available for public inspection and purchase from Council's Principal Office, Day Street, Pinnaroo.

- Assessment book
- Voters roll
- Register of public roads and streets

Other information requests

Requests for other information not publicly available will be considered in accordance with the Freedom of Information Act 1991. Under this legislation, applicants seeking access to documents held by Council need to provide sufficient information to enable the correct documents to be identified and must complete the required application form and lodge it at the Council offices.

Applications must be in writing and must specify that it is made under Section 13 of

the Freedom of Information Act 1991. Council has also resolved that the name of the person lodging a request will be made available when undertaking third party consultation unless there is a legal impediment not to do so.

If the documents relate to the applicant's personal affairs, proof of identity may be requested. Requests will be dealt with as soon as practicable (and in any case, within 30 days) after receipt. If documents are being sought on behalf of another person relating to their personal affairs, Council may ask for a consent form signed by that person.

Forms of access may include inspection or copies (subject to copyright laws) of documents, hearing and/or viewing of audio and/or video tapes, transcripts of recorded documents, transcripts of words recorded in shorthand or encoded form, or the reproduction of documents from digitised information.

Council, on receiving a freedom of information application, may assist the applicant to direct the application to another agency or transfer the application to another agency if appropriate.

If Council refuses access to a document, Council must issue a certificate stating why the document is a restricted document.

In rare cases, retrieving the requested information involves considerable staff time. It is important to specify what is required as clearly as possible so staff can assist quickly and efficiently. If extraordinary staff time is required to comply with an information request, charges may apply.

All general enquiries on Freedom of Information Act 1991 issues should be directed to an accredited freedom of information officer.

Amendment to Council records

Under the Freedom of Information Act 1991, persons may request a correction to any information about themselves that is incomplete, incorrect, misleading or out of date.

To gain access to these Council records, a person must complete and lodge with Council an application form as indicated above outlining the records that he/she wishes to inspect.

If it is found that these require amendment, details of the necessary changes are to be lodged with Council's Freedom of Information Officer. There are no fees or charges for the lodgment, or the first two hours of processing of this type of application, and where there is a significant correction of personal records and the mistakes were not the applicant's, any fees and charges paid for the original application will be fully refunded.

Freedom of information application summary

A summary of Freedom of Information applications received as identified in Council's Annual Report.

	17-18	18-19	19-20	20-21	21-22
Applications processed	0	1	2	0	6
Applications determined	0	1	2	0	6
Full release	0	1	2	0	0
Partial release	0	0	0	0	0
Refused access	0	0	0	0	6
Proceeded to internal review	0	0	0	0	0

Freedom of information application fees and processing

Approved application fees are set in the FOI (Fees and Charges) Regulations 2018 and the Fees Notice 2022.

A cheque/money order/cash for the appropriate amount must be forwarded to Council with the freedom of information application. Processing charges may also apply for dealing with the application. These are set in the Freedom of Information Regulations and may include some free time when the request relates to the personal affairs of the applicant.

Schedule	Fees and Charges as at 1 July 2022
On application for access to an agency's documents (section 13(c))	\$39.00
For dealing with an application for access to an agency's documents and in respect of the giving of access to the document (section 19(1)(b) and (c))— (a) In the case of a document that contains information concerning the personal affairs of the applicant— (i) for up to the first 2 hours spent by the agency in dealing with the application and giving access no charge (ii) for each subsequent 15 minutes so spent by the agency	No charge \$14.70 \$14.70
Where access is to be given in the form of a photocopy of the document (per page)	\$0.25
Where access is to be given in the form of a written transcript of words recorded or contained in the document (per page)	\$8.70

Where access is to be given in the form of a copy of a photograph, x-ray, video tape, computer tape or computer disk the actual cost incurred by the agency in producing the copy	The actual cost incurred by the agency in producing the copy
Postage or delivery charges	The actual cost incurred by the agency
An application for review by an agency of a determination made by the agency under Part 3 of the Act	\$39.00

Fees will be waived for disadvantaged persons, as set in the Freedom of Information Regulations. i.e. No fee is required for current concession holders or if payment of the fee would cause financial hardship. At all times Council retains a discretion to waive, reduce or remit a fee for any reason it thinks fit.

If, in the Council's opinion, the cost of dealing with an application is likely to exceed the application fee, an advance deposit may be requested. The request will be accompanied by a notice that sets out the basis on which the amount of the deposit has been calculated. The freedom of information officer will endeavor to work with the applicant to define the scope of the request and the costs involved.

Freedom of information requests to Southern Mallee District Council are to be addressed to:

Accredited Freedom of Information Officer
PO Box 49
PINNAROO SA 5304

To download an application form, please visit:

<http://www.archives.sa.gov.au/content/foi-in-sa>

Schedule 1 – Committees of Council

Council Committees

SCHEDULE 1 – SOUTHERN MALLEE DISTRICT COUNCIL – COMMITTEE STRUCTURE

Name of Committee	Applicable Legislation	Decision Making Authority	Membership	Function
Audit Committee	Local Government Act, 1999 - S126 Established under S41	Advisory Only	<ul style="list-style-type: none"> Independent Chairperson x 1 (<i>payment provided for meeting attendance</i>) Independent Members x 1 Council Members x 3 	<ul style="list-style-type: none"> Plays a critical role in the financial reporting framework of Council by overseeing and monitoring the participation of Management and external auditors in the financial reporting process. Addresses issues such as the approach being adopted by Council and management to address business risks, corporate and financial governance responsibilities and legal Compliance as well as receiving reports from Council's internal controls.
Building Fire Safety Committee	Development Act, 1993 – S71	Delegated Authority	<ul style="list-style-type: none"> Independent Presiding Member x 1 Metropolitan Fire Service representatives Country Fire Service representatives Council appointed authorised officers, 	Responsible for the checking of fire safety provisions in new and existing buildings. Of particular interest to the Committee are those types of buildings that may constitute a high fire safety risk, such as large commercial/industrial buildings, motels and hotels

Council Assessment Panel	Planning Development and Infrastructure Act 2016 S83	Delegated Authority	<ul style="list-style-type: none"> • Elected Member of Council x 1 • Independent Members x 4 	<ul style="list-style-type: none"> • To act as a delegate of the Council in accordance with the requirements of the Development Act during transition from the Development Act to the Act; • Thereafter, to act as a relevant authority under the Act; • To act in accordance with the requirements of this Terms of Reference. • The CAP may provide advice and reports to the Council as it thinks fit on trends, issues and other matters relating to planning or development that have become apparent or arisen through its assessment of development applications; • The CAP may cause an Annual Performance Review (APR) to be undertaken of the CAP, examining the composition of the CAP from a 'needs' perspective, the contribution, behaviour and conduct of CAP Members, the function and procedures of the CAP, and other relevant matters. The outcome of any APR undertaken by the CAP shall be reported to Council within one month of being completed.
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Lameroo Town Centre Plan Project Steering Committee	Local Government Act, 1999 - Established under S41	Advisory Only	<ul style="list-style-type: none"> • Council Members x 2 • Community Members x 6 • Council Staff x 3 	<ul style="list-style-type: none"> • Play a leadership role in the delivery of the Lameroo Town Centre Plan project • Promote and champion the Lameroo Town Centre Plan project • Represent the broad interests of the community and stakeholders • Help ensure effective engagement with the community • Provide advice on project matters such as community engagement, draft documents, plan development, project timelines, media, communications and project direction, as required • Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project • Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.
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Pinnaroo Village Green Masterplan Project Steering Committee	Local Government Act, 1999 - Established under S41	Advisory Only	<ul style="list-style-type: none"> • Council Members x 2 • Community Members x 5 • Council Staff x 3 	<ul style="list-style-type: none"> • Play a leadership role in the delivery of the Pinnaroo Village Green Masterplan project • Promote and champion the Pinnaroo Village Green Masterplan project • Represent the broad interests of the community and stakeholders • Help ensure effective engagement with the community • Provide advice on project matters such as community engagement, draft documents, plan development, project timelines, media, communications and project direction, as required • Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project • Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.
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Business and Visitor Wayfinding Signage Project Steering Committee	Local Government Act, 1999 - Established under S41	Advisory Only	<ul style="list-style-type: none"> • Council Members x 2 • Community Members x 5 • Council Staff x 3 	<ul style="list-style-type: none"> • Play a leadership role in the delivery of the Business and Visitor Wayfinding Signage project • Promote and champion the Business and Visitor Wayfinding Signage project • Represent the broad interests of the community and stakeholders • Help ensure effective engagement with the community • Provide advice on project matters such as community engagement, draft documents, project development, project timelines, media, communications and project direction, as required • Contribute to the successful project delivery through considered, innovative and enthusiastic involvement in the project • Work in a collaborative way with the firm appointed by Council to provide professional expertise and project delivery.
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Council Subsidiaries

SCHEDULE 2 – Southern Mallee District Council – Regional Subsidiary Structure (established under Section 43, Local Government Act 1999)

Name of Regional Subsidiary	Membership	Purpose
Murraylands and Riverland Local Government Association	<ul style="list-style-type: none"> • Berri Barmera Council • Coorong District Council • District Council Karoonda East Murray; • District Council of Loxton Waikerie; • District Council of Mid Murray • District Council of Renmark Paringa; • Rural City of Murray Bridge • Southern Mallee Council 	<ul style="list-style-type: none"> • Undertake coordinating, advocacy and representational roles for its constituent Councils at a regional level. • Facilitate and co-ordinate activities of local government at a regional level related to environment, economic and social development with the object of achieving continuing improvement for the benefit of the communities of its constituent Councils. • Develop, encourage, promote, foster and maintain consultation and cooperation and to strengthen the representation and status of local government when dealing with other levels of government, private enterprise and the community. • Develop further cooperation between its constituent Councils for the benefit of the communities in the region. • Develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities in the region. • Undertake projects that benefit the region and its communities

External committees/boards/ associations

- Local Government Association
- Local Government Finance Authority
- Murraylands and Riverland Landscape Board



THE SOUTHERN MALLEE

You're always welcome

Southern Mallee District Council

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